800

[illegible]RPORATION
[illegible]
[illegible].Y.

E-34

July 3, 1963

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: Mr. P. M. Murphy

Dear Sirs:

[illegible] (Lead-Zinc)
[illegible] Mining Company

Replying to your inquiry of June 25, 1963 [illegible] to advise that in October 1958, Resurrec-[illegible] Co., one of our wholly-owned sub-[illegible] sold to Cadwell Mining Company all of [illegible] properties previously leased to them, apparent-[illegible] the same properties as were subject to [illegible] mentioned contract. The pertinent claims are [illegible] on the attached schedule.

We therefore have no information as to produc-[illegible] from those properties subsequent to that date and accordingly return herewith the forms enclosed with your letter.

Yours very truly,

Jacques L. Leroy
Secretary

Enclosures

Name of Claim	U. S. Survey No.
Hibernian	446
May Queen	448
Amie	351
Dunkin	297
Hugh	14338
Dolphin	719
Gambetta	298
Stray Horse	301 AM
Ida Myne	313
Pittsburgh	422
Part of the May Queen	9583
[illegible]	686
Bullion	387
Spellenti	662
Mytrosper	1844 AM

EXTRA COPY
O. M. E
RECEIVED DEC 3 1962
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

November 29, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-627 (Lead-Zinc)
Contract Idm-E34
Cadwell Mining Company
(Hayden Mine)
Lake County, Colorado

This responds to your memorandum of November 21, 1962 on the subject project. I telephoned Mr. Bud Franz, State Mine Commissioner, and his records show that his last inspection of this property was on September 24, 1957 and that the Cadwell Mining Company was then in possession of the property but were not in production. The Cadwell Mining Company reported to him that they had spent $70,000.00 in improvements and exploration.

Mr. Franz stated that it is his understanding that the Newmont Mining Corporation and ASARCO now have control of the property. At the present time there is not one single mining operation in Lake County, since Climax is shutdown because of the strike.

Is it your thought that at this particular time we should go further into this matter since the termination date for the payment of royalty is June 28, 1963 at which time a thorough inspection will be made?

Original signed by

Hugh M. Connors

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-534, Docket DMA-627 (zinc), dated June 28, 1951, with

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Hayden Mine and the Hibernia and May Queen Claims located in Lake County, Colorado, during the period December 7, 1955, through November 6, 1961.

A certification of discovery or development was issued on December 16, 1954, and, in accordance with Amendment No. 10 and Annex I of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 29, 1954, indicated accepted costs under the exploration contract amounting to $42,659.52 with the Government's contribution, on a 50 percent basis, being $21,329.76.

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

This review established no sales of production subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to Government royalty through December 6, 1955, to be $27,685.64. The royalty account as of December 6, 1955, was:

Total Royalty Payable	$1,355.43
Total Royalty Paid	1,355.78
Overpayment of Royalty	$ .35

At November 6, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$1,355.43
Total Royalty Paid	1,355.78
Overpayment of Royalty	$ .35

November 8, 1961

E. D. Talbert, OME Auditor

Idm-834 Cadwell Mining Company DMA-627

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The Operator produced and shipped from the two claims (Hibernia and May Queen) under the exploration project contract during the period from June 1952 through April 1955. Thereafter, from June 1955 to November 16, 1955, a sub-lessee by the name of James Roberts shipped from the Hibernia Claim. A prior Royalty Audit Certificate and a Report of Royalty Review covered all of these sales of ores containing lead, zinc, silver, gold, and minor amounts of copper. A summary of these shipments to the Resurrection Mining Company and the American Smelting and Refining Co., both of Leadville, Colorado, follows:

Shipper Purchaser	Cadwell A.S.&R.	Cadwell Resurrection	Roberts Resurrection	Totals
Short Dry Tons	291.2090	644.0540	376.7575	1,312.0205
Gross Value	$3,703.14	$15,824.65	$9,529.96	$29,057.73
Deductions	355.49	623.53	393.25	1,372.09
Proceeds	$3,347.65	$15,201.28	$9,136.71	$27,685.64
Royalty Due	$ 149.62	$ 760.07	$ 445.74	$ 1,355.43
Royalty Paid	149.62	760.07	446.09	1,355.78

Royalty was not deducted by the purchasers. All royalty remittances, both for its own and the sub-lessee's shipments, were made by the Operator. The overpayment of $.35 was made on mine lot H-4, settlement date September 29, 1955.

The files indicate that, although operations have been carried on and shipments have been made from other portions of the Hayden Mine, the claims under the exploration project have been inactive since 1955.

Under the terms of Annex I, attached to and made a part of Amendment No. 10, the royalty provisions of the contract were revised and the royalty expiration date extended to twelve years. However, the Landlord's Subordination Agreement, executed July 23, 1951, by the Resurrection Mining Company, specifically limits the owner's subordination of interests to 10 years from the date of the exploration project contract.

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

(a) The files indicate that all production from the claims under the contract has been accounted for and property royalty thereon, except as indicated, has been paid;

(b) No ore has been produced from the claims under the contract since 1955; and

(c) 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 additional royalty which might be disclosed.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Mr. S. C. Phillips -- Cadwell Mining Co.

Box 803

Cortez, Colorado

Contract No.	Docket No.
Idm-E34	DMEA 627

Prepared by (Signature)	Date
Hugh M. Connors	11-6-61

Yes	No	
		1. (a) Does the Operator stockpile ore subject to royalty repayment?
		(b) If so, is segregation and identification procedure adequate?
		2. (a) Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b) If so, is the allocation of the commingled production equitable?
		3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
		(b) If so, are adequate records maintained on such material to protect the Government's interest?
		4. Are the assay controls in effect adequate?
		5. Does the manner of disposing of production give the Government its fair royalty returns?
		6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
		7. Does the Operator buy from or sell to other Operators?

8. Current status of property. (Check one).

	Operating.
X	Inactive.
	Abandoned.

12-6-55 Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

84861-60

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED NOV 20 1961		
DATE	INITIALS	CODE
		800

November 15, 1961

Memorandum

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

From: Acting Field Officer, OMM, Region III

Subject: DMA-687 (Xlmc)
Contract Ldm E34
Caldwell Mining Company
(Hayden Mine)
Lake County, Colorado

Enclosed is the original of the Report of Royalty Review on the subject property dated November 8, 1961 covering the period December 7, 1955, through November 6, 1961.

Original signed by

Hugh M. Connors

Attachment
HMC/lm
cc Chief, Division of Field Operations, OMM
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E34
Chron

NOV 8 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMA-627 (Zinc)
Cadwell Mining Company
Hayden Mine
Lake County, Colorado
Contract Idm-834

The original and one copy of a Report of Royalty Review covering the subject contract are attached. 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.

Attachments

EDTalbert/ama
November 8, 1961

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

NOV 1 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMA-627 (Lead-Zinc)
Cadwell Mining Company
Hayden Shaft
Lake County, Colorado
Contract Idm-534

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since 1955. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama
November 1, 1961

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
MAY 10 1956

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, Denver, Colorado, pertaining to Contract IDMA-N34, Docket No. DMA-627, dated June 28, 1951, as amended, with

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

for the purpose of determining the amount of royalties due the United States Government on sales of gold, silver, lead and zinc ores from property referred to as the Hayden Shaft, located in Lake County, Colorado, near Leadville, during the period June 28, 1951 to December 6, 1955.

A Certification of Discovery or Development was issued December 16, 1954, and in accordance with the contract, royalty is payable on the gross revenue from sales realized from all production from the land described in Article 2 of the contract during a maximum period of twelve years from the date of the contract.

A Report of Review in lieu of a final audit dated November 29, 1954, indicated total accepted costs under the exploration contract amount to $42,659.52, with the Government's contribution on a 50 percent basis being $21,329.76.

My review included a conference with Mr. Robert L. Bolmer, Mining Engineer, Bureau of Mines, Denver, Colorado, who recently made an examination of the project.

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

(a) This account was previously audited by Mr. Donald T. Finch, DMEA Auditor, as indicated by his first royalty audit report dated December 20, 1954, for the period June 28, 1951 to October 30, 1954.

(b) The examining engineer is of the opinion that sales of all ore produced during the period June 28, 1951 to December 6, 1955, for which settlement sheets have been released, have been properly accounted for.

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

The review established the total net sale of gold, silver, lead and zinc ores to be $27,685.64. Royalty due the United States Government at established contract rates is $1,355.43. The royalty paid and the balance of overpayment follows:

Total Royalties Paid	$1,355.78
Total Royalties Due	1,355.43
Royalties Overpaid	$ 0.35

May 7, 1956

T. H. Brading, Auditor

RECEIVED
MAY 1 0 1956

CAUWELL MINING COMPANY

Contract IDMA-E3A

Docket No. IMA-627

BALANCE OF ROYALTIES OVERPAID

Lot No. H-4	Total Net Value $1,928.60 @ 5%	$96.43
	Royalties Paid	96.78
	Royalties Overpaid	$ 0.35

RECEIVED
MAY 10 1956
RECEIVED
APR 23 1956

Check Sheet of Examining Engineer

Operator's Name Cadwell Mining Company

Address 2450 Kendall Street

Edgewater, Colorado

Exploration Contract No. IMA-834 Docket No. IMA-627

		Check One Yes	No
1. (a)	Does the Operator stockpile ore subject to royalty repayment?		X
(b)	If so, is segregation and identification procedure adequate?		
2. (a)	Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b)	If so, do you consider the allocation of the comingled production equitable?		
3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b)	If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7.	Does the Operator buy from or sell to other Operators?	X	

8. Comment on any item 2 (b) to 6 if answer is No.

R. L. Bolmer

Date April 18, 1956

Mining Engineer
R. L. Bolmer

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

Mr. Thomas K. Bunding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Royalty Review
Yam-514, DMA-627
Cadwell Mining Company

Dear Mr. Bunding:

Receipt is acknowledged of your corrected Report of Royalty Review covering the above-cited project.

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
May 10, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

APR 23 1956

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

Re: Report of Royalty Review
Idm-534, DMA-627
Cadwell Mining Company

Dear Mr. Brading:

The recently received copies of your Report of Royalty Review, covering the referenced project, are returned herewith for revision as indicated below:

1. The period covered by the review should be indicated in the first paragraph.

2. Royalty is payable on "gross revenue from sales" and not "net proceeds", as stated in the second paragraph. (See Art. a of Annex I.)

3. Royalty is payable on all production from the land described in Article 2 of the contract and not just "production as a result of such discovery or development" as also stated in the second paragraph. (See Art. b of Annex I.)

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
April 23, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of Treasury 413 Regional Disbursing Office Denver Colo.
(Name, title, and disbursing or other identification symbol of accountable officer)

1/13/56
(Date sent)

DEPOSIT NO. 14-23-040-82

deposited with Federal Reserve Bank of Kansas City Mo. Denver Colo.
(Name and location of depositary)

$ 1,479.62

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		1,479.62

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Custom House
Denver 2 Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

L Jones
(Authorized signature)

JAN 13 1956
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

NAVAL BRANCH

1955 JAN 13 PM 12 40

MAIL DEPT

1 E 671	Holly (Four Corners)	1090.60
1 E 452	Uran Div.	101.42
1 E 703	Neptune	27.93
1 E 317	Sam Knight	82.32
1 E 34	Cadwell	118.74
1 E 445	Boomerang	58,61
		1479.62

For Certificate of Deposit No. 63, dated November 16, 1955, giving royalty repayment of $357.89, see E-4.

For Certificate of Deposit No. 30, dated September 6, 1955, giving royalty repayment of $241.30, see E-4.

C
O
P
Y

CADWELL MINING COMPANY

Field Office
Leadville, Colorado

2295 Cody Street
Denver 15, Colorado

July 1, 1955

United States Dept. of the Int.
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Att: W. M. Traver

Re: Royalty Payments, DMEA Docket 627 (Lead-Zinc), Contract I-DMA-34, Cadwell Mining Company, Lake County, Colorado.

Gentlemen:

Our former Secretary-Treasurer has not taken care of the matter shown above and since his resignation, I am trying to piece together and gather many matters that he had overlooked. To date I have not found the copies necessary for me to complete these figures.

I am very sorry that these royalties to you have not been paid, and just as soon as possible, within this following week, we will make the settlement.

We will thank you for allowing us this time.

Yours very truly,

S. C. Phillips, President

/s/ Mrs. Norma P. Dougherty

Mrs. Norma P. Dougherty, Act. Sec'y.

CADWELL MINING COMPANY

Field Office
Leadville, Colorado

1295 Cody Street
Denver 23, Colorado

July 1, 1955

United States Dept. of the Int.
Defense Minerals Exploration Adm.
224 Nor Centennial
Denver 2, Colorado

Att: E. H. Beaver

Re: Royalty Payments, DMEA Project 227
(Lead-Zinc), Contract I-DMA-34,
Cadwell Mining Company, Inc.
County, Colorado.

Gentlemen:

Our former Secretary-Treasurer has not taken care of the matter shown above and since his resignation, I am trying to piece together and gather many matters that he had overlooked. To date I have not found the copies necessary for me to complete these figures.

I am very sorry that these royalties to you have not been paid, and just as soon as possible, within this following week, we will make the settlement.

We will thank you for allowing us this time.

Yours very truly,

S. O. Ballifee, President

/s/ Mrs. Norma J. Dougherty

Mrs. Norma J. Dougherty, Act. Secy.

C
O
P
Y

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

224 New Customhouse
Denver 2, Colorado

June 24, 1955

REGISTERED

Mr. S. C. Phillips, President
Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

Re: Royalty Payments, DMEA Docket 627 (Lead-Zinc), Contract I-DMA-E34, Cadwell Mining Company, Lake County, Colorado

Dear Mr. Phillips:

To date we have received no reply to our letters dated April 13, 1955, April 26, 1955 and May 17, 1955, in each of which we requested payment of DMEA royalties due. Subsequent to our May 17, 1955 letter we received settlement sheets for Lot.No. H-12. We note that you have used the same lot number (H-12) for a shipment made to the American Smelting and Refining Co. on April 3, 1955 and to the Resurection Mill on May 25, 1955. We understand that a similar double shipment was made under Lot No. H-15 although we have not as yet received settlement sheets for Lot No. H-15 to the Resurection Mill.

A recapitulation of royalties due to date on production under DMEA Contract I-DMA-E34 is as follows:

Lot No.		Royalty Due
H-10	Resurrection Mill	$ 76.87
H-11	American Smelting & Refining Co.	41.06
H-12	American Smelting & Refining Co.	44.35
H-12(Correction)	American Smelting & Ref. Co.	5.80
H-12	Resurrection Mill	14.81
H-13	American Smelting & Refining Co.	6.25
H-14	American Smelting & Refining Co.	28.49
H-15	American Smelting & Refining Co.	23.67
	Total Due	$241.30

This letter will constitute a formal demand for royalty payment in the amount of $241.30 which is considerably overdue.

Make your check payable to the Defense Minerals Administration and send to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado. Please also send us four copies of settlement sheet for Lot No. H-15 (Resurrection Mill) and payment for DMEA and Leadville Drainage Tunnel royalties on this shipment.

DMEA royalty is normally due at the time you receive settlement from the mill or smelter and we would appreciate your efforts to keep this account current.

Yours very truly,

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

May 17, 1955

Mr. S. C. Phillips, President
Cadwell Mining Company, Inc.
2450 Kendall Street
Edgewater, Colorado

Re: Docket DMA-627 (Lead-Zinc)
Contract I-DMA-E34

Dear Mr. Phillips:

Your attention is directed to the provision under Article 13 of Exploration Project Contract form MF-200 (April, 1951) on which Contract I-DMA-E34 is prepared relative to your rendering of the comprehensive geologic and engineering report pertaining to work completed under the contract.

We are desirous of closing this account at an early date, therefore we will appreciate your prompt attention to the rendering of the required report. Five copies of your report are to be submitted instead of the four copies as mentioned under Article 13 of the contract form.

Very truly yours,

W. M. TRAVER,

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

JWT:sr

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

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-23-040-100

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo. 4/27/[redacted]
(Name and location of depositary) (Date sent)

$300.91

the sum shown opposite for credit, subject to check, in the disbursing account of—

SYMBOL NO.
413

C. E. Evans, R.D.O., Denver, Colo.
(Name and address of officer to be credited)

On account of— 14X4401

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

C. De Jarnette
(Authorized signature)

APR 27 1955
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

Cadwell Mining E-34 300.91

DENVER BRANCH

1955 APR 27 AM 10 42

MAIL DEPT.

RECEIVED

APR 27 1955

C. E. EVANS, Reg'l D.O.

U. S. Treas. Dept.,

Denver

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6596)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-23-040-62

Deposited with Federal Reserve Bank of Kansas City, Mo., 3/16/55
(Name and location of depositary) Denver, Colo. (Date sent)

$ 4,281.01

the sum shown opposite for credit, subject to check, in the disbursing account of—

SYMBOL NO.
413

C. E. Evans, RDO, Denver, Colo.
(Name and address of officer to be credited)

On account of—
14X4401

E-34

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

MAR 16 [illegible]

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

Idm E-34	Cadwell Mining	91.32
Idm E-360	U.S.Smelting	3.00
Idm E-333	Geo. Jump	272.30
Idm E-36	Boulder Tungsten	163.69
Idm E-649	Camoose Uranium	3,750.70

Form I-1017 Rev.
Form approved by
Comp. Gen., U.S.
August 20, 1951

DEPARTMENT OF THE INTERIOR

VOUCHER AND SCHEDULE OF PAYMENTS

Sheet 1 of 1

Bureau or Office: Defense Minerals Exploration Administration

Location of Transmitting Office: 224 New Customhouse, Denver 2, Colo.

Station No.: 14-23-040

D. O. Symbol: 413

Appropriation Summary: (Symbol and amount)

14X4401 - 1.80

D. O. Voucher No.

Bu. Schedule No. DMA-55-52

PAID BY

(For use of paying office)

(1) Bureau Voucher No.	(2) Payee, and if necessary, address, invoice no., or other identification	(3) AMOUNT	(4) D. O. Check No.
	Cadwell Mining Company 2450 Kendall Street Edgewater, Colorado Contract Idm E-34 - Refund of Royalty Overpayment	1.80	
	TOTAL	1.80	

Pursuant to authority vested in me, I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

1/12/55
(Date)

Randel R. Cooper (Authorized Certifying Officer)

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

224 New Customhouse
Denver 2, Colorado

January 6, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA 627 (Lead-Zinc), Contract I-DMA-E34, Cadwell Mining Co., Lake County, Colorado

Reference is made to the royalty audit and certificate by the Contract Administration and Audit Division dated December 20, 1954 relative to royalties paid the Government under the subject account.

The royalty audit and certificate indicates that the operator has overpaid the Government the amount of $1.80, therefore we recommend that a voucher be drawn to refund to them that amount.

When the refund has been effected please furnish this office with a copy of your schedule.

W. H. King

ADMINISTRATIVE OFFICE
REGION III
JAN 6 1955
BUREAU OF MINES
DENVER, COLORADO

Defense Minerals Exploration Administration
Contract Administration and Audit Division

First Royalty Audit Certificate

I have examined the records and sales documents pertaining to the sale of Gold, Silver, Copper, Lead and Zinc ores for the period July 3, 1952 to October 30, 1954 by

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

produced from the Hayden Shaft located in Lake County, Colorado, near Leadville, under the terms of Contract I-DMA-234, Docket No. DMA 627.

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

The audit established the total net sales of Gold, Silver, Copper, Lead and Zinc ores for this period to be $4,912.32. Royalty on these sales is due the U.S. Government at the contract rate of 5%. Royalty received on these sales is $1.80 in excess of the amount due. The royalty paid and balance of overpayment follows:

Total Royalties Paid	$247.42	
Total Royalties Due	245.62	
Balance (Overpayment)		$1.80

Dated: December 20, 1954

Donald T. Finch
Donald T. Finch
Auditor

Colorado Minerals Administration
RECEIVED

First Royalty Audit Report

I. Introduction

On December 1, 1954, an audit of royalty payments received covering the period July 3, 1953 to October 30, 1954, was made of the production records and ore sales accounts pertaining to Contract I-DMA-E34, Docket DMA 627, with the

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

covering a project of exploration for Zinc ore on property known as the Hayden Shaft, located in Lake County, Colorado, near Leadville.

The production records and ore sales amounts pertaining to this contract are in the possession of Mr. Albert W. Steeber who resides at 2515 Eaton Street, Edgewater, Colorado. Mr. Steeber is also employed by the Rio Grande Fuel Company and may be contacted at its office at West 2nd Avenue and Santa Fe Drive, Denver, Colorado.

During the course of the audit Mr. Steeber was consulted when necessary.

Mr. W.M. Traver, Chief, Mineral Resources Branch, Mining Division, and Mr. M. H. Salsbury, Mining Engineer, U.S.B.M., were both of material assistance in connection with this audit.

II. General Information

This royalty audit was made simultaneously with a Report of Review dated November 29, 1954, issued in connection with the termination of the Exploration Contract. At the time of this audit no Certificate of Discovery had been issued. It is understood that the issuance of a Certificate of Discovery has been recommended and is in process at the present time.

The total accepted cost of the Exploration Project was $42,659.52, in which the Government participated 50% or $21,329.76.

Gold, Silver, Lead, Zinc, and minor amounts of Copper are involved in the production and sales of ores subject to royalty repayments.

Production subject to D.M.E.A. repayment royalties under this contract is limited to production from two patented mining claims known as Hibernian, U.S.M.S. No. 466, and May Queen, U.S.M.S. No. 448. Production involved in this audit was incidental to the exploration operations.

The Cadwell Mining Company has some production from several other claims which, while not subject to D.M.E.A. royalty, are subject to U.S.B.M.

royalties in connection with the Leadville Drainage Tunnel project of the Bureau of Mines.

During the period July 3, 1952 to October 30, 1954, the company sold a total of 18 shipments of ore to the Resurrection Mining Company, operators of a concentrator at Leadville, Colorado. All of these shipments, which totalled 687.7655 dry weight tons, were subject to U.S.B.M. royalties. Only six of these shipments, which totalled 192.7155 dry weight tons, were subject to D.M.E.A. repayment royalties.

The Executive Officer of the D.M.E.A. Field Team, Region IV, is also Chief of the Mining Division, U.S. Bureau of Mines, Region IV.

In his dual capacity in this case he has received copies of settlement sheets for all purchases by the Resurrection Mining Company from the Cadwell Mining Company. He has also received periodic inspection reports from the Chief, Mineral Resources Branch, Mining Division, Region IV, U.S.B.M.

Periodic inspections are made of the mining operations and production including confirmation of purchase records of the Resurrection Mining Company. These inspections by representatives of U.S.B.M. are made every 30 to 60 days and are made to confirm that all production subject to Government royalties, either U.S.B.M. or D.M.E.A. or both, are properly accounted for.

For example, Mr. Salsbury, Mining Engineer, advised the Auditor his last physical inspection of the Cadwell Mining Company property was made August 25, 1954 and at that time he examined the records of the Resurrection Mining Company purchases of ore from the Cadwell Mining Company.

Mr. W.M. Traver, Chief of the Mineral Resources Branch, U.S.B.M., Region IV, advised me that he made the same detailed type of examination on October 21, 1954.

Both of the above representatives of the Bureau of Mines were of the definite opinion that all production of the Cadwell Mining Company that is subject to D.M.E.A. royalties is being properly accounted for.

Accounting records submitted by the Cadwell Mining Company for examination both for exploration operations and for production and sales have been more or less informal memoranda and work sheet summaries. So long as operations are in the development stage such memoranda records are adequate. Should volume of production increase these records would be considered inadequate.

Production records submitted for this royalty audit consisted of an abstract summary sheet of total production and sales of ore for the period July 3, 1952 to October 30, 1954. This record has been reconciled in detail with the copies of settlement sheets and inspection reports which are on file in the Office of the Chief of the Mining Division, U.S. Bureau of Mines, Region IV, who is, as previously stated, also Executive Officer of the D.M.E.A. Field Team, Region IV.

III. Scope of Audit and Findings

The audit was limited to determining the accuracy and propriety of royalty payments received by the Finance Officer during the period July 3, 1952 to October 30, 1954, and a determination that all indicated sales of ores subject to repayment royalties under the exploration contract and amendments, for which settlement sheets had been released, have been properly accounted for.

The extent of the audit and the findings follow.

A. Conference with the Examining Engineer, U.S.B.M.

This conference disclosed the following:

The operator does not stockpile ore subject to D.M.E.A. repayment royalties; neither are low grade ores, tailings or middlings stockpiled.

The operator does not commingle ores subject to D.M.E.A. repayment royalties with other production. Other production is from different sites than those involved in the exploration contract.

The assay controls in effect are considered adequate.

The manner of disposing of production is considered as giving the Government its fair royalty returns.

Periodic examinations indicate the operator is properly reporting the production of ores subject to D.M.E.A. repayment royalties.

There has been no indication that sales of ores have been made by the operator to other than the Resurrection Mining Company at Leadville, Colorado.

B. Audit of Settlement Statements.

During the audit, a statement of royalty payments received (Schedule 1) was prepared from copies of settlement sheets received by the Executive Officer, D.M.E.A. Field Team, Region IV. This statement is made a part of this report.

All data shown on Schedule 1 was confirmed by detailed recomputation. This data was also reconciled with the Abstract of Production submitted by the Cadwell Mining Company for audit.

Deductions allowed consisted of transportation charges and Federal tax thereon paid by the purchaser to Fonall Transportation Co. and Control Assay Fees paid to W.H. Smith. These payments were deducted from the gross purchase prices paid for ores received. A tabulation of these deductions follows:

Transportation	$156.36	
3% Federal Tax	4.70	
Assay Fees	33.50	
Total Allowable Deductions		$194.56

The settlement sheet dated February 24-27, Purchaser's No. 5094, Operator's No. H1, reflects an overpayment for D.M.E.A. royalty of $1.80.

The Executive Officer's copy of the settlement sheet showed a smelter value of $451.34. This figure properly computed shows $415.34. The latter figure was used by the purchaser in effecting net settlement.

The Executive Officer of the D.M.E.A. Field Team, Region IV, in a letter dated July 1, 1954 addressed to the Cadwell Mining Company, submits a tabulation of "Royalties Due", "Royalties Paid", and "Balance Due". This letter which requested payment of the "Balance Due", through oversight computed royalties due on this settlement sheet using the erroneous amount. The company paid the amount requested in the Executive Officer's letter with the result that there is an overpayment received of 5% of $36.00 or $1.80.

IV. Conclusions

Analysis of the operator's production subject to D.M.E.A. royalties follows:

Gross Weight	416,960 lbs.
Average Percent of Water	7.56%
Weight of Water	31,529 lbs.
Net Dry Weight	385,431 lbs.
Tons Dry Weight	192.7155 Tons
Gross Value Net of Treatment	$5,106.88
Allowable Deductions	194.56
Net Value	$4,912.32

Average Value Per Ton (Dry Weight)		$26.49	
Royalty Percentage		5%	
Royalties Due	$245.62		
Royalties Received	247.42		
Overpayment			$1.80

The audit has confirmed the accuracy and propriety of the royalty payments received by the Finance Officer during the period July 5, 1952 to October 30, 1954. It has also determined that all indicated sales of ores subject to D.M.E.A. royalties under the exploration contract, for which settlement sheets have been released, have been properly accounted for except the overpayment discussed in the previous section of this report.

Dated: December 20, 1954

Donald T. Finch

Donald T. Finch

Statement of Royalty Payments Received
Cadwell Mining Company
Exploration Contract I-[illegible]-K34, Docket [illegible] No. 687
Schedule No. 1

Date	Smelter's Lot No.	Producer's Lot No.	Gross Weight Pounds	Dry Weight Pounds	Dry Weight Tons	Proceeds Net of Treatment Charge	Deductions Allowed	Deductions Disallowed	Net Proceeds	Net Value Per Ton	Royalty Percentage	Royalty Due	Royalty Received	Balance Royalty Due
Ressurection Mining Company														
1952														
July 3	4291	1	114,030	110,723	55.3615	$1,270.55	$44.04		$1,226.51	$22.16	5%	$ 61.33	$ 61.33	
Sept. 22	4413	2	87,770	83,645	41.8225	1,269.73	39.40		1,230.33	29.42	5%	61.52	61.79	$ (.27)
1954														
Feb. 24 - 27	5094	H-1	35,470	31,888	15.9440	415.34	20.70		394.64	24.75	5%	19.73	21.53	(1.80)
Mar. 5 - 17	5110	H-2	64,350	57,772	28.8860	843.47	31.94		811.53	28.09	5%	40.58	40.31	.27
Mar. 22 - 30	5134	H-3	56,530	49,181	24.5905	516.89	28.84		488.05	19.85	5%	24.40	24.40	
Apr. 13 - 30	5169	H-4	58,610	52,222	26.1110	790.90	29.64		761.26	29.15	5%	38.06	38.06	
			416,960	385,431	192.7155	$5,106.88	$194.56		$4,912.32			$245.62	$247.42	$(1.80)

( ) = Red Figure

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

JAN - 3 1955

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: DMA-627, Idm-E34
Cadwell Mining Company
Lake County, Colorado

Dear Mr. Finch:

Receipt is acknowledged of your First Royalty Audit Certificate and Report covering the above-cited Exploration Project Contract.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) E. D. Talbert

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

WBorovies/wb
January 3, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-25-040-4

Deposited with The Federal Reserve Bank of Kansas City (Name and location of depositary) July 16, 1954 (Date sent)
Denver, Colo.

the sum shown opposite for credit, subject to check, in the disbursing account of—

$ 765.76

SYMBOL NO. 415

C. E. EVANS, 363 New Customhouse Denver 2, Colorado
(Name and address of officer to be credited)

On account of—

14X4401

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bill Thoas
(Authorized signature)

JUL 16 1954
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

Eureka Tungsten	E-53	100.94
Boulder "	E-36	77.41
Cadwell	E-34	124.30
Coldspring	E-54	169.71
Geo. Jump	E-333	293.40

Received in Account of
A. E. Evans, NDO
1954 JUL 19 PM 12 18
COLL BR.

90

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

34. 0.

SCHEDULE OF COLLECTIONS

Schedule No. DMA-C-20

Sheet No. 1

(14-23-040)

Department of Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. E. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period October 1952 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
10/1/52	7668	Resurrection Mining Company, Leadville, Colo	Repayment under the Mineral Exploration Program, Cadwell Mining Company E-34	196.99	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	196.99	

Received ....., subject to collection.

Forwarded October 2, 1952

(Disbursing clerk or accountable officer)

By .....

By .....
Naomi E. Stokes (Name)
Title Authorized Certifying Officer

Certificate of Deposit No. ..... dated .....

U. S. GOVERNMENT PRINTING OFFICE 10—1790

Standard Form No. 1097a—Rev.
Form prescribed by
Comptroller General, U. S.
March 17, 1952
(General Regulations No. 116)

VOUCHER AND SCHEDULE TO EFFECT CORRECTION OF ERRORS

Mon. Library

D. O. No. .....

Bu. No. D-53-592

OFFICE OR OFFICER EFFECTING ADJUSTMENT

To C. E. Evans, R. D. O.

363 New Customhouse, Denver, Colorado

Insert name and address of disbursing officer, or Administrative Finance Section, General Accounting Office, or Division of Bookkeeping and Warrants, Treasury Department.

WITHDRAW FROM—			PAY TO—		
DEPARTMENT OR BUREAU	Interior Defense Minerals Exploration Admin.		DEPARTMENT OR BUREAU	Interior Mines (14-09-040)	
D. O. SYMBOL	EXPENDITURE OR RECEIPT ACCOUNT(S) *(Symbol Only)*	AMOUNT	D. O. SYMBOL	EXPENDITURE OR RECEIPT ACCOUNT(S) *(Symbol Only)*	AMOUNT
413	14X4401	73.87	413	14X6875	.87

REFERENCES (*Cite voucher, schedule, summary, C/D, D. O. Symbol, etc., and period of account in which error occurred*):

REASON FOR ADJUSTMENT: Erroneous credit to appropriation symbol 14X4401. To be held in suspense pending receipt of information for disposition of this credit item.

See Schedule of Collections DMA-C-20, Cadwell Mining Co. This schedule included royalty payment of $73.87 due the Leadville Tunnel.

AGENCY Department of Interior
Bureau of Mines, Region IV

Certified correct for adjustment as stated:

2/3/53
(Date)

MEMORANDUM

Naomi E. Stokes
(Administrative or Authorized Certifying Officer)

FOR USE OF GENERAL ACCOUNTING OFFICE AND TREASURY DEPARTMENT.

Paid by
Check No. ..... Dated ..... C/D No. ..... Dated .....

Credited by Special Entry No. ..... Dated .....

U. S. GOVERNMENT PRINTING OFFICE 16—38392a-3

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

pertaining to Exploration Project Contract No. Idm-E34, Docket No. DMA 627, including Amendments Nos. 1 through 10, for the period June 28, 1951, to November 1, 1954, covering a project for exploration of zinc ore on property known as Hayden Shaft, located in Lake County near Leadville, 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 of the 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) All costs incurred have been previously audited (see Second Interim Audit covering period June 28, 1951 to November 30, 1952, dated December 3, 1953, by Donald T. Finch, DMEA Auditor.)

(b) No exploration work under the contract was done by the Operator subsequent to November 30, 1952, and review involved only examination of Amendment No. 10 to the contract and Liquidation Settlement approved November 1, 1954.

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

Total cost as billed by Contractor:		$43,161.75
Less: Proceeds from Property Disposition:		481.28
Net cost as claimed by Contractor:		$42,680.47
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$20.95	
Herewith	None	20.95
Total Accepted Cost		$42,659.52

The contract calls for a 50% participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-One Thousand Three-Hundred-Twenty-Nine and 76/100ths Dollars

- $21,329.76 -

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

Dated: November 29, 1954

Donald T. Finch

Donald T. Finch, Auditor

SCHEDULE OF EXCEPTIONS

Cadwell Mining Company | Docket DMA 627 | Contract Idm-E34

By DMEA Finance Officer:
(See Second Interim Audit Report)

Depreciation claimed by operator for use of air compressor and receiver during November, 1952. Supervising Engineer reported this equipment was not used for the project in November, 1952.	$15.59
Payroll Taxes applicable to payroll which had been previously disallowed and payroll claim adjusted by operator.	5.32
Mill adjustment or "Breakage"	.04
Total Exceptions	$20.95

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

DEC - 7 1954

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Idm-E34, DMA-627
Cadwell Mining Company

Dear Mr. Finch:

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) E. D. Talbert

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

WBorovies/wb
December 6, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with The Federal Reserve Bank of Kansas City (Name and location of depositary) Nov. 3, 1954 (Date sent)

DEPOSIT NO. 14-23-040-45

$ 249.84

the sum shown opposite for credit, subject to check, in the disbursing account of—

C. E. EVANS, 363 New Customhouse Denver 2, Colorado
(Name and address of officer to be credited)

SYMBOL NO. 413

On account of— 1144401

E-2.04

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Received in Accounts of C. E. Evans, RDO Denver, Colo. NOV 5 1954 COLL. BR.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

NOV 3 1954
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

pertaining to Exploration Contract I-DMA-834, Docket No. DMA 627, including Amendments Nos. 1 through No. 9, covering a project of exploration for zinc ore, located in Lake County near Leadville, Colorado, and commonly known as the Hayden Shaft, for the period June 28, 1951 to November 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 per MF-104		$43101.75
Exceptions:		
Prior to Audit	$20.91	
This Audit	None	20.91
Total Accepted Cost		$43142.84

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 Twenty-One Thousand Five Hundred Seventy and 42/100 Dollars

-$21,570.42-

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: December 3, 1953

Donald T. Finch

Donald T. Finch, Auditor

SECOND INTERIM AUDIT REPORT

I. INTRODUCTION

On November 30, and December 1, 1953, a second interim audit (covering the period June 28, 1951 to November 30, 1952) was made of the records and accounts of operations pertaining to Contract I-DMA-E34, Docket No. DMA 627, including Amendments Nos. 1 through 9 with the

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

covering a project of exploration for zinc ore located in Lake County, near Leadville, Colorado and generally known as the Hayden Shaft.

The accounting records pertaining to this contract are in the possession of Mr. E. W. Lumberg, Secretary and Treasurer of the company who is also a bookkeeper at the First National Bank of Denver, Colorado. Mr. Lumberg submitted the available records to the DMEA office and was available for consultation when necessary.

II. GENERAL INFORMATION ON RECORDS

The source documents covering the costs of this project are recorded on Monthly Summary sheets which are the basis for the preparation of the Monthly MF-104 Reports. This audit, therefore, involved in general, a check of the source documents against the Monthly Summary sheets and reconciliation of these sheets with the corresponding MF-104 reports. Costs are recorded on a combination of 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 November, 1952.

In view of the previous audit covering the period June 28, 1951 to June 28, 1952, except as otherwise indicated, this audit was restricted to the costs claimed by the Operator since that later date. This operator ceased authorized exploration operations in November, 1952. (See Amendment No. 9 to the Exploration Contract)

The first interim audit report reflected unadjusted disallowances totaling $1808.05. During the period June 29 to November 30, 1952, the Certifying Officer made additional disallowances amounting to $608.59. The Operator has adjusted its totals to date for all of these disallowances except two; totaling $20.91 applicable to the November 1952 MF-104.

Because of the volume of these disallowances and the Operator's method of bookkeeping, it was necessary to make complete and detailed analyses of all elements of costs for the period June 29 to November 30, 1952. The major portion of these analyses required three days. This audit report reflects corrections in accounting distribution for the entire period June 28, 1951 to November 30, 1952.

The extent of the audit and the findings under each of the "Items of Cost" follow:

(1) Independent Contracts

Not applicable.

(2) Labor and Supervision

(A) Labor

All charges under this item for the period June 29 to November 30, 1952, were checked against the recordings on the Monthly Summaries and against the Payroll sheets. The number of employees and rates of pay were within the limits authorized by the Exploration Contract and Amendments. All payroll extensions for the months of July and September were recomputed.

The acceptable total charges for Labor as of November 30, 1952 are as follows:

Balance June 28, 1952 per Previous Audit Report	$14275.26
Period June 29 to November 30, 1952	4633.07
Acceptable Total	$18908.33

(B) Supervision

All charges for this item for the period June 29, to November 30, 1952 were recorded on the monthly payrolls which were examined. These charges represent the salary of a working foreman at a rate authorized by the contract.

The acceptable total charges for Supervision as of November 30, 1952 are as follows:

Balance June 28, 1952 per previous Audit Report	$5004.00
Period June 29 to November 30, 1952	2612.03
Acceptable Total November 30, 1952	$7616.03

(C) Technical Services

Not applicable.

(3) Operating Materials and Supplies

All charges for operating materials and supplies for the period June 29 to November 30, 1952 were supported by invoices which were examined. An analysis of these charges follows:

	Balance June 28, 1952 per Previous Audit Report	Period June 29 to November 30, 1952	Accepted Totals
Timber	$1625.08	$182.21	$1807.29
Explosives	1113.60	470.75	1584.35
Pipe	455.01	---	455.01
Track	828.40	---	828.40
Other Supplies	3239.94		3239.94
Transportation of Supplies	164.20	10.11	174.31
Small Tools & Miscel. Supplies		91.20	91.20
Fuel & Compressor Oil		23.39	23.39
Vent Tube		483.48	483.48
Bits, Steel & Conditioning of Steel		92.80	92.80
Lamps & Charger		103.37	103.37
Rubber Clothing		30.65	30.65
Total Other Supplies	$3404.14	$895.00	$4299.14
Total Materials & Supplies	$7426.23	$1547.96	$8974.19

Power

All charges for the period June 29 to November 30, 1952 for electric power were supported by invoices from the Public Service Company of Colorado, which were examined.

The acceptable total power cost consists of:

Balance June 28, 1952 per Previous Audit Report	$1261.86
Period June 29 to November 30, 1952	523.75
Acceptable Total November 30, 1952	$1785.61

(4) Operating Equipment

(A) Rental

Not applicable.

(B) Purchases

Not applicable.

(C) Depreciation

All charges for Depreciation of Operating Equipment for the period June 29 to November 30, 1952 were examined. These charges were on equipment and at rates authorized by Amendment No. 4 to the Exploration Contract. No logs of equipment use were available, however, the monthly reports submitted by the Supervising Engineer indicated the equipment was in use on the project. An analysis of the account follows:

Balance June 28, 1952 per Previous Audit Report		$2872.79
Period June 29 to November 30, 1952		
1 Bench Grinder	$10.00	
4 Ore Cars	100.00	
1 Cage	120.46	
1 Air Compressor	233.32	
1 Slusher Hoist	73.48	
1 Shaft Hoist	389.74	
1 Jack Hammer	23.00	
1 Water Pump	34.68	
1 Jack Leg	13.00	
1 Air Receiver	14.00	
1 Blower & Motor	38.99	
1 Ford Stake Bed Truck	21.26	1071.93
Acceptable Total November 30, 1952		$3944.72

The Certifying Officer disallowed $15.59 Depreciation for November 1952. This amount represents the amount of depreciation claimed by the Operator for use of the Air Compressor and Receiver which the Supervising Engineer reported as not being used for the project in November 1952. The disallowance is confirmed.

(5) Initial Rehabilitation and Repairs

Not applicable.

(6) New Buildings and Improvements

Not applicable.

(7) Miscellaneous

(A) Repairs to Equipment

All charges for repairs to equipment for the period June 29 to November 30, 1952 were supported by invoices which were examined. Analysis of the acceptable costs follows:

Balance June 28, 1952 per Previous Audit Report	$317.69
Period June 29 to November 30, 1952	
Repairs to:	

Compressor	$72.49	
Slusher Hoist	48.44	
Drills	109.05	
Truck	3.80	$233.78
Acceptable total November 30, 1952		$551.47

(B) Sampling and Analysis

During the period June 29 to November 30, 1952 charges to this category were for 8 assays which were supported by an invoice which was examined.

Acceptable charges consist of:

Balance June 28, 1952 per Previous Audit Report	$61.12
Period June 29 to November 30, 1952	7.75
Acceptable total November 30, 1952	$68.87

(C) Payroll Taxes

All charges for payroll taxes for the period June 29 to November 30, 1952 were confirmed by recomputation. These taxes are for F.I.C.A. at 1½. The acceptable charges as follows:

Balance June 28, 1952 per Previous Audit Report	$292.56
Period June 29 to November 30, 1952	68.85
Acceptable total November 30, 1952	$361.41

The Certifying Officer disallowed $5.32 for payroll taxes on Salaries and wages which had been disallowed as not applicable to the project. The Operator's records have been adjusted for the Salaries and wages disallowed, but not for the applicable payroll taxes. This disallowance is confirmed.

(D) Workmen's Compensation Insurance

The charges for Workmen's Compensation Insurance during the period June 29 to November 30, 1952 were confirmed by recomputation. The Operator's files indicated the applicable rate at $3.42 per one hundred dollars of applicable payroll. The acceptable total consists of the following:

Balance June 28, 1952 per Previous Audit Report	$677.26
Period June 29 to November 30, 1952	232.35
Acceptable Totals November 30, 1952	$909.61

(E) Transportation

The balance shown on the Operator's MF-104 has been confirmed and has been shown in this report under Materials and Supplies.

(F) Plowing Road

There were no charges to this element of cost during the period June 29 to November 30, 1952. The previous audit report reflected an acceptable charge of $20.00.

IV. CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that all costs, as charged to this project, with the exception of the disallowances itemized under items (4)(C) Depreciation, and (7)(C) Payroll Taxes, in the preceding section of this report, are reasonable and proper under the terms of the contract and Amendments Nos. 1 through 9.

The total to date shown on the November 30, 1952 MF-104(A) report agrees with the MF-104 report. It is suggested that elements of operational costs be adjusted to reflect the disallowances listed in this report.

The adjustments between items of cost as shown on the November 1952, prior disallowances confirmed by the audit and approved amounts are summarized as follows:

	Totals to Date MF-104 Nov., 1958	Distri-bution Corrected	Prior Dis-allowances	Accepted Totals
Independent Contracts				
None	--------	--------		--------
Labor and Supervision				
Labor	$18898.33	$18998.33		$18998.33
Supervision	7716.63	7616.63		7616.63
Technical Services	--------	--------		--------
Operating Materials & Supplies				
Timber	1949.04	1877.29		1877.29
Explosives	1443.35	1584.35		1584.35
Pipe	455.01	455.01		455.01
Track	828.40	828.40		828.40
Supplies	4189.83	4299.14		4299.14
Power	1769.01	1769.01		1769.01
Operating Equipment				
Rental	--------	--------		--------
Purchase	--------	--------		--------
Depreciation	3900.31	3900.31	$15.59	3884.72
Initial Rehabilitation & Repairs	--------	--------		--------
New Buildings & Improvements	--------	--------		--------
Miscellaneous				
Repairs to Equip.	554.72	551.47		551.47
Sampling & Analysis	68.87	68.87		68.87
Payroll Taxes	306.75	306.73	5.32	301.41
Workmen's Compensation	909.01	909.01		909.01
Transportation	174.31	--------		--------
Plowing Road	25.00	25.00		25.00
Totals	$43101.75	$43101.75	$20.91	$43080.84

At the conclusion of the audit, the findings were discussed with Mr. E. W. Lumberg, Secretary-Treasurer, and Mr. E. H. King, Executive Officer, DMEA, Field Team, Region IV.

December 3, 1953

Donald T. Finch

Donald T. Finch, Auditor

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

DEC 14 1953

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Idm-134, DMA-627
Cadwell Mining Company

Dear Mr. Finch:

Reference is made to your audit of the above-cited project, transmitted to this office by your letter of December 4, 1953.

The audit is accepted and may be distributed as usual.

I would like to call your attention to the table under Item (3) Operating Materials and Supplies. Better indentation and spacing would improve its presentation and be less confusing to the reviewer.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
December 14, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

December 4, 1953

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

Dear Mr. Chambers:

Enclosed are three copies of Audit Certificate and two copies of Audit Report for second interim audit on Cadwell Mining Company, pertaining to Exploration Contract I-DMA-E34, Docket No. DMA 627.

In connection with this audit report, you will note that the balance on June 30, 1952 for "Other Supplies" of $3239.94 brought forward from the previous audit report is not analyzed.

At the time of the previous audit, I compiled this balance from source data, but at that time we were not reflecting the various categories of "Other Supplies" in our audit reports, and I did not prepare such a breakdown. Because of the condition of the Operator's records, it would require considerable time to secure a complete analysis of these items at this time.

The balance represents such things as Small Tools and Miscellaneous Mine Supplies, Fuel & Compressor Oil, Steel Bits and Drill Steel, Hose, Coal, etc., of an expendible nature.

I am of the opinion the additional time that would be required to schedule the elements in the Balance June 30, 1952 would not be justified by the information secured.

Sincerely yours,

Donald T. Finch

Donald T. Finch
Auditor

Enclosures

No Payment

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

224 New Customhouse
Denver 2, Colorado

February 25, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 627, Contract Idm-~~434~~ (Lead-Zinc) Cadwell Mining Company, Hayden Shaft, Lake County, Colorado - Operator's Monthly Progress Report, for the period of January, 1953

Enclosed are the original and four copies of Operator's Narrative Report, and Engineer's Report for the above period.

The work reported in the above report is not in conformance with the terms of the contract or its amendments. No payment is claimed.

Remarks:

Date of Report - February 4, 1953
Date Received in Field Office - ?
Date Received in Region Office - February 24, 1953
Date Processed for Payment - February 24, 1953

W. H. King
W. H. King

Enclosure

RDB:oc

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

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 18, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 5 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for January 1953

Please find enclosed five copies of the above narrative by W. L. Phillips for the contractor and seven copies of M. H. Salsbury's memorandum covering inspection of the underground progress.

E. W. Lumberg, secretary-treasurer of the Cadwell Mining Company, has been advised verbally that the Government will not participate in any of the work reported in the enclosed narrative. It was also suggested that he submit as soon as possible his proposal for the diamond drilling phase of the project.

W. M. Traver

W. M. Traver

enclosures

WMT/mb

cc 4
E34
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 18, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 5 1953

Memorandum

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

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for January 1953

The subject underground progress was inspected February 10, 1953. The January narrative report submitted by the superintendent of the Cadwell Mining Company, V. L. Phillips, was found to be correct.

Eight long-holes drilled from four stations in the west crosscut are on the Pittsburgh claim, which is not covered by the subject DMEA contract.

Fifteen long-holes drilled from nine stations in the North drift were on property designated in the subject contract. The stated locations, bearings, and vertical angles of the holes mentioned in the narrative were verified by the inspector; the length of the holes was not checked.

On the date of inspection, the East crosscut at 262 feet north of the shaft had been driven 20 feet.

None of the foregoing work is authorized or payment thereon allowable under contract I-DMA-E34, or amendments thereto.

for Leatha Hazen
M. H. Salsbury
Mining Engineer

MHS/eb

cc 6
E34
DMEA Chron

[illegible]
Leadville, Colo.

Feb. 4, 1953

Mr. [illegible] Drever, Jr.
United States Bureau of Mines
Building 60, Denver Federal Center
Denver, Colo.

Dear Sir:

The following is the narrative report to accompany form [illegible]-1[illegible]4 for the month of January.

The last five days of the month was spent starting an East crosscut from the North drift 441' from the portal. The crosscut was advanced 19 feet.

The first part of the month was spent drilling the following long-holes.

	Length of Hole	Bearing	Angle	Location
1	40'	N 70°	-45°	Back of East crosscut 41' from North Drift.
2	40' 34'	S [illegible] S [illegible]	+[illegible] +30°	Right rib of East crosscut 40' from North drift.
3	[illegible]	N 30°	-25°	Right rib of East crosscut 141' from North drift
4	40' 40' 40' 40'	S 12° S 12° S 10° S 10°	+20° + 7° +30° -[illegible]	Face of East crosscut
5	[illegible] 40' 40'	S 60° S 40° S 40°	-11° -10° -10°	Right rib of North drift 247' from Port 1.
6	40'	S 37°	+30°	Left rib of North drift 243' from Portal.

7	54'	D 30° E	+30°	Right rib of North drift 260' from Portal.
8	55'	D 45° E	-30°	Left rib of North drift 370' from Portal.
9	54'	D 30° E	+40°	Right rib of North drift 415' from Portal.
10	49' 54'	D 40° E D 50° E	-30° -30°	Left rib of North drift 525' from Portal.
11	54'	D 30° E	+40°	Right rib of North drift 575' from Portal.
12	44' 50' 53'	D 30° E D 50° E D 60° E	-30° -20° +30°	Left rib of North drift 625' from Portal.
13	20' 20'	D D 6° E	+5° +12°	Face of North drift 675' from Portal.

Yours truly,
Cadwell Mining Co.

Vernon L. Phillips

V. L. Phillips, 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA E-34 Contract No. 627

Operator's Name CADWELL MINING COMPANY Minerals Lead & Zinc

Address 2475 Gray Street, Denver 14, Colorado

Contract Amount, $ 89,922.00 Government Participation: 50 % Amount, $ 556.13

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						
(2) Labor and Supervision:						
Labor	217.12	18,591.21	18,808.33			
Supervision	177.85	7,538.78	7,716.63			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1,949.04	1,949.04			
Explosives		1,443.35	1,443.35			
Pipe		455.01	455.01			
Track		828.40	828.40			
Supplies		4,120.83	4,120.83			
Power	23.95	1,761.66	1,785.61			
(4) Operating Equipment:						
Rental						
Purchase	49.40	3,910.91	3,960.31			
Depreciation				33.81		3,944.72
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		554.72	554.72			
Sampling and Analysis		68.87	68.87			
Payroll Taxes	74.17	292.56	366.73	68.85		361.41
Liability Insurance						
Workman's Compensation	13.64	895.97	909.61			
Transportation		174.31	174.31			
Plowing Road		20.00	20.00			
(8) Contingencies (specify):						
TOTALS	556.13	42,605.62	43,161.75	535.22		43,140.84

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

Date Dec.-18-52 *Payee Cadwell Mining Company

Per E. W. Lindley Title Secretary-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:

$ 267.61

Signature [illegible]
(Authorized Certifying Officer)

Date 1/22/53 Vou. No. DMA 53-85

(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. 1-DMA-E34 in accordance with the terms of the contract.

Signature W. H. Dare #278.06 WMA Title Mining Engineer Date 1/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: RDB.

Signature W. H. King Title ~~Executive Officer~~ Date JAN 15 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA 627 Contract No. E-34
Operator's Name CADWELL MINING COMPANY Minerals Lead & Zinc
Address 2450 Kendall Street, Denver 14, 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		68.84		24,305.37	821	29.60	1500	31,500.00
Crosscutting				934.48	48	19.50		
Raising				433.80	17	25.52		
Shafts Rehabilitation				10,572.15	200		200	12,000.00
Winzes ~~Geophysics~~ Engineering & Planning		487.29		487.29				
Drilling: Core							52.50	31,500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift Rehabilitation				6,428.66	394	1706		
TOTAL DISTRIBUTED COSTS		556.13		43,161.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 Dec- 18- 52 Operator Cadwell Mining Company

Per A. W. Kumley Title Secretary- 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 83-38475

January 21, 1953

Progress
Report - November 1952

Cadwell Mining Co.
2450 Kendall St.
Edgewater, Colorado

[illegible]

[illegible] 556.13

[illegible] 20.91

[illegible] $ 535.22

[illegible]

Depreciation on machinery used
Air Compressor and Receiver were not used on DMEA work during November
Prorated deduction for above $15.59

Four men and supervisor worked in Sept. and amount earned by them was disallowed as not being under DMEA $354.50 - Payroll taxes on this amount should not be claimed. 5.32

$20.91

Any claim for deduction made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

F. A. Stoker
Audit Section

R-IV-S & F Form No. 4

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

224 New Customhouse
Denver 2, Colorado

January 15, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 627, Contract Idm-434 (Lead-Zinc) Cadwell Mining Co., Lake 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 Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 90 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Air Compressor and Air Receiver not in use on DMEA work during November, 1952.

Prorated deduction = 61.85 x 49.40/195.99 = 15.59

Above amount to be deducted from "Operating Equipment - Depreciation."

Remarks:

Date of Report - December 18, 1952
Date Received in Field Office - December 24, 1952
Date Received in Region Office - January 6, 1953
Date Processed for Payment - January 14, 1953

W. H. King
W. H. King

Enclosures

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

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20
Denver Federal Center
Denver 14, Colorado
January 6, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for November 1952

Enclosed please find five copies of the above progress report, each consisting of forms MF-104 and MF-104A and operator's narrative, and seven copies of a memorandum from M. H. Salsbury, inspecting engineer, covering verification of the underground progress, and of Wilbert L. Dare's memorandum concerning the accounts. One copy each of the payroll, cost distribution sheet, and invoices is attached to the original progress report.

Operations were carried on for only eight days during November and included only track and pipe removal and assistance on the geophysical survey. The accounts are correct within the inspecting engineer's delegated authority to check and the underground operations found as reported in the narrative.

Payment of $278.06, or 50 percent of the total $556.13 claimed by the contractor, is approved subject to Region IV audit.

W. M. Traver, Jr.

W. M. Traver, Jr.

WMT/eb

cc 4
AHKoschmann
E34
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
January 6, 1953

Memorandum

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

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-R34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for November 1952

The subject underground progress was inspected December 8, 1952. No advance was made in the north drift heading.

Work under the exploration contract was confined to removing the track and pipe from the north drift on the tunnel level, assisting the geophysical crew, and replacing the track and pipe.

This work required eight shifts with four men employed, including the superintendent, V. L. Phillips.

There should be a pro rata charge to the exploration project for hoist power, but not for compressor operation or supplies.

for Scott W Hagerd
M. H. Salsbury
Mining Engineer

MHS/eb

cc 6
AHLoschmann
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
January 6, 1953

Memorandum

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

From: Wilbert L. Dare

Subject: DMA 627, Contract I-DMA-R34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for November 1952

The operator worked but a portion of the month on the exploration project conducting underground geophysical tests. Power and equipment depreciation charges have been prorated on the basis of days chargeable to the project. On the reverse side of the payroll sheet the operator has shown the actual number of days that each man worked removing pipe and track and assisting the geophysical testing crew that were directly chargeable to the project.

The operator this month has claimed F.I.C.A. charges for the periods of July, August, September, and November. The F.I.C.A. charge for July was disallowed and those charges for August and September have never been claimed. We are unable to ascertain definitely if the operator has subtracted the F.I.C.A. applicable to the labor disallowance made from the September report.

The amount reported, $556.13, is approved and payment of 50 percent of this amount, or $278.06, is recommended.

Russell R. McLellan
for
Wilbert L. Dare
Mining Engineer

WLD/eb

cc 6
AHKoeshmann
R34
DMEA Green

504 West 8th St.
Leadville, Colo.

December 7, 1952

Mr. W. M. Traver, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

Dear Sir:

Following is the narrative description to accompany form MF-104 for the month of November, 1952.

There was no advance in the north drift during November. The major portion of the month, with the exception of eight and one-half days, was used to drift toward the Pittsburg property for the American Smelting and Refining Co.

The eight and one-half days were taken to run a two array geophisical test on the north drift. This method requires that all conductors such as pipe and rail must be removed.

Although, we have not received the official interpretation of the test from Newmont Ltd., we do have a set of the graphs. A copy of the graphs and interpretation will be forwarded to you as soon as possible.

Yours truly,
Cadwell Mining Company

V. L. Phillips, Supt.
by [illegible]

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 41-R1036.3.
Approval Expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 627 Contract No. IDM E-34
Operator's Name CADWELL MINING COMPANY Minerals Lead-Zinc
Address 2475 Gray Street Denver 14, Colorado
Contract Amount, $ 89,922.00 Government Participation: 50 % Amount, $ 2,372.34

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						
(2) Labor and Supervision:						
Labor	1,106.00	17,916.22	19,022.22	1,029.49	17,916.22	18,945.71
Supervision	500.00	7,104.00	7,604.00	434.78	7,104.00	7,538.78
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	14.99	1,949.04	1,964.03	00	1,949.04	1,949.04
Explosives		1,443.35	1,443.35			
Pipe		455.01	455.01			
Track		828.40	828.40			
Supplies	228.33	3,914.81	4,143.14	218.40	3,914.81	4,133.21
Power	104.55	1,657.11	1,761.66			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	259.53	3,651.38	3,910.91			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	104.01	450.71	554.72			
Sampling and Analysis		68.87	68.87			
Payroll Taxes		292.56	292.56			
Liability Insurance						
Workmans Compensation	54.93	845.89	900.82	50.08	845.89	895.97
Transportation		174.31	174.31			
Plowing Road		20.00	20.00			
(8) Contingencies (specify):						
				2,200.84	40,771.66	42,972.50
TOTALS	2,372.34	40,771,66	43,144.00		*-336.90	336.90
				2,200.84	40,434.76	42,635.60

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

Date 11-14-52 *Payee Cadwell Mining Co

Per E. W. Lumberg Title Sec & Treas

*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:

$ 1100.42

Signature [illegible]
(Authorized Certifying Officer)

Date 12/15/52 Vou. DMA 53-71
(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. 1-DMA-Fgh in accordance with the terms of the contract.

Signature W.M. Naver, Jr. 1/11/70 Title Chief Cov. Br. Date 12/1/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title NKD Executive Officer Date 12/10/57

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 2 Docket No. DMEA 627 Contract No. DM E-34
Operator's Name CADWELL MINING COMPANY Minerals Lead-Zinc
Address 2450 Kendall Street Denver, 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		2,372.34	60	24,420.41	821	29.76	1500	31,500.00
Crosscutting				1,288.98	48	26.91		
Raising				433.80	17	25.52		
Shafts Rehabilitation				10,572.15	200		200	12,000.00
Winzes							5250	31,500.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drifts Rehabilitation				6,428.66	394	17.06		
TOTAL DISTRIBUTED COSTS		2,372.34		43,144.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 11-12-52 Operator CADWELL MINING COMPANY

Per R. W. Lumberg Title Secretary-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 83-38475

[illegible]

[illegible]

Date: December 15, 1952
Reports
Information: Progress
Report - October 1952

Cadwell Mining Co.
2450 Kendall Street
Edgewater, Colorado

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

Amount Claimed	$2,372.34
Difference	$ 171.50
Amount Approved	$2,200.84

The reason for the difference was one too:

McKenna and Roberts worked 3 days on cellar shaft (disallowed by contract)		76.51
Supt. worked on cellar shaft 3 days (disallowed by contract)		65.22
Due to difference in payroll, State comp. Insurance is reduced		4.85
G. L. Smith Lumber Co. - Lumber (not under contract)		14.99
Joe Zaitz Serv-U-Station	6.15	
Rio Grande Railroad	3.78 (insufficient documentation	9.93
		$171.50

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

December 10, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 627, Contract I-DMA-834 (Lead-Zinc) Cadwell Mining Company (Hayden Shaft) Lake County, Colorado - Operator's Monthly Progress Report for the period of October, 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.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Labor, Supervision and Supplies used on work not conformable with the Contract:

(a)	Labor. Two men (McKenna and Roberts) worked 3 days each on shaft collar -	$ 76.51
(b)	Superintendent worked 3 days on shaft collar. 3/23 of $500 =	65.22
(c)	Difference in State Compensation Insurance charges resulting from reduction in total payroll -	4.85
(d)	Supplies under Item 3, Timber - S. L. Smith Lumber Co. invoice -	14.99

Supply item with insufficient documentation:

Joe Zaitz Serv-U-Station invoice -	6.15
Rio Grande Railroad invoice	3.78
Total Deductions -	$171.50

Remarks: Total payroll shown by the operator appears to be wrongly computed. The total by simple addition should be $1706.00, rather than $1606.00.

W. H. King

W. H. King

Enclosures

HKT:oc

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

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 4, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for October 1952

Enclosed please find five copies of the above progress report, each consisting of forms MF-104 and MF-104A and operator's narrative, and seven copies of a memorandum from M. H. Salsbury, inspecting engineer, covering verification of underground progress, and of this memorandum concerning the accounts. One copy each of the payroll, cost distribution sheet, and invoices is attached to the original progress report.

The inspecting engineer notes that three men and the superintendent worked for three days improving the shaft collar and recommends disallowance of the labor charge for these three days inasmuch as the amended contract allows such shaft retimbering only from the end of the new timber at the date of the contract to the bottom of the shaft. The operator's narrative states that the hunting season caused absenteeism and the remaining crew performed this work at the collar during this period. The payroll reveals that the entire crew of four men was absent on October 15, 16, and 17, while two of the crew were also absent on October 13, 14, and 18. With this in mind we are assuming that just the two men, McKenna and Roberts, who worked the "three days" of October 13, 14, and 18, worked on improving the shaft collar. The disallowance for the two men amounts to $76.50. The disallowance of the superintendent's wages amounts to 3/24 of $500.00, or $62.50.

We are disallowing the amount of $6.15 shown on the invoice of Joe Laitz for lacking clarification of supplies purchased.

On two invoices, one of Union Supply Company and one of Harry Sinclair Company, the operator has penciled in transportation charges of $2.02 and $1.76, respectively. Although the operator has included a memorandum from the Rio Grande Railroad there is no charge shown on the memorandum to verify the above two charges. To follow through with the requirements for documentation it is recommended that these two charges also be disallowed.

The total of the recommended disallowances amounts to $148.93, which deducted from the total reported, $2,372.34, leaves $2,223.41. Of this sum 50 percent, or $1,111.70, is approved for payment, subject to a check of arithmetical accuracy by Region IV auditors.

Your attention is called to the Administrative Audit Difference Statement dated November 14, 1952, on which the reason for labor disallowance is obviously incorrectly stated. It would appear that it should have stated that the labor disallowance was made because the four men worked on ore production rather than exploration under DMA.

How about "ore"

W. M. Traver, Jr.

W. M. Traver, Jr.

WMT/cb

cc 6
AHKoschmann
E34
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 14, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for October 1952

The subject underground progress was inspected November 12, in company with V. L. Phillips and the narrative report for October 1952 was found to be correct.

The work of improving the shaft collar mentioned in the narrative probably is not allowable under the contract and should involve disallowance of the time of three men and the superintendent for a period of three days.

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

MHS/dk

cc 6
AHKoschmann
34
DMEA Chron.

407 East 8th Street
Leadville, Colorado
November 1, 1952

Mr. W. M. Traver, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

Dear Sir:

Following is the narrative description to accompany form MF-104 for the month of October, 1952.

The north drift was advanced 60 feet N15°E making a total of 596 feet to date. 314 cars of waste were hoisted.

Again the advance was in the peerless shale which in places contains a sprinkling of pyrite. A small fault was crossed at 528 feet which strikes N 40°E and dips 65° to the west. The area near the face is broken and there is a suggestion of shearing parallel to the above described fault.

The heading was not advanced for one week because of absenteeism caused by hunting season. The remaining crew was used to repair the slusher ramp and hoist motor and to build doors at the shaft collar so that the warm, upcast air can be utilized to keep the chute and car on surface from freezing during the winter months.

I am resigning effective today to accept a position with the Rico Argentine Mining Company. The Cadwell Mining Company will be represented in Leadville by Mr. V. L. Phillips whose address is 504 West 8th Street.

Yours truly,
Cadwell Mining Company
R B Patrick
R. B. Patrick, Supt.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1086.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 627 Contract No. I D M -E 34
Operator's Name Cadwell Mining Comapny Minerals Lead-Zinc
Address 2475 Gray St. Denver 14, Colorado
Contract Amount, $89,922.00 Government Participation: 50 % Amount, $2,676.43

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						
(2) Labor and Supervision:						
Labor	1,351.50	16,564.72	17,916.22	1,097.00	16,564.72	17,661.72
Supervision	500.00	6,604.00	7,104.00	400.00	6,604.00	7,004.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	182.21	1,766.83	1,949.04			
Explosives	70.00	1,373.35	1,443.35			
Pipe		455.01	455.01			
Track		828.40	828.40			
Supplies	111.86	3,815.72	3,927.58	99.48	3,815.72	3,915.20
Power	133.35	1,523.76	1,657.11			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	259.53	3,391.85	3,651.38			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		450.71	450.71			
Sampling and Analysis	7.75	61.12	68.87			
Payroll Taxes		292.56	292.56			
Liability Insurance						
State Compensation	60.23	785.66	845.89			
Transportation		174.31	174.31			
(8) Contingencies (specify):						
Plowing Road		20.00	20.00			
				2,309.55	38,108.00	40,417.55
TOTALS	2,676.43	38,108.00	40,784.43		* 12.79	12.79
				2,309.55	38,095.21	40,404.76

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

Date 10-15-52 *Payee Cadwell Mining Company

Per [signature] Title Secretary 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:

$1154.77

Signature [signature]
(Authorized Certifying Officer)

Date 11/18/52 Vou. No. 53-61
(See other side)

*** Erroneously brought forward by operator**

(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. 1-DMA-534 in accordance with the terms of the contract.

Signature W. M. Traver, Jr. #1337246 Title Chief Ind Br Date 11/4/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature W. H. King Title Executive Officer Date 11/12/52

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.

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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.

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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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

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

Month of September 195 2 Docket No. DMEA 627 Contract No. IDM-E 34
Operator's Name Cadwell Mining Company Minerals Zinc & Lead
Address 2450 Kendall St. Denver 14, 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		2208.09	75	22060.84	761	2899	1500	31,500.00
Crosscutting		468.34	10	1288.98	48	2691		
Raising				433.80	17	2552		
Shafts Rehabilitation				10572.15	200		200	12,000.00
Winzes								
Drilling: Core							5250	31,500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift Rehabilitation				6428.66	394	1706		
TOTAL DISTRIBUTED COSTS		2676.43		40,784.43				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 10-15-52 Operator Cadwell Mining Company

Per E. W. Kemberg Title Secretary-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 83-38475

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

Administrative Audit Difference Statement

Date: November 14, 1952
Payee's
Reference: Progress
Report - September 1952

Cadwell Mining Co.
2475 Gray St.
Denver, Colorado

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

Amount Claimed $2,676.43

Difference $ 366.88

Amount Approved $2,309.55

The reason for the difference was due to:

Insufficient documentation	
U. S. Welding Works Inc.	$ 6.12
Joe Zaits Serv-U-Station	6.26
Four men worked from Sept. 2nd thru 6th on exploration work - not on DMA	354.50
	$366.88

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
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

New Customhouse
Denver 2, Colorado

November 12, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 627, Contract I-DMA-834 (Lead-Zinc) Cadwell Mining Company, Hayden Shaft, Lake County, Colorado - Operator's Monthly Progress Report for the period of September, 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.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Amount claimed on invoice from U.S. Welding Works, Inc. (as explained in Traver's memo.)	$ 6.12
Amount claimed on invoice from Joe Zaitz's (as explained in Traver's memo.)	6.26
Wages of 4 men and supervisor during the period of September 2 through 6.	354.50
	$366.88

It is noted that Traver recommends the disallowance of the amount of $5.39 to Joe Zatz's Serv-U-Station but it is felt that he meant the disallowance to be $6.26 inasmuch as the 2 items shown on the invoice are $2.45 and $3.81 and both lack clarification.

The inspecting engineer who visited the operation makes note that the entire crew was engaged in mining ore and no work was carried on under the DMA Contract during the week of September 2 - 6. On his payroll, the operator has shown his entire crew including his supervisor as working during this period on the exploration work for their time is charged to the project. We therefore recommend the disallowance of $254.50 from item (1) Labor, and $100.00 from item (1), Supervision. We arrived at the supervisory disallowance by taking 5/25 of the $500.00 claimed, inasmuch as the actual days worked during the month total 25.

WLD:oc

W. H. King

W. H. King

cc: Contract
Secretary to Oper. Comm. (2)
WMTraver Chron. A. H. Koschmann (2)

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 5, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Contract I-DMA--E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for September 1952

Please find enclosed five copies of the above progress report--forms MF-104 and MF-104A, with narrative and one copy of the payroll, and cost distribution--and seven copies of a memorandum report by M. H. Salsbury covering inspection of underground progress, and seven copies of this memorandum covering inspection of project costs.

No attempt has been made to check the correctness of the cost distribution to the form MF-104A. It is noted also that making the monthly progress report is complicated by the site of operations being located in Leadville and the accounts carried in Denver, requiring two separate inspections.

According to Region IV auditors, the certified copies of invoices submitted by the operator are acceptable.

Item (3). Operating Materials and Supplies

Of the total $111.86 distributed to supplies, $6.12 to U. S. Welding Works, Inc., and $5.39 to Joe Zaitz's Serv-U-Station lack clarification and are disallowed--total, $11.51.

Item (7). Miscellaneous

State compensation, $60.23, is passed for payment; however, your attention is called to the fact that the certified copy of the invoice calculates the amount paid on $1761.00 instead of the total payroll at the rate of $3.42 per hundred.

The $11.51 disallowed under Item 3 subtracted from the total $2,676.43 claimed by the contractor leaves $2,664.92. Of this sum, $1,332.46 is approved for payment, subject to Region IV audit.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/eb

cc 6
AHKoschmann
E34
DMEA Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 5, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for September 1952

The subject underground progress was inspected October 1 and 14, 1952, in company with R. E. Patrick, and the narrative report for September was found to be correct.

During the week of September 2 - 6, the entire mine crew was engaged in mining ore and no work was carried on under the DMA contract.

R. L. Bolmer
for M. H. Salsbury,
Mining Engineer

MHS/cb

cc 6
AHKoschmann
E34
DMEA Chron.

407 East 8th Street
Leadville, Colorado
October 2, 1952

Mr. W. M. Traver, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

Dear Sir:

Following is the narrative description to accompany Form MF-104 for the month of September, 1952.

The North drift was driven N 15°E for 75 feet making a total of 534 feet to date. 454 cars of waste were hoisted. In addition 49 cars of ore were taken from the west crosscut.

The north drift continued in the pink sandy limestone of the Peerless Shale. A small fault was crossed at 528 feet which strikes N 40°E and dips 50° to the northwest. Small spots of pyrite on the walls of the drift for the entire 75 feet.

The ore from the west crosscut was taken from the hanging wall of the fault near the property line and establishes an ore width of 14 feet with a thickness of 1½ feet continuing on to the south. This ore, shipped as lot no. 2, contained 44.8650 tons and settled for Au 0.025, Ag 12.70, Pb 10.0, Zn 9.20.

Yours truly,

Cadwell Mining Company

R. B. Patrick

R. B. Patrick, Supt.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 40-R1036.3.
Approval expires 6-30-53.

CERTIFICATE
Defense Minerals Administration
RECEIVED
NOV 6 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 627 Contract No. I.D.M. E-34
Operator's Name Cadwell Mining Company Minerals Lead & Zinc
Address 2475 Gray St, Denver 14, Colorado
Contract Amount, $ 89,922.00 Government Participation: 50 % Amount, $ 2,845.67

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						
(2) Labor and Supervision:						
Labor	1,058.71	18,024.65	19,083.36			
Supervision	500.00	3,654.00	4,154.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		309.00	309.00			
Explosives	259.75	1,206.35	1,466.10			
Pipe						
Track						
Supplies	456.00	7,367.13	7,823.13	443.23	7,367.13	7,810.36
Power	128.55	1,395.21	1,523.76			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	259.53	3,139.32	3,398.85			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	123.86	211.36	335.22			
Sampling and Analysis		61.12	61.12			
Payroll Taxes		412.00	412.00			
Liability Insurance						
State Compensation	50.40	910.35	960.75			
Ins. Compressor		127.25	127.25			
(8) Contingencies (specify):						
Transportation	8.87	247.13	256.00			
				2,832.90	37,064.87	39,897.77
					*- 92.40	92.40
					*- 37.53	37.53
TOTALS	2,845.67	37,064.87	39,910.54	1,672.63		**1,672.63
				1,160.27	36,934.94	38,095.21

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

Date 9-15-52 *Payee Cadwell Mining Company

Per C. W. Lumberg Title Secretary-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:

$ 580.13

Signature [illegible]
(Authorized Certifying Officer)

Date 10/30/52 Voucher DMA 53-55
(See other side)

* Previous Disallowaces
** In accordance with Auditor's Report of 9/3/52

(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. 1-DMA-E45 in accordance with the terms of the contract.

Signature W. M. Maver, Jr. 1416 45 Title Chief Fiscal Br. Date 10/16/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. Kerr Title Executive Officer Date 10/27/52

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1952

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

Month of August 195 2 Docket No. DMEA 627 Contract No. I.D.M. E-34
Operator's Name Cadwell Mining Company Minerals Lead & Zinc
Address 2450 Kendall St., Denver 14, 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		2,411.87	80	19,930.51	686	2905	1500	31,500.00
Crosscutting				823.34	38	2167		
Raising		433.80	17	433.80	17	2552		
Shafts Rehabilitation				12,000.00	200	6000	200	12,000.00
Winzes								
Drilling: Core							5250	31,500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift Rehabilitation				6722.89	394	1706		
TOTAL DISTRIBUTED COSTS		2,845.67		39,910.54				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 9-15-52 Operator Cadwell Mining Company

Per A. W. Lumberg Title Sedretary-Treasurer

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

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

Administrative Audit Difference Statement

Date: October 29, 1952
Payee:
Reference: Progress Report - August 1952

Cadwell Mining Co.
2450 Kendall St.
Edgewater, Colorado

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

Amount Claimed $2,845.67

Difference $1,685.40

Amount Approved $1,160.27

The reason for the difference was due to:

Joe Zaitz Serv-U-Station does not list the supplies purchased on August 2 and 16, 1952.	5.30
U. S. Welding Works Inc., does not list supplies purchased August 13, 1952.	7.47
See Attached	1,672.62
	1,685.40

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
Aug-52 D

Audit Disallowances

1951

	During Audit	
July		
Purchases Prior to Contract		
Repairs	66.47	
Tools	116.24	
Supplies	182.98	
Pipe	810.36	
Workmen's Compensation Insurance Applicable to April, 1951	44.00	
Total Costs incurred prior to Contract date of 6/28/52	$1220.05	
Supplies (returned mdse.)	4.33	
Supplies (no invoices)	4.60	
Supplies (Net Sales Tax on Company equip)	9.51	
Transportation on Company equipment under depreciation schedule	60.00	
Transportation (No Invoice)	2.09	
Insurance on Compressor	2.70	
Salary paid to Sec. & Treasurer	50.00	
Total Exceptions June		$1353.28
August		
Long Distance phone call	5.72	
Insurance on Compressor	2.70	
Prepaid Freight & Sales Tax applicable to Company equipment on Depreciation Schedule	16.15	
Total Exceptions August		$ 24.57
September		
Overcharge workmen's compensation insurance	85.44	
Insurance on Compressor	2.70	
Total Exceptions September		$ 88.14
October		
Insurance on Compressor	2.70	
Travel Expense Mine Super.	19.60	
Total Exceptions October		$ 22.30
November		
Insurance on Compressor	2.70	
Property Insurance	97.55	
Personal item charged to Supplies	5.61	
Total Exceptions November		$ 105.86
December		
Overcharge-Workmen's Compensation Insurance	8.54	
Insurance-Compressor	2.70	
Total Exceptions, December		$ 11.24

1952

January		
Overcharge Workmen's Compensation Insurance	4.63	
Insurance-Compressor	2.70	
Total Exceptions-January		$ 7.33
February		
Overcharge Workmen's Compensation Insurance	2.26	
Insurance-Compressor	2.70	
Total Exceptions February		4.96
March		
Overcharge Workmen's Compensation Insurance	4.12	
Insurance, Compressor	2.70	
Total Exceptions - March		6.82
April		
Overcharge Workmen's Compensation Insurance	9.95	
Supplies: No invoice	3.12	
Insurance-Compressor	2.70	
Total Exceptions - April		15.77
May		
Overcharge Workmen's Compensation Insurance	6.83	
Insurance-Compressor	2.70	
Supplies: no invoice	7.31	
Total Exceptions - May		16.84
June		
Overcharge Workmen's Compensation Insurance	9.32	
Supplies: No invoices	6.20	
Total Exceptions - June		15.52
TOTAL EXCEPTIONS FOR PERIOD OF JUNE 28, 1951 THROUGH JUNE 30, 1952		$1,672.63

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 21, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 627, Contract I-DMA-234 (Zinc) Cadwell Mining Co., Lake County, Colorado - Operator's Monthly Progress Report for the period of August, 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.

Work has been accomplished as authorized in the contract 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, except for the following deductions:

August Report			
*Joe Kintz billing		$5.30	
*U. S. Welding		7.47	
	Total		$12.77

*Inadequate documentation

**Audit Disallowances, (Report of September 3, 1952)		1672.63
	Total Deductions	$1685.40

**Itemized as follows:

Audit Disallowances

July	During Audit
Purchases Prior to Contract	
Repairs	$ 66.47
Tools	116.24
Supplies	182.98
Pipe	810.36
Workmen's Compensation Insurance Applicable to April, 1951	44.00
Total costs incurred prior to Contract date of 6/28/52	$1220.05

Supplies (returned mdse.)	4.33	
Supplies (no invoices)	4.60	
Supplies (Net Sales Tax on Company equipment)	9.51	
Transportation on Company equipment under depreciation schedule	60.00	
Transportation (No Invoice)	2.09	
Insurance on Compressor	2.70	
Salary paid to Sec. & Treasurer	50.00	
Total Exceptions June		$1353.28
August		
Long Distance phone call	5.72	
Insurance on Compressor	2.70	
Prepaid Freight & Sales Tax applicable to Company equipment on Depreciation Schedule	16.15	
Total Exceptions August		$24.57
September		
Overcharge workmen's compensation insurance	85.44	
Insurance on Compressor	2.70	
Total Exceptions September		$ 88.14
October		
Insurance on Compressor	2.70	
Travel Expense Mine Super.	19.60	
Total Exceptions October		$22.30
November		
Insurance on Compressor	2.70	
Property Insurance	97.55	
Personal item charged to Supplies	5.61	
Total Exceptions November		$105.86
December		
Overcharge-Workmen's Compensation Insurance	8.54	
Insurance-Compressor	2.70	
Total Exceptions, December		$11.24
1952		
January		
Overcharge Workmen's Compensation Insurance	4.63	
Insurance-Compressor	2.70	
Total Exceptions-January		7.33
February		
Overcharge Workmen's Compensation Insurance	2.26	
Insurance-Compressor	2.70	
Total Exceptions February		4.96

March		
Overcharge Workmen's Compensation Insurance	$4.12	
Insurance, Compressor	2.70	
Total Exceptions - March		$ 6.82
April		
Overcharge Workmen's Compensation Insurance	9.95	
Supplies: No invoice	3.12	
Insurance-Compressor	2.70	
Total Exceptions - April		15.77
May		
Overcharge Workmen's Compensation Insurance	6.83	
Insurance-Compressor	2.70	
Supplies:- no invoice	7.31	
Total Exceptions - May		16.84
June		
Overcharge Workmen's Compensation Insurance	9.32	
Supplies:-No invoices	6.20	
Total Exceptions - June		15.52
TOTAL EXCEPTIONS FOR PERIOD OF JUNE 28, 1951 THROUGH JUNE 30, 1952		$1,672.63

W. H. King

W. H. King

Enclosures

JWT:oc

cc: Contract
Secretary to the Operating Committee (2)
WMTraver
Chron.
AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

XXXXXXXXXXXX

Region IV

Room 137, Building 20
Denver Federal Center
Denver 14, Colorado
October 16, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Contract I-DMA-K34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for August 1952

Please find enclosed five copies of the above progress report, forms MF-104 and MF-104A (second revision), with narrative and one copy of the payroll, seven copies of a memorandum report by M. H. Salsbury covering inspection of underground progress, and seven copies of this memorandum covering inspection of project costs.

In this second revision, the contractor has separated and shown on his distribution of cost form the amounts applicable to the project and no other. However, it is noted no distribution was made of supervision.

You may or may not consider the certified copies of invoices acceptable, except those from the Public Service Company of Colorado and the Union Supply Company. It is a matter of interpretation by your staff and the Audits and Accounts Section as to whether documentation is sufficient.

An item of $1.71 to Chas Company for stationary is passed as Exhibit A allows for office expense.

Two charges as supplies--$7.47 to U. S. Welding Works, Inc., and $5.39 to Joe Zaitz Serv.Sta.Station--are disallowed because they lack clarification.

Your attention is called to the fact that $0.75 of the payment to Resurrection Mining Company charged as explosives is for drill steel repair, and $6.29 of the King and East Machinery Corporation invoice should be charged to transportation rather than supplies.

Disallowances totaling $12.77 deducted from the $2,845.67 claimed leave $2,832.90. Of this sum, $1,416.45, or 50 percent, is approved for payment, subject to a decision at the Region IV level on documentation.

enclosures
WMT/ash
cc 6
AHKoschmann
K34, DMA Chron.

W. M. Traver, Jr.

W. M. Traver, Jr.

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

September 24, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Underground progress report for August 1952

The subject underground progress was inspected September 8 in company with R. B. Patrick and the narrative report for August was found to be correct. The raise noted in the narrative as being 23.5 feet above the rail was actually driven 17 feet.

On August 29 and 30, the crew was employed in constructing a trestle and ore bin, and the labor, materials, and overhead for this work should be accounted for in the distribution of August expenses.

R. L. Bolmer
for M. H. Salsbury
Mining Engineer

MHS/bew

cc 6
AHKesselmann
E34
DMEA Chron.

407 East 6th Street
Leadville, Colorado
September 2, 1952

Mr. W. M. Grover, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

Dear Sir:

Following is the narrative description to accompany form MF-104 for the month of August 1952.

The north drift was driven N 15° E for 80' making a total of 459 feet to date. At approx 392 feet from the beginning a raise was driven to a point 23.5 feet above the roll 70°. All cars of waste were hoisted.

The advance was again through the pink sandy limestone of the Peerless Shale. At 392 feet a small mineralized fissure striking E-W and dipping 85° to the north was encountered. It contains ½" of galena, sphalerite and pyrite. A small raise was driven on it on the east side of the drift at an inclination of 70° 23.5 feet above the rail. The mineralization increased near the back of the raise where it was cut off by a gray porphyry sill conforming to the bedding.. It was hoped that a manto orebody might occur below the upper shale member of the Peerless. The porphyry occurs below the shale however. An 8 foot hole was drilled in the back but did not go through the porphyry so the raise was stopped.

Three small mineralized, parallel fissures were encered from 432 to 437 feet striking N 60°E and dipping 60° to the north. Another mineralized fissure was found at 447 feet approximately parallel in strike and dip to the others. The fissures are very small but the mineralization is well defined. The limestone is bleached in this area. The bedding generally strikes a few degrees east of the drift and dips 30° to east. In general appearance it looks more encouraging than it has for sometime.

A trestle and plat were built to provide a means of handling the ore mined in the west crosscut by Mr. Phillips with a pitch cutter during the past several weeks. This ore will be cleaned out and enough more broken to make a 40 or 50 ton shipment.
This trestle and plat were not charged to the Contract Idm-E34.

Yours truly,

Caldwell Mining Company

R. B. Patrick

R. B. Patrick, Supt.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Budget Bureau No. 42-R1036.3.
RECEIVED
OCT 13 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1952 Docket No. DMEA 627 Contract No. LDM - E 34
Operator's Name CADWELL MINING COMPANY Minerals Lead-Zinc
Address 2475 Gray St. Denver 14, Leadville, Colorado
Contract Amount, $89,922.00 Government Participation: 50 % Amount, $2,501.39

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						
(2) Labor and Supervision:						
Labor	1,230.75	16,793.90	18,024.65			
Supervision	500.00	3,154.00	3,654.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		309.00	309.00			
Explosives	141.75	1,064.60	1,206.35			
Pipe						
Track						
Supplies	130.33	7,236.80	7,367.13	119.78		7,356.58
Power	133.35	1,261.86	1,395.21			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	259.53	2,879.79	3,139.32			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	9.16	202.20	211.36			
Sampling and Analysis		61.12	61.12			
Payroll Taxes	25.98	386.02	412.00	00		386.02
Liability Insurance						
Workmans Comp.	58.00	852.35	910.35			
Ins. Compressor		127.25	127.25			
(8) Contingencies (specify):						
Transportation	1.24	245.89	247.13			
				2,453.56	34,574.78	37,028.34
TOTALS	2,490.09	34,574.78	37,064.87		*- 92.40	*- 92.40
				2,453.56	34,482.38	36,935.94

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

Date 8-12-52 *Payee Cadwell Mining Company

Per L. W. Kunz Title Secretary-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:

$1226.78

Signature [illegible]
(Authorized Certifying Officer)

Date 10/2/52 Vou. No. DMA 53-43
(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. E-34 in accordance with the terms of the contract.

Signature R. P. Balmer, $1,243.29 $1239.77 Title Mining Engineer Date Sept. 22, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE $1226.78

Signature R. F. Shaw for W. H. Kung Title Executive Officer Date 9-30-52

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

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
OCT 13 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 627 Contract No. IDM - E 34

Operator's Name Cadwell Mining Company Minerals Lead- Zinc

Address 2450 Kendall, Denver 14, 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		2,490.09	96	17,518.64	606	28.91	1500	31,500.00
Crosscutting				823.34				
Raising								
Shafts Rehabilitation				12,000.00	200	6.00	200	12,000.00
Winzes								
Drilling: Core							5250	31,500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift Rehabilitation				6,722.89	394	17.06		
TOTAL DISTRIBUTED COSTS		2,490.09	96	37,064.87				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 July 15-52 Operator Cadwell Mining Co

Per R. W. Fumbay Title Sec & Treas

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

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

Administrative Audit Difference Statement

Date: October 2, 1952
Payee's
Reference: Progress
Report - July 1952

Cadwell Mining Co.
2450 Kendall Street
Edgewater, Colorado

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

Amount Claimed $2,490.09

Difference $ 36.53

Amount Approved $2,453.56

The reason for the difference was due to:

Invoice from Joe Zaitz should be clarified	8.73
Charles A. Fitzsimmons, stamped envelopes are considered overhead expense and not chargeable to the Government	1.82
Payroll taxes can be reclaimed when supported by quarterly report	25.98
	36.53

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

Very sincerely yours,

N. E. Stoker
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

September 30, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 627, Contract I-DMA-53 (Lead-Zinc), Cadwell Mining Company (Hayden Shaft), Lake County, Colorado - Operator's Monthly Progress Report, for the period July 1952

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

Work accomplished is in accordance with the contract and payment is recommended as follows contingent upon arithmetical accuracy and correctness of all rates which are a basis for payment.

Total reported		$2490.09
Less		
Amount on Joe Zaitz invoice (as explained in Traver's letter)	$ 8.73	
Stamped envelopes (Gen. Overhead)	1.82	
Payroll taxes, until supported by copy of quarterly report	25.98	36.53
		$2453.56
Government participation - 50 percent		$1226.78

John F. Shaw

John F. Shaw, for
W. H. King
Executive Officer
DMEA Field Team, Region IV

Enclosures

WLD: fwe
cc: Sec.Oper.Comm(2),Traver,Contract,Koschmann(2),Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

September 22, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for July 1952

Please find enclosed five copies of the above progress report, forms MF-104 (revised) and MF-104A, with proper documentation, seven copies of M. H. Salsbury's memorandum covering the underground progress, and seven copies of R. L. Belmar's memorandum covering checking of the forms MF-104 and MF-104A.

An item of $1.82 for stamped envelopes paid the U. S. postmaster is interpreted as corporation overhead and cannot be paid, and it is my opinion the total $8.73 to Joe Zaitz should be disallowed pending clarification of both the balance of $3.51 and current purchases of $5.22. Thus, my disallowances would total $10.55 which, deducted from $2,490.09 claimed by the contractor, leaves $2,479.54. Of this sum, $1,239.77, or 50 percent, is approved for payment.

It is assumed you will take care of disallowing payroll taxes.

Belmar disallows $3.51 and approves payment of $1,243.29 as shown in his memorandum.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/bam

cc 4
AHKoschmann
E34
DMEA Chron.

REG[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 [redacted]
DEN[redacted]

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

September 24, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: R. L. Balmer

Subject: DMA 627, Contract I-DMA-M34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Forms MF-104 and MF-104A for July 1952

I have gone over the forms MF-104 (revised) and MF-104A of the Cadwell Mining Company for July 1952. The costs claimed for reimbursement this period appear to be in order. The supply and service charges claimed are considered necessary and do not appear excessive. The charges itemized conform with the provisions of the contract. All charges are properly documented except those covered by an invoice from Joe Zaitz in the amount of $8.73. Of this, $3.51 is an unitemized balance and, therefore, can not be claimed.

Project costs totaling $2,486.58 are approved. Payment of 50 percent of the approved costs, or $1,243.29, is recommended.

R. L. Balmer

R. L. Balmer
Mining Engineer

RLB/bem

cc 6
AHKoschmann
M34
DMA Chron.

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

September 22, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Underground progress report for July 1952

An inspection of the underground workings of the Hayden shaft was made and R. B. Patrick's narrative report was found to be correct except that the word "east" used to describe the crosscut should be changed to "west".

R. L. Bolmer
for M. H. Salsbury
Mining Engineer

MHS/bam

cc 6
AMKoschmann
RB4
DMEA Chron.

407 East 8th Street
Leadville, Colorado
August 1, 1952

Mr. W. H. Traver, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

L27 - E34

Dear Sir:

Following is the narrative description to accompany form MF-104 for the month of July, 1952.

The north drift was advanced N15°E for 96 feet making a total of 379 feet to date. 576 cars of waste were hoisted during the month.

All of the advance was through a pink sandy limestone with thin green shale partings. The strike is generally N40°E and dipping 20° to the east except for a portion from 350 to 365 feet which strikes N15°E and dips 30° to the east. From 280 to 320 feet is a minor shear zone striking N55°E and dipping 70° to the northwest. There is no sign of the fault exposed in the face of the east crosscut although it projects to the zone of shearing. Three small faults are evident between 350 and 370 feet striking N30°W and dipping 70° to the southwest. There is no discernable displacement vertically on them. There is no mineralization except for random spots of pyrite and galena in the limestone all along the distance driven this month.

The lot of ore shipped last month settled for Au 0.03, Ag 10.80, Pb 7.50, Zn 6.50 and contained 55.3615 tons. I have received a letter from D. B. Greenlee, Assistant Manager, Resurrection Mining Company, stating that the government royalties will be witheld until the royalty percentages are actually fixed.

Yours truly,

Cadwell Mining Company

Roger B Patrick

Roger B. Patrick, Supt.

Distribution for July

Vender	Date	Invoice	Amount	Supplies	Power	Rental	Repair	Payroll Tax	Workmans Comp	Explosives	Supervision	Labor	Transportation
Rentals	July		259.53			259.53							
Public Service	24		133.35		133.35								
Rio Grande	2		1.24										1.24
Resurrection	6	553	141.75							141.75			
Workmans Comp.	July		58.00						58.00				
Postage	"		1.82	1.82									
Gambles	18	66134-22	1.81	1.81									
Gambles	28	66177-31	4.19	4.19									
U.S. Welding	25		11.17	11.17									
Zaits	1		8.73	8.73									
Leadville Standard	July		1.05	1.05									
Union Supply	"	27112	96.70	96.70									
Union Supply	24	27812	4.86	4.86									
F.I.C.A.	July		25.98					25.98					
Joe Miasato	"		3.25				3.25						
Union Supply	28	27855	4.69				4.69						
Thor Tool	17	945305	1.22				1.22						
Labor	July		1230.75									1230.75	
Supervision	"		500.00								500.00		
			2490.09	130.33	133.35	259.53	9.16	25.98	58.00	141.75	500.00	1230.75	1.24

Supplies	130.33
Power	133.35
Rentals	259.53
Repair	9.16
Payroll tax	25.98
Workmans Comp	58.00
Explosives	141.75
Supervision	500.00
Labor	1230.75
Transportation	1.24
	2490.09

SHEET NO. _____ PAYROLL FOR CADWELL MINING COMPANY FOR PERIOD ENDING July 1952

	NO.	NAME	DEP'T.	1 S 16	2 M 17	3 T 18	4 W 19	5 T 20	6 F 21	7 S 22	8 23	9 S 24	10 M 25	11 T 26	12 W 27	13 T 28	14 F 29	15 S 30	31	HOURS WORKED REG. TIME	OVERTIME @1½	OVERTIME @ 2	TOTAL	RATE AMT.	RATE PER	EARNINGS WAGES	BONUS	OTHER COMPENSATION DETAIL	AMT.	TOTAL	DEDUCTIONS O. A. B.	FED. TAXES	PAY ADVANCES				
1		J.F.Lane	Miner	8	8	8		8		8	8	8	8		8		8	8		88	8																1
2				8	8	8	8		8	8	8	8	8	8		8	8	8	8	112	8	17.00	200		1.50	300 00	312 00	12.00			4 68	52 00			255 32		2
3		H Mc Kenna	Shaft-man	8	8	8		8		8	8	8	8	8	8		8	8		96	8																3
4				8	8	8	8		8	8	8	8	8	8		8	8	8	8	112	16	19.50	208		1.625	338 00	357 50	13.00			5 37	37 80			314 33		4
5		J. H. Roberts	Hoist-man	8	8	8		8		8	8	8	8	8	8		8	8		96	8																5
6				8	8	8	8		8	8	8	8	8	8		8	8	8	8	112	16	17.25	208		1.4375	299 00	316 25	11.50			4 75	41 00			270 50		6
7		V. L. Phillips	Topman	8	8	8				8	8	8	8	8	8		8	8		88																	7
8				8	8	8			8	8	8	8	8	8		8	8	8	8	104	8	16.00	192		1.25	240 00	245 00	10.00			3 68	15 60			225 72		8
9		R. B. Patrick	Supt.	8	8	8		8		8	8	8	8	8	8		8	8		96																	9
10				8	8	8	8		8	8	8	8	8	8		8	8	8	8	112			208														10
11																																					11
12																										500 00	500 00				7 50	68 60			423 90		12
13																						5.75									25 98	25 00			1489 77		13
14																																					14
15		Wage rates shown in the above payroll																																			15
16		are those prevailing in the Leadville District																																			16
17																																					17
18																																					18
19		Certified Transcript																																			19
20																																					20
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35																																					35
36																																					36
		TOTAL																																			

PAYROLL FOR ______________________ PERIOD ENDING ______________ 19____ SHEET NO. ________

	DEDUCTIONS			PAID		DISTRIBUTION	MISCELLANEOUS		COMPENSATION INSURANCE		
	MISCELLANEOUS		TOTAL	AMOUNT	CHECK NO.		DETAIL	AMT.	PAYROLL AT STRAIGHT TIME	DISTRIBUTION	
	DETAIL	AMT.									
1											1
2											2
3											3
4											4
5											5
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IMPERIAL PUBLISHING CO. FORM 100

JULY 1952

CADWELL MINING COMPANY

Allowable Monthly Depreciation on Equipment Purchased.*-

1 Bench Grinder	150.00	2.50
4 Ore Cars (375.00 each)	1500.00	25.00
Cage 1	1700.00	28.33
1 Air Compressor	3500.00	58.33
1 Slusher Hoist	1102.00	18.37
1 Shaft Hoist	5500.00	91.66
1 Jack Hammer	345.00	5.75
1 Water Pump	520.00	8.67
1 Jack Leg	195.00	3.25
1 Air Receiver	210.00	3.50
1 Blower Complete with motor	550.00	9.17
1 Truck (Ford-Stake-bed)	250.00	5.00
	15,522.00	259.53

Certified Transcript

By E. W. Rumberg

DISTRIBUTION

Drifting 96 feet for July 1952

Labor	1730.75
Supplies	130.33
Power	133.35
Repair	9.16
Depreciation	259.53
Payroll Tax	25.98
Workmans Compensation	58.00
Explosives	141.75
Transportation	1.24
	2490.09

CERTIFIED TRANSCRIPT

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 1952

AUDIT CERTIFICATE

I have examined the records and transactions of:

CADWELL MINING COMPANY

2450 Kendall Street

Edgewater, Colorado

pertaining to Exploration Project Contract No. idma-E34, Docket No. DMA 627, for the period of June 28, 1951, to June 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 amount to be paid the Contractor:

Total Cost as Billed by Contractor		$34,616.82
Exceptions (See Audit Report for) (details)		
During this Audit	$1672.63	
Prior to this Audit	135.42	1,808.05
Total Accepted Cost		$32,808.77

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 Sixteen Thousand four-hundred and four Dollars and 39/100

$16,404.39

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.

September 3, 1952

Donald T. Finch
Donald T. Finch
Auditor, Region IV

Cadwell Mining Company
Exploration Project Contract
No. IDMA-E-34
Docket DMA 627

I. INTRODUCTION

An Audit was made on August 25 to 29, 1952 of Defense Minerals Exploration Contract No. E34, Cadwell Mining Company. The records pertaining to this contract are in the possession of Mr. E. W. Lumberg, Secretary-Treasurer. Mr. Lumberg is a bookkeeper at the First National Bank, Denver, Colorado. The exploration work is being done through the Hayden Shaft, May Queen and Hibermian patented claims located near Leadville, Colorado. Leadville is approximately 125 miles from Denver, Colorado. The Audit covered the period June 28, 1951 (contract date) through June 30, 1952 of the contract that continues until June 28, 1953. Mr. Lumberg submitted the available records to the DMEA office and was available for consultation when necessary.

II. EXTENT AND SCOPE OF AUDIT

1. Labor

Payrolls for the period of June 28, 1951 through June 30, 1952 were examined and computed for accuracy. Rates of pay were compared with the contract and amendments. A survey of wage scales in effect in the Leadville area prepared by the Bureau of Mines was also examined in order to determine if the operator's wage scale conformed with the provisions of amendment No. 3 to the Contract.

The Operator employes four men and a mine superintendent. Payroll data submitted for examination consisted of a monthly summary sheet showing number of shifts for each employee and total wages earned with withholdings deducted and net amount due. These summary payrolls were used to support transfers of cash from the company's bank account at the First National Bank, Denver, Colorado to the company's bank account at

the Commercial Bank at Leadville, Colorado. In addition to the payroll summaries, the operator submitted card records for each employee showing earnings and withholdings for the calendar year, 1951.

Mr. Lumberg advised that the payroll summaries were prepared by the mine superintendent and so far as he knew, no daily record was kept except on a temporary and memorandum basis.

2. Supervision

The salary of the mine superintendent was compared with the contract and was found to be equal or lower than the rate specified.

3. Operating Materials and Supplies

(Timber, Explosives, Pipe, Track, Other Supplies, and Power)

All invoices for the captioned items of cost for the period of June 28, 1951 through June 30, 1952 were examined. Supplies are purchased as needed and are charged direct to the project, net of cash discounts if any.

A random examination of cancelled bank checks in payment of these invoices was made.

4. Operating Equipment

(Depreciation)

All charges for depreciation (rental) for the period of June 28, 1951 through June 30, 1952 were checked and compared with the provisions of the Contract and of Contract Amendment No. 4.

5. Miscellaneous

(Repairs to Equipment, Sampling and Analysis, Payroll Taxes, Workmen's Compensation, Plowing Road)

All invoices or other accounting support for the items listed above were examined for the period June 28, 1951 through June 30, 1952.

6. Contingencies

(Transportation)

All invoices for transportation were examined for the period of June 28, 1951 through June 30, 1952. It was suggested to Mr. Lumberg that he show this item as a charge to the appropriate Supplies accounts.

III. FINDINGS

The records as maintained prior to this Audit by the Cadwell Mining Company were inadequate. Accounting distribution of costs to various accounts had been in many instances, carelessly made. For example the item of Payroll Taxes as shown on the MF104 form contained charges for overtime, for Plowing road, and a long-distance telephone call.

Invoices and other accounting support were not referenced as to applicable cancelled bank checks or as to account distribution. This data was assembled without regard to sequence in a large envelope for each month.

No analysis or summary sheet of any kind was submitted for examination. So far as could be determined, the operator does not maintain a conventional set of accounting records. The operator was therefore, requested to prepare Monthly analysis and distribution sheets, reference each invoice as to check issued in payment thereof, and as to account distribution. It was suggested that the foregoing monthly analysis be made so as to reflect the elements of costs as reflected on the MF-104 form currently in use.

Mr. Lumberg complied with the outlined requests. It is interesting to note the operator did not retain any invoices applicable to the months of May and June, having filed these items with the applicable MF-104.

Analysis of the invoices for this month was, therefore, made by Mr. Lumberg in the DMEA office since the filed data had become an integral part of the Finance Officer's records. It was suggested to Mr. Lumberg that the operator submit certified copies of documentation when filing future MF-104 forms.

Because of the conditions of the operator's records, it was necessary for the Auditor to reconstruct all totals to date as shown on the MF-104 for June, 1952.

The total to date on the MF-104 for June, 1952 does not include a total of $23.31 shown on a March, 1952 Supplemental MF-104 and which was accepted by the Finance Officer.

Exceptions taken during the Audit amounted to $1672.63 and Exceptions taken by the DMEA Finance Officer prior to the Audit and which had not been reflected on the operator's records, amounted to $135.42. These exceptions cover the period of June 28, 1951 through June 30, 1952. They are itemized by months on Schedule A attached.

It is believed the exceptions as listed are, for the most part, self explanatory. Attention is, however, directed to the exceptions of the Salary of $50.00 paid for July and August, 1951 to the Secretary-Treasurer. Exhibit A of the contract provides for office expense. The operator, however, does not maintain an office and the Exhibit A does not provide for a salary for Mr. Lumberg. From the condition of the records prior to the audit, there is no indication that any worth while accounting services were rendered.

Exceptions to Workmen's Compensation Insurance were based on the excess of such charges over the rates for Workmen's Compensation and for Occupational disease.

Amendment No. 3, effective April 1, 1952 provides for compensation

for a bookkeeper not to exceed $30.00 per month. As of June 30, 1952, the operator had not submitted a claim for such compensation.

Because of the many exceptions and changes in distribution discovered during the audit, Schedule B attached was prepared. This schedule shows the totals to date as shown on the operator's filed MF-104, the data shown on the operator's March Supplemental MF-104, the corrected distribution of the operator's data as filed, exceptions prior to audit, exceptions during audit and corrected totals to date as of June 30, 1952.

In order to facilitate reconciliation with previous filings by this operator, schedule C attached was prepared. This schedule shows exceptions taken prior to the audit which the operator had accepted and had reflected in its subsequent filings.

No further exceptions are taken, the costs being reasonable, 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 June 30, 1952.

SCHEDULE "A"
Cadwell Mining Company
Exceptions

1951

	During Audit		Prior to Audit	
July				
Purchases Prior to Contract				
Repairs	$ 66.47			
Tools	116.24			
Supplies	182.98			
Pipe	810.36			
Workmen's Compensation Insurance Applicable to April, 1951	44.00			
Total Costs incurred prior to Contract date of 6/28/52	$1220.05			
Supplies (returned mdse)	4.33			
Supplies (No invoices)	4.60			
Supplies (Net Sales Tax on Company equipment)	9.51			
Transportation on Company Equipment under depreciation schedule	60.00			
Transportation (No Invoice)	2.09			
Insurance on Compressor	2.70			
Salary paid to Sec. & Treasurer	50.00			
Total Exceptions June		$1353.28		
August				
Salary paid to Sec. & Treasurer			$50.00	
Long Distance phone call	5.72			
Insurance on Compressor	2.70			
Prepaid Freight & Sales Tax applicable to Company equipment on Depreciation Schedule	16.15			
Total Exceptions August		24.57		$50.00
September				
Overcharge workmen's compensation Insurance	85.44			
Insurance on Compressor	2.70			
Total Exceptions September		88.14		
October				
Insurance on Compressor	2.70			
Travel Expense Mine Super.	19.60			
Total Exceptions October		22.30		
November				
Rental Framing Saw			3.50	
Duplication for overtime charges			59.69	
Insurance on Compressor	2.70			
Property Insurance	97.55			
Personal item charged to Supplies	5.61			
Total Exceptions November		105.86		63.19

SCHEDULE "A" (con't)
Cadwell Mining Company
Exceptions

	During Audit		Prior to Audit	
1951				
December				
Rental (Depreciation) Framing Saw			$ 3.50	
Overcharge-Workmen's Compensation Insurance	$ 8.54			
Insurance-Compressor	2.70			
Total Exceptions, December		$11.24		$ 3.50
1952				
January				
Overcharge Workmen's Compensation Insurance	$ 4.63			
Insurance-Compressor	2.70			
Total Exceptions-January		7.33		
February				
Overcharge Workmen's Compensation Insurance	2.26			
Insurance-Compressor	2.70			
Total Exceptions February		4.96		
March				
Overcharge Workmen's Compensation Insurance	4.12			
Insurance, Compressor	2.70			
Total Exceptions March		6.82		
April				
Overcharge Workmen's Compensation Insurance	9.95			
Supplies:-No invoice	3.12			
Insurance-Compressor	2.70			
Total Exceptions April		15.77		
May				
Overcharge Workmen's Compensation Insurance	6.83			
Insurance-Compressor	2.70			
Supplies:-no invoice	7.31			
Total Exceptions, May		16.84		
June				
Supplies			6.43	
Liability Insurance: Auto			9.60	
Insurance-Compressor			2.70	
Overcharge Workmen's Compensation Insurance	9.32			
Supplies:-No Invoices	6.20			
Total Exceptions June		15.52		18.73
TOTAL EXCEPTIONS FOR PERIOD OF JUNE 28, 1951 THROUGH JUNE 30, 1952		$1672.63		$135.42

CADWELL MINING COMPANY

SCHEDULE "B"

CORRECTED TOTALS TO DATE-FORM MF104

JUNE, 1952

E 34

	MF 104 TOTALS TO DATE 6/30/52 AS FILED	SUPPLE-MENTAL MF 104 MARCH 1952	CORRECTED DISTRI-BUTION OF OPERATOR'S DATA	EXCEPT-IONS PRIOR TO AUDIT	EXCEPT-IONS DURING AUDIT	MF 104 CORRECTED TOTALS TO DATE 6/30/52
LABOR	$16793.90	$ 10.00	$14334.95	$ 59.69		$14275.26
SUPERVISION	3154.00		5704.00	50.00	$50.00	5604.00
TIMBER	309.00		1625.08			1625.08
EXPLOSIVES	1064.60		1113.60			1113.60
PIPE			1265.37		810.36	455.01
TRACK			828.40			828.40
SUPPLIES	7243.23		3486.18	6.43	239.81	3239.94
POWER	1261.86		1261.86			1261.86
PURCHASE OF OPERATING EQUIPMENTT	2879.79					
DEPREC. EQUIPMENT.			2879.79	7.00		2872.79
REPAIRS TO EQUIPMENT	202.20		384.16		66.47	317.69
SAMPLING & ANALYSIS	61.12		61.12			61.12
PAYROLL TAXES	386.02	13.31	292.56			292.56
LIABILITY INSURANCE	9.60		9.60	9.60		-0-
WORKMEN'S COMPENSATION	852.35		852.35		175.09	677.26
INSURANCE-COMPRESSOR	32.40		32.40	2.70	29.70	-0-
TRANSPORTATION	245.89		245.89		81.69	164.20
PROPERTY INSURANCE	97.55		97.55		97.55	-0-
TOOLS			116.24		116.24	-0-
PLOWING ROAD			20.00			20.00
PHONE			5.72		5.72	-0-
TOTALS	$34593.51	$23.31	$ 34616.82	$ 135.42	$1672.63	$32808.77

SCHEDULE "C"

CADWELL MINING COMPANY— E 34

EXCEPTIONS BY FINANCE OFFICER WHICH OPERATOR ACCEPTED AND ADJUSTED ITS FORMS MF - 104

1951			
December			
Labor	$ 10.00		
Long-Distance Telephone Call	4.63		
Total December, Adjusted by Operator on Form MF 104 for February, 1952		$ 14.63	
1952			
January			
Equipment Rental (Depreciation)	3.50		
Duplication of Overtime Charges	34.29		
Total January, Adjusted by Operator on Form MF 104 for February		37.79	
February			
Personal Property Taxes	86.70		
Total February, Adjusted by Operator On Form MF 104 for March		86.70	
May			
Overcharge, Payroll Taxes	.50		
Total, May adjusted by Operator on Form MF 104 for June		.50	
TOTAL EXCEPTIONS BY FINANCE OFFICER WHICH OPERATOR ACCEPTED AND ADJUSTED ITS FORMS MF 104 FOR THE PERIOD OF JUNE 28, 1951 THROUGH JUNE 30, 1952			$ 139.62

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 June, 1952 Docket No. DMEA 627 Contract No. LDME 34
Operator's Name CADDELL MINING COMPANY Minerals Lead and Zinc
Address Leadville, Colo. --2450 Kendall, Denver 14, Colo.
Contract Amount, $ 89,922.00 Government Participation: 50 % Amount, $ 2,606.43

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						
(2) Labor and Supervision:						
Labor	1,186.50	15,607.40	16,793.90			
Supervision	500.00	2,654.00	3,154.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	79.96	229.04	309.00			
Explosives	117.25	947.35	1064.60			
Pipe						
Track						
Supplies	85.60	7,157.63	7,243.23	79.17	7,157.63	7,236.80
Power	142.95	1,118.91	1,261.86			
(4) Operating Equipment:						
Rental						
Purchase	259.53	2,620.26	2,879.79			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	105.06	97.14	202.20			
Sampling and Analysis	22.75	38.37	61.12			
Payroll Taxes	25.29	360.73	386.02			
Liability Insurance	9.60		9.60			
Workmens Compensation	67.00	785.35	852.35			
Ins. Compressor	2.70	127.25	129.95	--	127.25	127.25
(8) Contingencies (specify):						
Transportation	2.24	243.65	245.89			
TOTALS	2,606.43	31,987.08	34,593.51	2,587.70	31,893.68	34,481.38

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

Date 7-15-52 *Payee CADDELL MINING COMPANY

Per E. W. Kumberg Title Secretary-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:

$ 1293.85

Signature [illegible]
(Authorized Certifying Officer)

Date 8/25/52 Vou. No. DMA 83-25

(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. I-DMA-E34 in accordance with the terms of the contract.

Signature W. M. Traver Jr. Title Chief, Colorado Branch, Mining Div., Reg. IV Date August 4, 1952

1295.20

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE 1295.20

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

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 1952 Docket No. DMEA 627 Contract No. IDM-R 34
Operator's Name CADWELL MINING COMPANY Minerals Ledd and Zinc
Address 2450 Kendall St. Denver 14, Colo.--Leadville, 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		1,759.47	35	15,023.66	510	29.46	1500	31,500.00
Crosscutting		846.96	30	846.96	30	28.23		
Raising								
Shafts Rehabilitation				12,000.00	200	60.00	200	12,000.00
Winzes								
Drilling: Core							5250	31,500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
DRIFT REHABILITATION				6,722.89	394	17.06		
TOTAL DISTRIBUTED COSTS		2,606.43	65	34,593.51				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 7-15-52 Operator CADWELL MINING COMPANY

Per [signature] Title Secretary-Treasurer

REMARKS: 40 feet of timber installed in drifting

→ 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

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

Administrative Audit Difference Statement

Date: August 25, 1952
Payee's
Reference: Progress Report, June, 1952

Cadwell Mining Co.
2450 Kendall Street
Edgewater, Colorado

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

Amount claimed $2,606.43

Difference $ 18.73

Amount Approved $2,587.70

The reason for the difference was due to:

Fire Insurance	9.60
Control Clock (not covered by contract)	6.43
Insurance on compressor not allowable inasmuch as Government is paying depreciation on this equipment.	2.70
	18.73

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

Mining Division
Region IV

August 14, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 627, Contract I-DMA-E34, Cadwell Mining Company, Lake County, Colorado - Operator's Monthly Progress Report for the period of June 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,295.20, which is 50 percent of the total of $2,590.40, which reflects disallowances of $9.60 for fire insurance and $6.43 for the control clock.

W. H. King
W. H. King

Enclosures

WLD:jp
cc: Secretary to the Operating Committee (2)
WMTraver
AHKoschmann (2)
Contract
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 4, 1952

Mining Division
Date Rec'd.
AUG 5 - 1952
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627 (Lead-Zinc), Contract I-DMA-E34, Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for June 1952

Please find enclosed five copies of the above progress report on the new forms MF-104 (revised) and MF-104A, with narrative, payroll, and other required documentation, and seven copies of a memorandum report by M. H. Salsbury covering inspection of the underground progress and seven copies of my memorandum on the accounts.

Reflecting a disallowance of $16.03, reducing the contractor's claim from $2,606.43 to $2,590.40, payment is approved of $1,295.20, or 50 percent of the latter amount.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/amh

cc: 4
AHKoschmann
E34
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 4, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: W. M. Traver, Jr.

Subject: MMA 627 (Lead-Zinc), Contract I-MMA-E34, Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for June 1952

M. H. Salsbury checked the underground progress July 7, 1952, and his memorandum report is attached.

Accounts were checked at the Colorado Branch office by R. D. Berkenketter and W. M. Traver, Jr., and were found documented in conformance with administrative rulings and allowed by contract or amendments except as otherwise noted below.

It will be necessary to require some changes by the contractor in July and subsequent reports, especially on form MF-104A. No attempt was made to verify cumulative units or costs on the June report.

Item 2, Labor and Supervision, totaling $1,686.50, correct in amount. Regular and overtime for J. F. Lane are reported incorrectly by $20.00 but it does not affect the total.

Item 3, Operating Materials and Supplies, correct except Supplies, $85.60, which includes $61.43 paid Ryall Electric Company for a clock to control a battery lamp charger. In the absence of coverage for such equipment in the contract or amendments, this amount is disallowed.

Item 4, Operating Equipment:
Depreciation: $259.93, correct and supported by a certified list. It is incorrectly typed in the space for equipment purchased.

Item 7, Miscellaneous:

Repairs to Equipment reported as $105.06 should be $105.19 as a result of an error in addition. No correction suggested.

Liability insurance, $9.60 paid Farm Mutual Automobile Insurance Company for fire insurance on the truck used on the project, is disallowed in accordance with most recent instructions. Compressor insurance of $2.70 is on a purchase contract and allowed.

Item 8, Contingencies (specify):

Transportation, $2.24, from two invoices to Rio Grande Motor Way, Inc., actually totaling $2.82, is incorrect, but no change is suggested.

The contractor, on his payroll sheet, has distributed labor charges for drifting and crosscutting for entry on the MF-104A form, on a shifts-worked basis. If this procedure is correct the remainder should be distributed in a like manner as follows:

Total claimed	$2,606.43
Disallowance	16.03
	$2,590.40
Labor and Supervision	1,686.50
	$ 903.90

Total shifts, 121; crosscutting, 38; drifting, 83.

83/121 x $903.90 = $620.03 drifting

38/121 x $903.90 = $283.87 crosscutting

$903.90

	Drifting	Crosscutting		
Labor	$1,146.18	$540.32		
All other	620.03	283.87		
Total	$1,766.21	$824.19	-	$2,590.40
				16.03
			Claimed	$2,606.43

Payment of $1,295.20, or 50 percent of the total $2,606.43 claimed less $16.03 disallowed, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

WMT/amh
cc 6
AHKoschmann
E34
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 4, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 627 (Lead-Zinc), Contract I-DMA-E34, Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Progress report for June 1952

The subject Hayden operations were inspected July 7, 1952, and the narrative report by R. B. Patrick covering June 1952 work is correct except that it is not clear that the crosscut driven toward the west side line at 233 feet from the tunnel lateral is 28 feet long and the short crosscut driven to the east at 268 feet is 2 feet long, making a total of 30 feet of crosscutting. Total development for the month is 65 feet.

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

MHS/amh

cc 6
AHKoschmann
E34
DMRA Chron.

407 East 6th Street
Leadville, Colorado
July 1, 1952

Mr. W. M. Traver, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

Dear Sir:

Following is the narrative description to accompany form MF-104 for the month of June, 1952.

The north drift was driven 35 feet N 15° E making a total advance in this heading of 283 feet to date. Forty feet of this drift was timbered and 30 feet of crosscut was driven from it. 200 cars of waste and 81 cars of ore were hoisted.

A 28 foot crosscut was driven from a point 233 feet from the beginning of the north drift N 75°W. The face is very close to the west side line of the May Queen claim. This crosscut exposes the bedded ore which is about 2-1/2 feet thick in the face with the top of it at the back of the drift. It is cut off at the face by a small post-mineral normal fault striking N 32°E and dipping 83° to the east. No further work was done because of the proximity of the sideline.

The muck from this drift was saved and shipped to the Resurrection mill. The lot has not been settled but will weigh about 55 tons and will contain 10 oz. Ag and 15% combined lead and zinc in about equal amounts. The dilution figure is at least 60%.

It was necessary to timber the drift through the shaly portion of the Peerless. Eight inch native timber was used to make up sets with 7 foot posts and 5 foot caps on 5 foot centers.

Upon completion of this work the drift face was advanced again. It is in a hard, reddish limestone. A few spots of ore were exposed on the east side of the drift so a starter round was shot in the side 268 feet from beginning. This exposed a small manto 1-1/2 feet in diameter parallel to the drift and running along it for about 25 feet on the bedding. Three 8 foot holes were drilled from the breast of this crosscut without encountering ore so it was abandoned.

About three feet above and below this manto are two 6 inch sills of black explosion breccia containing angular fragments of limestone and porphyry. The appear to be crosscutting upward through the bedding at a small angle.

At Mr. Salsbury's request I am enclosing an extra copy of this report.

Yours truly,

Cadwell Mining Company

R B Patrick

R. B. Patrick, Supt.

DATE PAYABLE _____ PAGE _____

PAY ROLL FOR PERIOD June 1 19 52 TO June 30 19 52

MADE IN U.S.A.

WILSON JONES FORM 686-40

	NO.	TIME WORKED DAYS	TIME WORKED HOURS	RATE PER	EARNINGS REGULAR	EARNINGS EXTRA FOR OVERTIME	EARNINGS TOTAL	DEDUCTIONS O. A. B.	DEDUCTIONS WITH-HOLDING TAX	DEDUCTIONS BONDS	NET PAID AMOUNT	NET PAID CHECK NO.	TAXABLE EARNINGS	
Hugh McKenna	1	25			325.00	26.00	351.00	5.27	37.00		308.73			Shaftman (timberman)
J. H. Roberts	1	25			287.50 264.00	23.00 6.00	310.50	4.65	40.20		265.65			Hoistman
J. F. Lane	1	22			244.00	26.00	270.00	4.05	42.60		223.35			Miner
V. L Phillips	1	24			240.00	15.00	255.00	3.82	17.80		233.38			Topman
R. B. Patrick	1	25			500.00		500.00	7.50	68.60		423.90			Supt.
					1596.50 1576.50	90.00 70	1686.50	25.29	206.20		1455.01			

Wage Rates shown on the above payroll are those prevailing in the Leadville District

Certified Transcript
By E. W. Lumberg

CUT LEAF METHOD: Write names on left hand page and cut off Supplementary Sheets at this line.

PAGE _____ DATE PAYABLE _____

PAY ROLL FOR PERIOD 19 TO 19

NAME	Exempt'n Class	NO.	TIME WORKED		RATE PER	EARNINGS			DEDUCTIONS				NET PAID		TAXABLE EARNINGS
			DAYS	HOURS		REGULAR	EXTRA FOR OVERTIME	TOTAL	O. A. B.	WITH-HOLDING TAX	BONDS		AMOUNT	CHECK NO.	
AMOUNTS FORWARDED															

CADWELL MINING COMPANY

Labor distribution for the month of JUNE 1952

	North Drift					West X Cut				
Date	Miner	Mucker	Hoistman	Topman	Supt.	Miner	Mucker	Hoistman	Topman	Supt.
1										
2	1	1	1	1	1					
3	1	1	1	1	1					
4	1	1	1	1	1					
5	1	1	1	1	1					
6						1	1	1	1	1
7							1	1	1	1
8										
9						1	1	1	1	1
10						1	1	1	1	1
11							1	1	1	1
12						1	1	1	1	1
13						1	1	1	1	1
14						1	1	1	1	1
15										
16	1	1	1	1	1					
17	1	1	1	1	1					
18	1	1	1	1	1					
19	1	1	1	1	1					
20	1	1	1	1	1					
21	1		1	1	1					
22										
23	1	1	1	1	1					
24	1	1	1	1	1					
25	1	1	1	1	1					
26	1	1	1	1	1					
27	1	1	1	1	1					
28		1	1	1	1					
29										
30	1	1	1	1	1					
31										
	16	16	17	17	17	6	8	8	8	8

	X Cut	Drift	X Cut	Drift	Total	O.A.B.	Withholding Tax	Overtime
J. F. Lane	6	16	73.64	196.36	270.00	4.05	42.60	6.00
V. L. Phillips	8	16	85.00	170.00	255.00	3.82	17.80	15.00
Hugh McKenna	8	17	112.32	238.68	351.00	5.27	37.00	26.00
J. B. Roberts	8	17	99.36	211.14	310.00	4.65	40.20	23.00
R. B. Patrick	8	17	170.00	330.00	500.00	7.50	68.60	
	38	83	540.32	1146.18	1686.50	25.29	206.20	70.00

Certified copy by L W Lindsay

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

Colorado Branch

Date Rec'd JUL 1 1952 BUREAU OF MINES Denver, Colorado 2

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

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

DIST. ENGR. EXAMINATION DIST. CLERK PERSONNEL FILES

Month of MAY Docket No. DMEA 627 Contract No. ~~I D M~~ E 34

Operator's Name CADWELL MINING COMPANY Minerals ~~Lead~~ Zinc

Address Leadville, Colorado- 2452 Kendall St. Denver 14, Colo.

Contract Amount, $89,922.00 Government Participation: 50 % Amount, $~~2744.21~~

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						
Drifting						
(2) Labor and Supervision:						
Labor	1317.75	14,289.65	15,607.40	1,317.75	14,289.65	15,607.40
Supervision	500.00	2,154.00	2,654.00	500.00	2,154.00	2,654.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		229.04	229.04		229.04	229.04
Explosives	107.00	840.35	947.35	107.00	840.35	947.35
Pipe						
Track						
Supplies	268.68	6,888.95	7,157.63	268.68	6,888.95	7,157.63
Power	166.95	951.96	1,118.91	166.95	951.96	1,118.91
(4) Operating Equipment:						
Rental	259.52	2,360.74	2,620.26	259.52	2,360.74	2,620.26
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	11.53	85.61	97.14	11.53	85.61	97.14
Sampling and Analysis	10.50	27.87	38.37	10.50	27.87	38.37
Payroll Taxes	27.76	333.47	361.23	27.26	333.47	360.73
Liability Insurance						
Workmens Compensation	69.00	716.35	785.35	69.00	716.35	785.35
Insurance Compressor	2.70	124.55	127.25	2.70	124.55	127.25
(8) Contingencies (specify):						
Transportation	2.82	240.83	243.65	2.82	240.83	243.65
TOTALS	2,744.21	29,243.37	31,987.58	2,743.71	29,243.37	31,987.08

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

Date 6-20-52 *Payee CADWELL MINING COMAPNY

Per E. W. Lemberg Title Secretary-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:

$

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. 2DME34 in accordance with the terms of the contract.

Signature M. H. Halabury (137 PS) Title Mining Engineer Date 7/2/52

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1952

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1953)

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 1952 Docket No. DMEA 627 Contract No. I DM-E 34
Operator's Name CADWELL MINING COMPANY Minerals Lead - Zinc
Address Leadville, Colo. (-2452 Kendall, Denver 14 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		2,744.21	128	13,264.69	475	27.93	1500	31,500.00
Crosscutting								
Raising								
Shafts Rehabilitation				12,000.00	200	60.00	200	12,000.00
Winzes								
Drilling: Core							5,250	31,500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift Rehabilitation				6,722.89	394	17.06		
TOTAL DISTRIBUTED COSTS		2,744.21	128	31,987.58				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 6-20-52 Operator CADWELL MINING COMPANY

Per E. W. Lumley Title Secretary-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)

Schedule DMA 53-12
July 22, 1952
$1371.85

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

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

July 22, 1952

Progress
Report, May 1952

Cadwell Mining Co.
2450 Kendall Street
Idaresator, Colorado

[illegible]

[illegible] 2,744.21

[illegible] .50

[illegible] 2,743.71

[illegible]

Overcharge Payroll taxes Total should be $27.26

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

Any posting for deduction made above must be accompanied by the original of this form.

Very sincerely yours,

W. D. Stokes
Audit Section

[illegible]

Mining Division
Region IV

July 16, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 627, Contract I-[illegible]-234 (Lead-Zinc), Cadwell Mining Company, Lake County, Colorado - Operator's Monthly Progress Report, for the period of May 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,371.85, which is 50 percent of the total of $2,743.71, which reflects a deduction of $0.50 overcharge of payroll tax.

The report is passed for payment in the absence of complete documentation in the prescribed form as charges and invoices were verified by the inspecting engineer. Subsequent reports will necessarily be supported with complete documentation.

W. H. KING

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

JWT:fwo

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 7, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 527 (Lead-zinc), Contract I-DMA-E34, Cadwell Mining Company, Lake County, Colorado - progress report for May 1952

Please find enclosed five copies of the subject progress report made out on the new forms MF-104 (revised) and MF-104A, including five copies of narrative, payroll, and rental list, and one copy only of invoices certified by E. W. Lumberg, secretary-treasurer of the contractor, by initial. Also enclosed are seven copies of M. H. Salsbury's memorandum report covering inspection of the underground progress and accounts.

Payment is approved of $1,371.85, or 50 percent of the corrected sum.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/bam

cc: 4
AHKoschmann
E34
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 7, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 527 (Lead-zinc), Contract I-DMA-E34, Cadwell Mining Company, Lake County, Colorado - progress report for May 1952

The subject underground progress was inspected June 10 with R. B. Patrick and found to be 128 feet as reported in the narrative. Cumulative and current units of progress are correct as shown on the MF-104A forms.

Accounts were inspected July 3, 1952. Expenditures, with exceptions noted, were verified by invoice.

Item 2, Labor: $1,317.75 is correct and verified by the attached payroll.

Supervision: $500.00 is correct and verified by the attached payroll.

Item 3, Operating Materials and Supplies:
Explosives - $107.00 is correct.
Supplies charged as $268.68 should more correctly be $261.92 as it includes a charge of $6.76 by Custom Machine Company considered as repairs to equipment under Item 7, Miscellaneous.
Power - $166.95 is correct.

Item 4. Rental: $259.52 is correct and supported by rental list attached to MF-104 forms.

Item 7, Miscellaneous:
Repairs to equipment - $11.53 should be $18.29, reflecting the addition of $6.76 explained under Item 3, Supplies.
Payroll taxes - $27.76 should be $27.26 to make the net paid and total earnings on the payroll conform. It is evidently an error in the typing. There is also a $0.03 error in the pay of V. L. Phillips which will probably be considered by the audits section.
Workmen's compensation - $69.00 is correct.
Insurance compressor - $2.70 is correct.

Item 8, Transportation: $2.82 is correct.

Lumberg did not check the accounts personally with the examiner, and statements on compensation insurance, compressor insurance, and F. I. C. A. payments were not seen by the examiner. The amounts paid check with the payroll amount or with like charges on previous months.

Lumberg should again be advised that the accounts as presented will not conform with the procedure required starting with the June MF-104 report. He should furnish the following with future reports.

(a) Certification on all invoices or copies of invoices stating that the material has been received, signed by the appropriate official.

(b) Statements covering workmen's compensation, fire insurance, F. I. C. A., or any item on which no invoice is submitted, all certified as in (a).

(c) Payroll forms showing daily time distribution.

(d) A distribution sheet with breakdown of costs showing how distribution on form MF-104A is arrived at.

The last two, (c) and (d), will be needed when more than one operation is being carried on and the procedure might as well be established.

Payment of $1,371.85, or 50 percent of the $2,743.71 claimed by the contractor, is approved.

Scott Hagen Jr
for M. H. Salsbury

MHS/bam

cc: 6
AHKoschmann
E34
DMEA

DATE PAYABLE _____ PAGE _____

PAY ROLL FOR PERIOD May 1 1952 TO May 31 19 52

MADE IN U.S.A.

WILSON JONES FORM 686-40

	NO.	TIME WORKED DAYS	TIME WORKED HOURS	RATE PER	EARNINGS REGULAR	EARNINGS EXTRA FOR OVERTIME	EARNINGS TOTAL	DEDUCTIONS O. A. B.	DEDUCTIONS WITH-HOLDING TAX	DEDUCTIONS BONDS	NET PAID AMOUNT	NET PAID CHECK NO.	TAXABLE EARNINGS	
Hugh Mc Menna	1	27		1300	351 00	32 50	383 50	5 75	4400		333 75			Shaftman (Timberman)
J.H. Roberts	1	27		1150	310 50	28 75	339 25	5 09	4580		288 36			Hoistman
J. F. Lane	1	24		1200	288 00	12 00	300 00	4 50	4880		246 70			Miner
V.L. Phillips	1	27		1000	270 00	25 00	295 00	4 42	2580		264 75			Topman
R.B. Patrick	1	27			500 00		500 00	7 50	6860		423 90			Superintendent
					1719 50	98 25	1817 75	27 76	233 00		1557 49			

Wage rates shown on the above payroll are those prevailing in the Leadville District.

CUT LEAF METHOD: Write names on left hand page and cut off Supplementary Sheets at the line

PAGE_____ DATE PAYABLE_____

PAY ROLL FOR PERIOD 19 TO 19

NAME	Exempt'n Class	NO.	TIME WORKED		RATE PER	EARNINGS			DEDUCTIONS				NET PAID		TAXABLE EARNINGS
			DAYS	HOURS		REGULAR	EXTRA FOR OVERTIME	TOTAL	O. A. B.	WITH-HOLDING TAX	BONDS		AMOUNT	CHECK NO.	
AMOUNTS FORWARDED															

RENTAL EQUIPMENT

CADWELL MINING COMPANY

1 Bench Grinder	$ 150.00
4 Ore Cars (@ 375.00 ea.)	1500.00
1 Cage	1700.00
1 Air Compressor	3500.00
1 Slusher Hoist	1102.00
1 Tugger Hoist	~~1000.00~~
1 Shaft Hoist	5500.00
1 Air Hammer	~~2000.00~~
1 Masking Machine	~~3200.00~~
1 Jackhammer	345.00
1 Stoper Drill	~~610.00~~
1 Jackleg	195.00
1 Air Receiver	210.00
1 Water Pump	520.00
1 Truck (Ford stake bed)	550.00
1 Blower (Complete with motor)	

259.50

407 East 8th Street
Leadville, Colorado
June 2, 1952

Mr. W. H. Traver, Jr.
United States Bureau of Mines
Denver Federal Center
Denver, Colorado

Dear Sir:

Following is the narrative descript ion to accompany form MF-104 for the month of May, 1952.

The north drift was continued N15°E for 128 feet during the month making the total to date 248 feet. 701 cars of waste were hoisted during the month.

The Manitou Limestone in the face on May 1, 1952 continued to a point 145 feet from the Hayden Lateral where gray porphyry was encountered. The contact strikes N 60°E and dips 30° southeast. The drift continued in porphyry for 60 feet and then went into Peerless Shale 205 feet from the Hayden Lateral. This contact is irregular but strikes approximately N 65°E and dips 50° to the southeast.

The Peerless Shale in the remainder of the drift has almost the same strike as the drift with a dip of 20° to the east. It consists of thin bedded limestone with black shale partings and beds of black shale up to 6 inches thick. The shale beds are crumpled in places and the limestone beds are badly broken in places making and angle of 30° with the adjacent bed. We are probably in the upper portion of the Peerless.

Ore was encountered in the bottom of the drift from 217 to 242 feet from the Hayden Lateral. It reached a maximum height of 2 feet on the left wall of the drift at one point. A hole put down here went thru three feet of ore before encountering waste. The ore is lying on the bedding and was drilled consistently in the lifters. It is massive sulfide containing pyrite, galena and zinc sulfide/e. Masses of galena up to 6 inches in diameter are enclosed in the pyrite. The pyrite is quite soft and crumbly and contains smaller grains of galena and sphalerite.

A sample of the pyrit iferous material assayed:
Ag 20.8, Pb 15.9, Zn 12.3

A sample of the galena assayed:
Ag 40.2, Pb 61.2, Zn 7.2

This showing is encouraging to say the least. I propose to drive the drift ahead for two or three more rounds to make sure that the ore does not extend to the north any further on this horizon and then will drive a small drift to the west near the center off the exposure. This drift will open lower horizons and should give a better idea of the thickness and grade of the ore.

I have been using a DO-X6 rating when ordering supplies. If there has been any change in this rating please notify.

Yours truly,

Cadwell Mining Company

R B. Patrick

R. B. Patrick, Supt.

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 34

Name of Operator CADWELL MINING COMPANY
Docket No. DMA 627
Total Contract Amount $ 89,922.00
Government Participation: 50 % Amount, $
Distribution of Expenditures for Month of April 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
JUN 13 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.

CADWELL MINING COMPANY
(Name of Company)

By E. W. Kumberg
(Signature of Authorized Official)

May 14, 1952
(Date)

Secretary-Treasurer
(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]	259.52	2101.22	2360.74	259.52	2101.22	2360.74
(*c*) Furnished by operator						
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]	1269.00	13020.65	14,289.65	1269.00	13020.65	14,289.65
5. Supervision	500.00	1654.00	2,154.00	500.00	1654.00	2,154.00
6. Supplies						
(a) Timber	21.80	207.24	229.04	21.80	207.24	229.04
(b) Explosives	335.25	505.10	840.35	335.25	505.10	840.35
(c) Repair Parts	66.20	19.41	~~19.41~~	75.61	19.41	75.61
(d) Other	~~252.32~~ 186.12	6702.83	~~6,955.15~~	6288.95 186.12	6702.83	6888.95
7. Power	123.75	828.21	951.96	123.75	828.21	951.96
8. Transportation	1.85	238.98	240.83	1.85	238.98	240.83
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	69.45	646.90	716.35	69.45	646.90	716.35
(d) Ins. Compressor	2.70	121.85	124.55	2.70	121.85	124.55
10. Contract Work						
11. Other (specify)						
(a) F.I.C.A.	26.55	327.67	361.34	26.55	327.67	361.34
(b) Assayer	7.12			7.12		
	33.67			33.67		
Total	2869.31	26,374.06	29,243.37	2869.31	26,374.06	29,243.37
Deletions						
Adjusted totals						
Totals previously reported	26374.06			26374.06		
Totals to date	29243.37			29243.37		

[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 M. H. Salabury JOINT.
Amount approved for payment $1434.65 1434.65 $1434.65
Remarks

16—64068-3

Schedule DMA 52-57
June 5, 1952
$1434.65

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	1769.00		609.37	490.94	2869.31		92'	~~849'~~ 235	~~941'~~ 327	1500'
Crosscutting										
Raising										
Shafts								200'	200'	200'
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation							-	394	394	
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals							92'	849 ~~1049'~~	941 ~~1141'~~	1700'

[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 34

Copy

Name of Operator CADWELL MINING COMPANY
Docket No. DMA 627
Total Contract Amount 89,922.00
Government Participation: 50 % Amount, $
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.

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.

Cadwell Mining Company
(Name of Company)

By E. W. Lumberg
(Signature of Authorized Official)

April 14, 1952
(Date)

Secretary-Treasurer
(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]	245.36	1855.86	2101.22	245.36	1855.86	2101.22
(c) Furnished by operator						
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]	1277.25	11,743.40	13020.65	1277.25	11,743.40	13,020.65
5. Supervision	500.00	1,154.00	1654.00	500.00	1,154.00	1,654.00
6. Supplies						
(a) Timber	138.05	69.19	207.24	138.05	69.19	207.24
(b) Explosives	79.50	425.60	505.10	79.50	425.60	505.10
(c) Repair Parts		19.41	19.41		19.41	19.41
(d) Other	310.65	6,392.18	6,702.83	310.65	6,392.18	6,702.83
7. Power	118.95	709.26	828.21	118.95	709.26	828.21
8. Transportation	1.02	237.96	238.98	1.02	237.96	238.98
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	65.00	581.90	646.90	65.00	581.90	646.90
Ins. Compressor	2.70	119.15	121.85	2.70	119.15	121.85
10. Contract Work						
11. Other (specify)						
F. I. C. A.	26.66	301.01	327.67	26.66	301.01	327.67
Total	2765.14	23,608.92	26,374.06	2765.14	23,608.92	26,374.06
Deletions						
Adjusted totals						
Totals previously reported	23,608.92			23608.92		
Totals to date	26,374.06			26374.06		

[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 M. H. Salsbbury WMK
Amount approved for payment 1382.57 1382.57
Remarks

16—64068-3

Schedule DMA 52-56
June 2, 1952
1382.57

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF ~~March, 1952~~

(Supply Data Below Applicable Only to Your Operations)

IN ERROR * SEE TRANSMITTAL
LETTER TO T.A. C.

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	1777.25		528.20	459.69	2765.14		87	762	849	1500
Crosscutting										
Raising										
Shafts								200	200	200
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals							87	962	1049	1700

[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.

Colorado Branch

Date Rec'd
APR 17 1952
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 34
Idm-E

Name of Operator CADWELL MINING COMPANY
Docket No. DMA 627
Total Contract Amount $ 89,922.00
Government Participation: 50 % Amount, $
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 12 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.

CADWELL MINING COMAPNY
(Name of Company)

By E. W. Lumley
(Signature of Authorized Official)

April 14, 1952
(Date)

Secretary Treasurer
(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]	245.36				0	
(*c*) Furnished by operator						
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						
	10.00	V. L. Phillips 12/51				
	13.31	FICA omited on December 1951 Payroll				
4. Labor[3]				10.00		
5. Supervision				13.31		
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total	23.31					
Deletions				23.31		
Adjusted totals						
Totals previously reported						
Totals to date						

[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 Scott W. Rogers
Amount approved for payment 11.65
Remarks

16—64068-3

Schedule DMA 52-48
May 7, 1952
11.65

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(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										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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 34

Name of Operator CADWELL MINING COMPANY
Docket No. DMA 627
Total Contract Amount $ 89,922.00
Government Participation: 50 % Amount, $
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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 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.

CADWELL MINING COMPANY
(Name of Company)

By L. W. Lundberg
(Signature of Authorized Official)

3-11-1952
(Date)

Secretary-Treasurer
(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]	245.36	1610.50	1855.86	245.36	1610.50	1855.86
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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

Administrative Audit Difference Statement

Date: April 2, 1952
Payee's
Reference: Progress Report
February 1952

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

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

Amount claimed $ 2,874.63

Difference $ -- 86.70

Amount Approved $ 2,787.93

The reason for the difference was due to:

Purchase of Motor Drive for Blower not provided for in contract $86.70

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

Very sincerely yours,

D. E. Stokes
Audit Section

R-IV - B&F Form No. 4
5-1-51 - 1M

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						
		10,538.40				
4. Labor[3]	1205.00	10538.40	11,743.40	1205.00	10,538440	11,743.40
5. Supervision	454.00	700.00	1,154.00	454.00	700.00	1154.00
6. Supplies						
(a) Timber		69.19	69.19		69.19	69.19
(b) Explosives	332.60	93.00	425.60	332.60	93.00	425.60
(c) Repair Parts		19.41	19.41		19.41	19.41
(d) Other	421.83	6057.05	6478.88	335.13	6057.05	6392.18
7. Power	118.95	590.31	709.26	118.95	590.31	709.26
8. Transportation	1.31	236.65	237.96	1.31	236.65	237.96
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	59.00	522.90	581.90	59.00	522.90	581.90
(d) Compensation Inc.	2.70	116.45	119.15	2.70	116.45	119.15
10. Contract Work						
11. Other (specify)						
FICA	24.88	267.13	301.01	24.88	267.13	301.01
Assayers	9.00			9.00		
	33.88			33.88		
Total	2874.63	20820.99	23,695.62			
Deletions	2787.93			-86.70		
Adjusted totals				2787.93	20,820.99	23,608.92
Totals previously reported	20,820.99			20,820.99		
Totals to date	23,695.62			23,608.92		

[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 W. M. Sinnamon Jr.
Amount approved for payment $1437.31 1379.96
Remarks

16—64008-3

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	1659.00		421.83	793.80	2874.63					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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 34

Name of Operator CADWELL MINING CO.
Docket No. DMA 627
Total Contract Amount $ 89,922.00
Government Participation: 50 % Amount, $
Distribution of Expenditures for Month of Jan. 52

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.

MAR 2 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.

CADWELL MINING CO.
(Name of Company)

By L. W. Kleinberg
(Signature of Authorized Official)

January 11, 1952
(Date)

Secretary and Treasurer
(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]	245.36 248.86	1365.14	1614.00	245.36	1365.14	1610.50
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV
224 New Customhouse
Denver 2, Colorado
Administrative Audit Difference Statement

Date: March 14, 1952
Payee's Reference: Progress Report - January, 1952

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

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

Amount claimed $ 2,150.52

Difference $ 37.79
18.99

Amount Approved $ 2,112.73

The reason for the difference was due to:

Rental of framing saw disallowed 83.50
The above equipment is not included in Exhibit C of the contract.
Property tax, Lake County, disallowed 34.29
Property taxes are considered an overhead expense and are not allowable under par. 10 of the contract.

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

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]	1239.75	-10.00 9308.65	10,548.40	1239.75	9308.65	10548.40
5. Supervision	350.00	350.00	700.00	350.00	350.00	700.00
6. Supplies						
(a) Timber		69.19	69.19		69.19	69.19
(b) Explosives		93.00	93.00		93.00	93.00
(c) Repair Parts		19.41	19.41		19.41	19.41
(d) Other	51.42	6005.63	6057.05	51.42	6005.63	6057.05
7. Power	114.15	476.16	590.31	114.15	476.16	590.31
8. Transportation	5.00	231.65	236.65	5.00	231.65	236.65
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	59.00	463.90	522.90	59.00	463.90	522.90
Insurance on Compressor	2.70	113.75	116.45	2.70	113.75	116.45
10. Contract Work						
11. Other (specify)		-4.65				
F.I.C.A.	23.85	226.41	306.05	23.85	226.41	250.26
TAX	34.29					
PLOWING ROAD	20.00			20.00		20.00
ASSAYERS	1.50			1.50		1.50
	79.64					
Total	2150.52	18722.89	20,873.41	2112.73	18722.89	20,835.62
Deletions	2112.73	18704.76				20,817.49
Adjusted totals						
Totals previously reported	18722.89					
Totals to date	20,873.41					
	20,817.49					

[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 Scatter Hazen 1056.33 WOMT. MD $1056.37 $1056.37

Amount approved for payment

Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Jan. 52

(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	1589.75		51.42	509.35	2150.52					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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 34

Name of Operator Cadwell Mining Company
Docket No. DMA 627
Total Contract Amount $ 89,922
Government Participation: 50 % Amount, $
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.

Cadwell Mining Comapny
(Name of Company)

By L. W. Lumbrey
(Signature of Authorized Official)

January 14, 1952
(Date)

Secretary & Treasurer
(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]	248.86	1116.28	1365.14	245.36	1116.28	1361.64
(c) Furnished by operator						
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						
		1127.40			1127.40	
4. Labor[3]	1232.44	6948.81	9308.65	1222.44	6948.81	9298.65
5. Supervision	350.00		350.00	350.00		350.00
6. Supplies						
(a) Timber	69.19		69.19	69.19		69.19
(b) Explosives	93.00		93.00	93.00		93.00
(c) Repair Parts		19.41	19.41		19.41	19.41
(d) Other	277.82	5727.81	6005.63	277.82	5727.81	6005.63
7. Power	90.15	386.01	476.16	90.15	386.01	476.16
8. Transportation	7.89	223.76	231.65	7.89	223.76	231.65
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	63.00	400.90	463.90	63.00	400.90	463.90
	2.70	111.05	113.75	2.70	111.05	113.75
10. Contract Work						
11. Other (specify) Phone	4.63			—	—	4.63
FICA	13.31			13.31	208.47	221.78
	17.94	208.47	226.41			
Total	2452.99	16269.90	18722.89	~~2434.86~~	16,269.90	18,704.76
Deletions	24-3.60			18.13		
Adjusted totals				2434.86		
Totals previously reported	16269.90			16,269.90		
Totals to date	18722.89			18,704.76		

[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 W.M. Craver Jr.
Amount approved for payment WLD $1224.75
Remarks

1217 4-3

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(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	1582.44		440.01	430.54	2452.99					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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-R1036.1.
Approval expires 8-31-51.

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.

CADWELL MINING CO.
(Name of Company)

By E. W. Lumberg
(Signature of Authorized Official)

Dec. 10, 1951
(Date)

Secretary & Treasurer
(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—64068-2

MONTHLY SUMMARY COST STATEMENT

Name of operator CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
Government participation percent 50%

Distribution of Expenditures for Month of Nov. 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	1377.01	5571.80	6948.81	1377.01	5571.80	6,948.81
Equipment purchase [1]	245.36					-3.50
Equipment rental [2]	248.86	867.42	1116.28	245.36	867.42	1112.78
Buildings						
Explosives						
Repair parts			19.41	19.41	19.41	19.41
Other supplies	159.87	5567.94	5727.81	159.87	5567.94	5727.81
Power	123.75	262.26	386.01	123.75	262.26	386.01
Transportation	1.44	222.32	223.76	1.44	222.32	223.76
Withholding taxes	231.06	896.34	1127.40	231.06	896.34	1127.40
Compensation insurance	59.00	341.90	400.90	59.00	341.90	400.90
Other insurance	100.25	10.80	111.05	100.25	10.80	111.05
Contract work						-59.69
Other (specify)	73.65	134.82	208.47	13.96	134.82	148.78
Overtime 59.69						
F.I.C.A. 13.96						
Total 73.65	2374.89	13895.01	16269.90	2311.70	13,895.01	16,206.71
Totals previously reported	13895.01			13,895.01		
Totals to date	16,269.90			16,206.71		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W. M. Traver, Jr.
Amount approved for payment
Remarks

1155.55

[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 CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	1	24	$ 12.00	$ 288.00
Muckers				
Trammers				
Timbermen	1	25	13.00	325.00
Pumpmen				
Hoistmen	1	25¼	11.50	290.38
Surface	1	22	10.00	220.00
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		425.00	425.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other Overtime				57.69
Total	5	96¼		1608.07

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 W. M. Traver, Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November 1951

Name of operator CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
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	1608.07		159.87	606.95	2374.89					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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 W. M. Traver, Jr.
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-107

GENERAL ACCOUNTING OFFICE PREAUDIT		PAID BY
Certified for payment in the sum of $_____	U. S. Dept. of Interior, Defense Minerals Administration, 224 New Customhouse (Department, bureau, or establishment)	
Comptroller General of the United States	Voucher prepared at Denver, Colorado 12/5/51 (Give place and date)	
By _____	THE UNITED STATES, Dr., To Cadwell Mining Company	(For use of Paying Office)
	Address 2450 Kendall Street, Edgewater, Colorado	
	Payee's Account No. I-DMA-E-34	

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)					
	October 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				1,160	07

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,160.07

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1160.07
(Signature or initials) _____

Contract No. I-DMA-E-34 Date 6/28/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

Approved for payment by
J. H. East, Jr.

DEC 7 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		1,160.07

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

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.

CADWELL MINING CO.
(Name of Company)

By E. W. Lumbing
(Signature of Authorized Official)

NOV.-10-51
(Date)

SECRETARY & TREASURER
(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 CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
Government participation percent 50%

Distribution of Expenditures for Month of Oct. - 51

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	1223.81	4347.99	5571.80	1223.81	4347.99	5571.80
Equipment purchase [1]						
Equipment rental [2]	245.36	622.06	867.42	245.36	622.06	867.42
Buildings						
Explosives						
Repair parts		19.41	19.41		19.41	19.41
Other supplies	441.82	5126.12	5567.94	441.82	5126.12	5567.94
Power	69.00	193.26	262.26	69.00	193.26	262.26
Transportation	21.17	201.15	222.32	21.17	201.15	222.32
Withholding taxes	199.69	696.65	896.34	199.69	696.65	896.34
Compensation insurance	46.00	295.90	341.90	46.00	295.90	341.90
Other insurance	2.70	8.10	10.80	2.70	8.10	10.80
Contract work						
Other (specify)	70.59	64.23	134.82	70.59	64.23	134.82
F.I.C.A. 22.09						
Overtime 48.50						
Total 70.59	2320.14	11574.87	13895.01	2320.14	11,574.87	13,895.01
Totals previously reported	11574.87			11,574.87		
Totals to date	13895.01			13,895.01		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W. M. Graves Jr. WOW DTA
Amount approved for payment 1160.07
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 Oct. - 1951

Name of operator CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
Government participation percent 50%

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	1	24	$ 12.00	$ 288.00
Muckers				
Trammers				
Timbermen	1	25	13.00	325.00
Pumpmen				
Hoistmen	1	27	11.50	310.50
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	27	500.00	500.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other overtime				48.50
TOTAL				1472.00

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 W. M. Shaw Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Oct. - 1951

Name of operator CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
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										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1472.00		441.82	406.32	2320.14					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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 W. M. Graves, Jr.
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-80

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 11/6/51
(Give place and date)

THE UNITED STATES, Dr.,

To Cadwell Mining Company
(Payee)
2450 Kendall St.
Address Edgewater, Colorado
Payee's Account No. I-DMA-E-34

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)					
	September 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				1,829	46

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,829.46

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1829 46
(Signature or initials) _____

Contract No. I-DMA-E-34 Date 6/28/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

Approved for payment by:
J. H. East, Jr.

NOV 6 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 Adminstration		1,829.46

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

Colorado Branch

Date Rec'd
OCT 18 1951
BUREAU OF MINES
Denver, Colorado

DIST. ENGR.	WMG
SWH	
EXAMINATION	
DIST. CLERK	
PERSONNEL	
FILES	✓

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.

CADWELL MINING
(Name of Company)

By E. W. Kumberg
(Signature of Authorized Official)

Oct. 13-51
(Date)

Sec. and Treas
(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: Cadwell Mining Co.
Project No. DMA: 627
Total contract amount: 89,922.00
Government participation percent: 50%

Distribution of Expenditures for Month of Sept 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	1276.17	3071.82	4347.99	1276.17	3071.82	4347.99
Equipment purchase [1]						
Equipment rental [2]	245.36	376.70	622.06	245.36	376.70	622.06
Buildings						
Explosives						
Repair parts		19.41	19.41		19.41	19.41
Other supplies	1599.31	3526.81	5126.12	1599.31	3526.81	5126.12
Power	69.00	124.26	193.26	69.00	124.26	193.26
Transportation	77.62	123.53	201.15	77.62	123.53	201.15
Withholding taxes	180.08	516.57	696.65	180.08	516.57	696.65
Compensation insurance	176.45	119.45	295.90	176.45	119.45	295.90
Other insurance	2.70	5.40	8.10	2.70	5.40	8.10
Contract work						
Other (specify)						
F.I.C.A. 21.98 assaying 10.25	32.23	32.00	64.23	32.23	32.00	64.23
Total	3658.92	7915.95	11,574.87	3658.92	7915.95	11,574.87
Totals previously reported	7915.95					
Totals to date	11,574.87					

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W. M. Graver, Jr.
Amount approved for payment 1829.46
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—64008-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF Sept. 51

Name of operator Cadwell Mining Co.
Project No. DMA 627
Total contract amount $89,922.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	1	23	$ 12.00	$ 276.00
Muckers				
Trammers				
Timbermen	1	24	13.00	312.00
Pumpmen				
Hoistmen	1	22	10.50	231.00
Surface	1	9	9.00	81.00
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		500.00	500.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other Overtime				66.25
Total	5	78		1466.25

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 W. M. Graves, Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Sept. 1951

Name of operator Cadwell Mining Co.
Project No. DMA 627
Total contract amount 89,922.00
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										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1466.25		1599.31	593.36	3658.92					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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 W. M. Graves, Jr.
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-49

U. S. Dept. of Interior, Defense Minerals Administration, 228 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver 2, Colorado 10/8/51
(Give place and date)

THE UNITED STATES, Dr.,

To Cadwell Mining Company
2450 Kendall Street
Address Edgewater, Colorado
Payee's Account No. I-DMA-E-34

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

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)					
	Month of August 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				1,769	.29

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,769.29

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1,769.29
(Signature or initials) MS

Contract No. I-DMA-E-34 Date 6/28/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

Approved for payment by
J. H. East, Jr.
OCT 9 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		1,769.29

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.

Cadwell Mining Co
(Name of Company)

By E. W. Lumbing
(Signature of Authorized Official)

Sept-13-51
(Date)

Sec + Treas
(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 CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
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	1461.72 1511.72	1560.10	3021.82 3071.82	1461.72	1560.10	3021.82
Equipment purchase [1]						
Equipment rental [2]	203.37	173.33	376.70	203.37	173.33	376.70
Buildings						
Explosives						
Repair parts	4.95	14.46	19.41	4.95	14.46	19.41
Other supplies	1390.78	2136.03	3528.81 3526.81	1390.78	2136.03	3526.81
Power	69.00	55.26	124.26	69.00	55.26	124.26
Transportation	57.83	65.70	123.53	57.83	65.70	123.53
Withholding taxes	240.78	275.79	516.57	240.78	275.79	516.57
Compensation insurance	75.45	44.00	119.45	75.45	44.00	119.45
Other insurance	2.70	2.70	5.40	2.70	2.70	5.40
Contract work						
Other (specify)	32.00		32.00	32.00		32.00
Total	3588.58 3538.58	4327.37	7915.95 7865.95	3538.58	4327.37	7865.95
Totals previously reported	4327.37	0		4327.37		
Totals to date	7866.95 7915.95			7865.95		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W. M. Graves, Jr.
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 Cadwell Mining Co.
Project No. DMA 627
Total contract amount 89,922.00
Government participation percent 50%

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	1	24	$ 12.00	$ 288.00
Muckers				
Trammers				
Timbermen Shaftman	1	26	13.00	338.00
Pumpmen				
Hoistmen	1	27	10.50	283.50
Surface	1	26	9.00	234.00
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		500.00	500.00
Engineers				
Geologists				
Bookkeeper	1		50.00	50.00
Foreman				
Clerks				
Stenographers				
Other Overtime				59.00
TOTAL	6	103		1752.50

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 Wm Fraser, Jr.
Remarks

? Bookkeeper 3588.58
50
2/3538.58
1769.29

16—64068-1

1769.29

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF August 1951

Name of operator CADWELL MINING CO.
Project No. DMA 627
Total contract amount 89,922.00
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										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1511.72		1390.78	686.08	3588.58					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1511.72		1390.78	686.08	3588.58					

[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 W. M. Fraser, Jr.
Remarks

Dna-52-1

[illegible] FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. [illegible]

Du. Vou. No. [illegible]

GENERAL ACCOUNTING OFFICE AUDIT	U. S. [illegible]
Certified for payment in the sum of $ [illegible]	Voucher prepared at [illegible]
Comptroller General of the United States	THE UNITED STATES, Dr.,
By [illegible]	To [illegible]
	Address [illegible]
	Payee's Account No. [illegible]

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 [illegible] % Discount Cash [illegible] days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	July 1952	[illegible]				2,269	69

Shipped from [illegible] to [illegible] Weight [illegible] Government B/L No. [illegible] Total [illegible]

(Payee must NOT use this space)

Differences [illegible]

Account verified; correct for [illegible]

(Signature or initials)

Contract No. [illegible] Date [illegible] Req. No. [illegible] Date [illegible] Invoice Rec'd [illegible]

MEMORANDUM

[illegible]

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limitation or Proj. Amount	Appropriation Amount
[illegible]	[illegible]		2,269 69

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECT CLASSIFICATION Symbol	OBJECT CLASSIFICATION Amount

Paid by { Check No. [illegible] dated [illegible] 19[illegible], for $ [illegible] } on Treasurer of the United States in favor of payee named above.
{ Cash, $ [illegible] on [illegible] 19[illegible] Payee [illegible]

(See original only)

Per [illegible]

Title [illegible]

When a voucher is signed or receipted in the name of a company or corporation, the name of the person acting on behalf of the company or corporation, including his official title, must appear. For example: "John Doe Company, by John Smith, Secretary." Or if the payee is a minor, an insane person, or an incompetent, the name of the person acting on behalf of the payee must appear. For example: "John Doe, a minor, by his father, John Smith." Approved for payment by [illegible]

10—22000—1

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DIST. ENGR.	WMT
SWH	
EXAMINATION	
DIST. CLERK	
PERSONNEL	
FILES	

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.

CADWELL MINING CO.
(Name of Company)

By C. W. Kremberg
(Signature of Authorized Official)

8/22/51
(Date)

SEC. & TREAS.
(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 .....
Project No. DMA [illegible], MI. [illegible] 60.
Total contract amount [illegible]
Government participation [illegible] 50%

Distribution of Expenditures for Month of .....

June 28 to July 31, 1981

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				1560.10		1560.10
Equipment purchase [1]	1560.10		1560.10			
Equipment rental [2]				173.33		173.33
Buildings	173.33		173.33			
Explosives						
Repair parts				14.46		14.46
Other supplies	14.46		14.46	2136.03		2136.03
Power	2136.03		2136.03	55.26		55.26
Transportation	55.26		55.26	65.70		65.70
Withholding taxes	65.70		65.70	275.79		275.79
Compensation insurance	275.79		275.79	44.00		44.00
Other insurance	44.00		44.00	2.70		2.70
Contract work						
Other (specify)	2.70		2.70			
Total	4327.37		4327.37	4327.37		4327.37
Totals previously reported						
Totals to date	4327.37		4327.37	4327.37		4327.37

FOR GOVERNMENT USE ONLY

Checked by .....
Entered by .....
Approved by W. M. Traver Jr.
Amount approved for payment $4327.37 - $2163.64
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 June 28 to July 31, '51

Name of operator CARROLL MINING CO.
Project No. DMA 627
Total contract amount $60,042.00
Government participation percent 80%

Type	Number	Man-Shifts	Rate	Total
Miners	1	26½	12.00	318.00
Muckers			$	$
Trammers	1	26	13.00	338.00
Timbermen				
Pumpmen	1	29	10.50	309.75
Hoistmen	1	27	9.00	243.00
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager	1		880.00	880.00
Superintendent				
Engineers				
Geologists	1		60.00	60.00
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other	6	109		1808.75
Total				

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 W. M. Graves, Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF June 28 to July 31, 1951

Name of operator: CADWELL MINING CO.
Project No. DMA: 627
Total contract amount: $89,922.00
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										
Crosscutting										
Raising										
Shafts						Feet	30	—	30	
Winzes										
Drill holes										
Overburden				631.24 ~~621.34~~						
Rehabilitation and preparation	1560.10		2136.03		4327.37					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1560.10		2136.03	621.34	4327.37					

Rehabilitation & Preparation of the Hayden Shaft, which is now at the 400 ft. level.

[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 W. M. Graves Jr.
Remarks

JUL 30 1963

Resurrection Mining Corporation
300 Park Avenue
New York 22, New York

Re: IMMA-627 (Lead-Zinc)
Caldwell Mining Co.
Hayden Mine
Lake County, Colorado
Contract Im-KSA

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated December 16, 1954, all minerals mined or produced from June 28, 1951, to June 30, 1963, were subject to the Government's royalty as set forth in said 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 or any future production therefrom. We, therefore, are closing our books and records on this contract.

The above relates to the Landlord's Subordination Agreement signed by the Resurrection Mining Co. on July 23, 1961, under the Defense Minerals Exploration Administration program which has been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George Fumich, Jr.

Director

MMerritheW/mm
7/29/63
cc: Director's Reading File
Region III
✓CAAA Division
Docket
Code 500

GOVERNMENT COPY

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

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Mr. S. C. Phillips, President
Caldwell Mining Company
2450 Kendall Street
Edgewater, Colorado

Pursuant to the provisions of Exploration Project Contract No. Adm-234, dated June 28, 1951, Docket No. DMA-627, hereinafter called the "contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Drifting to the northeast of the Hayden shaft on the No. 5 level has proven the existence of lead-zinc ores occurring as a replacement within the Fearless shale formation, on the land cited in the contract.

Dated DEC 1 6 1954

WRGriswold/er (rewritten 12/13/54) THE UNITED STATES OF AMERICA
Copy to:
Docket
Irving Gambel, Dr., MD, EES
Mr. Hedges, 4604
Mr. Kiilsgaard, 5224
Admr. R. File
Op. Committee
Base Metals
Cont.Adm.&Audit Div.
Finance Office
Region 4 (2)
Mr. F. D. Johnson
Mr. W. R. Griswold
Mr. Fred Searls, Jr. Pres. of Reconstruction Eng. Co.
Chron.

By C. J. Mittendorf
Administrator, Defense Minerals
Exploration Administration

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

DEC 16 1954

Mr. S. C. Phillips, President
Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

Re: Docket No. DMA-627 (Lead-Zinc)
Cadwell Mining Co.
Hayden Shaft
Lake County, Colorado
Contract No. Idm-834

Dear Mr. Phillips:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-834, dated June 28, 1951, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the Certification, all production from the land described in the contract after June 28, 1951, the date of the contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum which the Government has advanced as its participating interest is repaid, or until June 28, 1963, whichever occurs first.

Payments should be made to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado. Checks should be drawn in favor of the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. King of any changes in ownership or production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. King at six-month intervals that such is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WRGriswold/er (12/9/54)
Copy to: Docket
Mr. Gumbel, Dr.,DM,EPS
Mr. Hedges, 4604
Mr. Kiilsgaard, 5224
Admr R. File
Op. Committee
Cont.Adm.&Audit Div.
Finance Office
Region IV (2)
Mr. F.E. Johnson
Base Metals
W. R. Griswold
Chron.
Mr. Fred,Searls, Jr. Pres.

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEC 16 1954

Mr. Irving Gumbel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMA-627 (Lead-Zinc)
Cadwell Mining Co.
Hayden Shaft
Lake County, Colorado
Contract No. Idm-E34

Dear Mr. Gumbel:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-E34.

The contract was dated June 28, 1951, with the Government participating to the extent of 50 percent in an exploration project estimated to cost $89,922.00. Actual expenditures to date (subject to final audit) have totalled $43,140.84, with the Government's share being half of such amount, or $21,570.42.

The total amount of work provided for under the contract consisted of shaft retimbering, rehabilitation of three tunnel levels, 1500 feet of crosscutting and drifting, and 5250 feet of diamond drilling. Work actually done consisted of 143 feet of shaft retimbered, 394 feet of tunnel rehabilitation, 861 feet of drifts and crosscuts and 17 feet of raising.

The discovery consisted of lead-zinc ores occurring as a replacement deposit in sedimentary rocks. So far insufficient work has been done to make a tonnage estimate of such ore.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold/er
(12/10/54)
Copy to: Docket
Cont.Adm.&Audit
Reg. IV (2)
Base Metals
Admr R. File
Op. Committee
Mr. Hedges (4604)
Mr. Kiilsgaard
F. E. Johnson
W. R. Griswold
Chron.

Enclosure

Government Copy

EXPLORATION PROJECT CONTRACT
CADWELL MINING COMPANY
DOCKET NO. DMA-627

AMENDMENT NO. 10

It is agreed this 12th day of February, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Cadwell Mining Company, that Exploration Project Contract I-DMA-E34, Docket No. DMA-627, dated June 28, 1951, as amended, is further amended, effective October 1, 1953, as follows:

1. a. Work under the contract shall be suspended during the period beginning October 1, 1953, and ending not later than June 28, 1954.

b. No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

c. The Operator, at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve the project work and any property in which the Government has an interest.

d. The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

2. In Article 3 of the contract, the period "3 years," provided by Amendment No. 8, is deleted, and the period "3 years and 6 months" is substituted.

3. The provisions of Annex I, attached hereto and made a part hereof, are substituted for the provisions of Article 14 of the contract form.

4. It is of the essence of this contract that work be resumed on or before June 28, 1954; and if the work is not resumed within the time limited, in a manner required to bring the project to completion as required:

a. All obligation of the Government to contribute to costs not incurred before October 1, 1953, shall be and is hereby terminated except for necessary and reasonable

OF THE INTERIOR
ADMINISTRATOR
FED
1954

costs and expenses incurred in—

(1) preserving and disposing of property to the cost of which the Government has contributed, and

(2) making and rendering reports, accounts, and winding-up and settlement actions provided for in the contract.

b. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and shall promptly render to the Government a final report and a final accounting.

c. All rights of the Government with respect to a percentage royalty under the provisions of Annex I, attached hereto, shall be and are preserved.

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

CADWELL MINING COMPANY

By S.C. Phillips

EXPLORATION PROJECT CONTRACT
CADWELL MINING COMPANY
DOCKET NO. DMA-627

THE INTERIOR
Administration
8 - 1954

ANNEX I

The following provisions are in lieu of Article 14 :

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 amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other 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.

*** The period "twelve years" is substituted for the period "ten years."**

No. 9

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA 627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows:

Whereas operations under Contract I-DMA-E34 were recessed during the month of November 1952, now therefore execution of this document constitutes authorization for a recess of operations under the contract contingent on the following conditions:

1. Work under the terms of the contract shall be resumed on, or before, October 1, 1953.

2. The operator hereby releases and agrees to save harmless the Government from all claims and demands arising out of circumstances or conditions that may develop at the site of the DMEA project during the period operations are recessed.

3. The operator agrees to preserve and protect the Government's interest in the work performed to date from any and all causes resulting from the recess of operations, to the best interest of the parties concerned, without cost to the DMEA project.

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 JUL 23 1953

CADWELL MINING COMPANY

By E W Kumberg

UNITED STATES OF AMERICA

Jwo

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

Seal

C
O
P
Y

July 6, 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-627 (Lead-Zinc)
Cadwell Mining Company
Hayden Shaft
Lake County, Colorado
Contract No. I-DMA-E34

Dear Mr. King:

Enclosed are the original and five copies of Amendment No, 8 to the above contract, signed by this office for the Government.

If the amendment meets with your approval, kindly present it to the Operator for signature and, when executed, distribute in the usual manner. In the event that the amendment is not satisfactory return all copies with your recommendation concerning any necessary modification.

Should it be necessary to make an amendment allowing the operations to be recessed, this is your authority to prepare such an amendment.

Sincerely yours,

/s/ George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ J. H. Hedges
Member, Bureau of Mines

/s/ A. R. Kinkel, Jr.
Member, Geological Survey

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

224 New Customhouse
Denver 2, Colorado

July 23, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 9 to Contract I-DMA-E34, Docket DMA-627, Cadwell Mining Company, Lake County, Colorado (Zinc)

Enclosed are the original and two copies of Amendment No. 9 to the subject contract which has been executed by this office to authorize a recess of operations from November 1952 to October 1953. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three sets of data in reference to the amendment.

W. H. King

W. H. King

Enclosures

7-27

Government's Copy

EXPLORATION PROJECT CONTRACT
CADWELL MINING COMPANY
DOCKET NO. DMA-627

AMENDMENT NO. 8

It is agreed this 3rd day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Cadwell Mining Company, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract I-DMA-E34, Docket No. DMA-627, dated June 28, 1951, as amended, between the parties hereto, be further modified and amended as of said date as follows:

1. In Article 3 of the contract form, the words "2 years" are changed to read "3 years."

2. Wherever they appear in Article 14 of the contract form, the words "ten (10) years" are hereby changed to "eleven (11) years."

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Meitzendorf
Administrator, Defense Minerals Exploration Administration

CADWELL MINING COMPANY

By L. W. Lumberg

No. 7

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA 627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows, effective October 17, 1952:

> Referring to the Amendment dated January 28, 1952, which amended paragraph 1 of EXHIBIT "A" - Exploration Project, attached to Exploration Project Contract Form MF-200, further referring to said Amendment, first paragraph under the statement "Insert the following:", add the following:
>
> "Surveying, engineering, or work incident thereto, is an allowable cost of the project, to the extent approved by the DMEA representative, when such work is a necessary prerequisite in the preparation of maps and assembling data in the formulation of drilling or drifting plans.
>
> "Costs of such work may be charged to funds allocated to drilling or drifting as the case may be. Such work may include the cost of removal and replacement of track and pipe as required to accomplish geophysical surveys. Such costs will be recorded as a separate item of work in the breakdown of costs on Form MF-104A under the heading of "Engineering and Planning."
>
> "The Government shall be furnished with a complete report, including maps, of any work performed which benefited from incident cost in which the Government participated."

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 November 19 1952

CADWELL MINING COMPANY

By E. H. Kaufberg

(Seal)

UNITED STATES OF AMERICA

By W. H. King

Executive Officer, DMEA
Field Team, Region IV

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 22, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Contract I-DMA-E34 (Lead-zinc), Cadwell Mining Company (Hayden shaft), Lake County, Colorado

The attached original and four copies of a letter from R. B. Patrick, superintendent of the underground operation of the subject contract, constitutes a request for authority from DMEA representatives and agreement to government participation in a geophysical program in the north drift on the fifth level of the Hayden shaft where exploration is now in progress.

It is the opinion of the field that the program proposed will prove of sufficient benefit to the project to justify fully the expense involved and I recommend that you authorize the work whenever Dr. Brant's crew is available. It is assumed five days' labor will be required for removal and replacement of the track and pipe and the project labor force will be employed on other work concerned with exploration or in assisting the geophysicists for the two days required to make the survey.

/s/ W.M. Traver, Jr.

W.M. Traver, Jr.

enclosures

WMT:amh
cc WHKing
E34
DMEA Chron.

407 East 8th Street
Leadville, Colorado
October 17, 1952

Mr. W. M. Traver, Jr.
United States Bureau of Mines
Building 20, Denver Federal Center
Denver, Colorado

Dear Sir:

Mr. Lumberg has asked me to give you the following information concerning the proposed geophysical work in the north drift, Hayden shaft fifth level. The Cadwell Mining Company is requesting that the delay in advancing the drift be allowed under the loan now in effect.

The work will be an electrical survey conducted by the geophysical crew now doing work for the Resurrection Mining Company and employed by the Newmont Mining Company. They are under the direction of Dr. Brant who has been employed by Newmont for several years doing mining geophysical exploration.

It will be necessary to remove all track and pipe from the drift so that there will be no possibility of obtaining false anomolies. This will take about two days. About two days will be necessary for the survey and three to replace the track and pipe. This makes a total of seven days in which no advance will be made. This is a rather insignificant expense in comparison with the benefits which may be gained.

The geophysical crew will be doing surface work until weather conditions make this impossible. They propose to do the work at the Hayden following the beginning of winter.

Yours truly,

Cadwell Mining Company

R. B. Patrick

R. B. Patrick, Supt.

No. 6

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA 627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows, effective as of the date of said contract:

> Referring to Amendment No. 2, dated January 28, 1952, which amended "EXHIBIT A - Exploration Project," paragraph 1, following the paragraph headed by the statement "Insert the following:" add the following:
>
> Raising to explore favorable ore horizons, to the extent and at locations approved by the DMEA Representative, may be substituted in lieu of an equal footage of the authorized footage of drifts and crosscuts.

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 September 25th, 1952

CADWELL MINING COMPANY

By L. W. Lumberg

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

September 4, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Contract I-DMA-E34, Cadwell Mining Company, Hayden shaft, Park County, Colorado - Amendment to contract

Please find enclosed the original and five copies of M. H. Salsbury's memorandum recommending an amendment to the subject contract to provide for a raise to the Peerless shale, not to exceed 50 feet.

Doris G. Davies,
for W. M. Traver, Jr.

Enclosures

WMT/bam

cc 5
E34
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Leadville, Colorado
August 18, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMA 627, Contract I-DMA-E34, Cadwell Mining Company, Hayden Shaft, Park County, Colorado - Amendment to contract

I visited the Hayden mine this morning and found that Mr. Patrick wants to put up a raise on a small streak (about 1/2-inch wide) showing galena and sphalerite to find out what it does in the shale beds of the Peerless, some 20 to 30 feet above. The streak was cut at about 400 feet from the shaft and strikes east and west, dipping steeply to the south. As I recall the contract, no raising is provided for. If this is so, the operators should request an amendment to cover the proposed work. It is a good piece of exploration and I will recommend it.

Norris G. Davies,
for M. H. Salsbury
Mining Engineer

cc 5
E34
DMEA Chron.

COPY

2450 Kendall Street
Edgewater, Colorado
August 19, 1952

Mr. J. H. East, Regional Director
U. S. Bureau of Mines
224 Custom House
Denver, Colorado

Re: DM-A-627 Contract I-DMA-E-34

Dear Mr. East:

We request an amendment of our contract to drive a fifty-foot raise four hundred feet from the shaft into the shale beds following a small fissure that rises into the peerless shale.

Very truly yours,

THE CADWELL MINING COMPANY

/s/ S. C. Phillips
S. C. Phillips, Pres.
by NPD

No. 5

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA 627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows, effective August 13, 1952:

Referring to Amendment No. 4, dated May 27, 1952, which amended "EXHIBIT C" attached to Exploration Project Contract Form MF-200, under the caption "EXHIBIT C - Operating Equipment," subheading "(a) To be purchased", delete the word "None" and in lieu thereof substitute the following:

4	Wheat, Model G2W, Miners Lamps at $24.95 each----------	$99.80
4	Number 586 Lamp Chargers at $12.50 each----------	50.00
1	Electric Time Clock Regulator	6.75

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 September 23, 1952

CADWELL MINING COMPANY

By E. W. Lumberg

UNITED STATES OF AMERICA

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

August 25, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 627, Idm-E34, Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Amendment to contract

Attached please find the original and five copies of R. D. Berkmeister's memorandum recommending an amendment to the contract allowing purchase of operating equipment (mine lamps), at a total cost of about $155.55. I agree with the recommendation.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/bam

cc 5
E34
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

August 25, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: Richard D. Berkenkotter

Subject: DMA 627, Idm-E34, Cadwell Mining Company (Hayden shaft), Lake County, Colorado - Amendment to contract

S. C. Phillips, president of Cadwell Mining Company, has submitted a request for an amendment to the subject contract to purchase the following operating equipment:

4 GEN Wheat miners' lamp spot reflectors at $24.95 each	$99.80
4 586 lamp chargers at $12.50 each	50.00
1 Electric time clock to regulate the charging hours for the battery units	6.75
Total	$156.55

In view of the facts that the above equipment costs are not excessive and that the efficiency of the workmen concerned will be increased and their working conditions and safety bettered, an amendment allowing this purchase is recommended. Purchase of the required lamps will be to the Government's benefit as a partner in the exploration contract.

Receipted invoices supporting the equipment purchases should be required.

Richard D. Berkenkotter
Richard D. Berkenkotter
Mining Engineer

RDB/bam

cc WHKing (5)
E34

_C_O_P_Y_

2450 Kendall St.
Edgewater, Colorado
August 13, 1952

Mr. J. H. East, Regional Director
U. S. Bureau of Mines
224 Custom House
Denver, Colorado

Re: DMA-627
Contract I-DMA-E-34

Dear Mr. East:

We request an amendment of our contract to purchase the following supplies:

(1)	Four G 2 W	Wheat Miners Lamp Spot Reflectors @ $24.95 each	$99.80
(2)	Four 586	Lamp Chargers @ $12.50 each	50.00
(3)	One	Electric Time Clock to regulate the charging hours for the battery units	6.75

Thank you for your attention of the above.

Very truly yours,

THE CADWELL MINING COMPANY

/s/ S.C. Phillips - by N.S.D.

S.C. Phillips, Pres.

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA 627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows, effective April 1, 1952:

Referring to "EXHIBIT C" Attached to Exploration Project Contract Form MF-200, delete the said exhibit in entirety and in lieu thereof substitute the following:

EXHIBIT C - Operating Equipment

(a) To be purchased:

None

(b) To be rented:

None

(c) To be furnished by the operator:

Item	Value	Allowable Monthly Depreciation Rate
1 Bench Grinder	$ 150.00	$ 2.50
4 Ore Cars (@ 375.00 ea.)	1500.00 (@ $6.25 ea.)	25.00
1 Cage	1700.00	28.33
1 Air Compressor	3500.00	58.33
1 Slusher Hoist	1102.00	18.37
1 Tugger Hoist	1000.00	16.67
1 Shaft Hoist	5500.00	91.66
1 Air Trammer	2000.00	33.33
1 Mucking Machine	3200.00	53.33
1 Jackhammer	345.00	5.75
1 Stoper Drill	610.00	10.17
1 Jackleg	195.00	3.25
1 Air Receiver	210.00	3.50
1 Water Pump	520.00	8.67
1 Truck (Ford stake bed)	250.00	5.00
1 Blower (complete with motor)	550.00	9.17

Depreciation for each item of the above listed equipment is allowable only for the months during which the equipment is used for the benefit of the Project.

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 May 27, 1952.

CADWELL MINING COMPANY

By J C Phillips

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

No. 3
Government Copy
Lead, Zinc

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA-627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows, effective April 1, 1952:

> Referring to "EXHIBIT D - Labor and Supervision" attached to Exploration Project Contract Form MF-200, under "Classification" add the following: "Bookkeeper - not to exceed $30.00 per month"; and "Mucker" and "Timberman" the daily wages of which will not exceed the prevailing rates being paid in the Leadville Mining District.

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 May 27, 195__.

CADWELL MINING COMPANY

By J. C. Phillips

UNITED STATES OF AMERICA

By W. H. Kemp
Executive Officer - DMA

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA-627, dated June 28, 1951, between the United States of America and Cadwell Mining Company, is hereby amended as follows, effective as of the date of said contract.

Referring to paragraph 1, Exhibit A, Exploration Project attached to Exploration Project Contract form MF-200, delete the following:

> "The exploration project to consist of continuing the present retimbering program in the Hayden Shaft from end of the new timber at the date of this contract to the bottom of the shaft, to drive 1500 feet of drift from the bottom level of the shaft to explore the length of the claims and to drill a maximum of 5250 feet of diamond drill hole to explore favorable limestone horizons above and below the drifts."

Insert the following:

> "The exploration project to consist of continuing the present retimbering program in the Hayden Shaft from the end of the new timber at the date of this contract to the bottom of the shaft, and to drive approximately 1500 feet of drifts and crosscuts. This drifting and crosscutting may be on any or all of the three lower levels. A maximum of 5250 feet of diamond drill holes may be drilled to explore favorable limestone horizons above and below the drifts. Rehabilitation of the three lower levels is an allowable cost of the project."

Referring to Exhibit A, Exploration Project, under the title, "The program to consist of the following projects:" Article (2), delete the following: "Drifting on 400 foot level of Hayden Shaft 1500 feet @ $21.00 per foot." Insert the following: "Rehabilitating the three lower levels. Drifting and crosscutting on the three lower levels of the Hayden Shaft, 1500 feet at $21.00 per foot."

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 January 28, 1952.

FEB 1 1952

CADWELL MINING COMPANY

By [signature]

FEB 4 1952

UNITED STATES OF AMERICA

By [signature]
Executive Officer - DMEA

GAO

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.
OCT 22 11 00 AM '51

AMENDMENT OF CONTRACT: No. I-DMA-E34

Contract Docket No. DMA-627, dated June 28, 1951, between the United States of America and Cadwell Mining Company is hereby amended as follows, effective as of the date of said contract:

1. The schedule in Exhibit "D" attached to the contract form under the title "Labor and Supervision" amended to provide for payment of labor at the rates prevailing in the Leadville District instead of the maximum daily rates listed in Exhibit "D".

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 13 of the contract form.

Dated September 24, 1951.

CADWELL MINING COMPANY

By _____

UNITED STATES OF AMERICA

By _____
Executive Officer - DMA

NOV 1 1951
17
SECRETARY
CONTRACT SERV. SECT.
G. A. O.

Cont. Serv Sec.
Change Order
Noted.....
Reviewed.....

Docket No. 627

Commodity Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 34

Date of Contract ~~or Amendment~~ June 28, 1954

Name and Address of Operator:
Cadwell Mining Co.
2450 Kendall St.,
Edgewater, Colorado

Amount of Government participation $ 44,961.00

Percent of Government participation 50 %

Region: IV State: Colorado

Please release 623,631.24: Advice Contract Administration & Audit Div.

(Name)
J.L. Chambers, Chief
Contract Administration & Audit Div.

(Title)

Date Delivered to Bureau of Mines, Washington 12/8/54

54458

MF-200
April 1951

No. Card
Card
Reviewed

Docket No. DMA 627
Commodity Zinc

I-DMA-E34

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

RECEIVED AUG 20 1951

It is agreed this 28th day of June, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]

Cadwell Mining Company
2450 Kendall Street
Edgewater, Colorado

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 Lake described as follows: [3]

Hibernian USMS No. 466 and May Queen USMS No. 448, two patented mining lode claims situated in Sec. 19, T9S, R79W in Leadville (California) Mining District.

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.~~

(*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 thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] zinc ore; 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] two years 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.

Supplement No. 1 dated 9-24-51 Attached 11-13-51

[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 prop*[illegible]. All facilities, buildings, fixtures, equipme[illegible]r 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 $44,961.00, which is 50 percent of the agreed estimated total cost of this project, $89,922.00.

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 ~~triplicate~~ sextuplet the day and year first above written.

Cadwell Mining Company
(Operator)

By J C Phillips pres.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

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EXHIBIT A - Exploration Project

The exploration project to consist of continuing the present retimbering program in the Hayden Shaft from end of the new timber at the date of this contract to the bottom of the shaft, to drive 1500 feet of drift from the bottom level of the shaft to explore the length of the claims and to drill a maximum of 5250 feet of diamond drill hole to explore favorable limestone horizons above and below the drifts.

The program to consist of the following projects:

(1) Retimbering of Hayden Shaft 200 feet @ $60.00 per foot	$12000.00
(2) Drifting on 400 foot level of Hayden Shaft 1500 feet @ $21.00 per foot	31500.00
(3) Diamond drilling on 400 foot level of Hayden Shaft 30 holes x 175 feet average length @ $6.00 per foot	31500.00
Total	$75000.00

The above costs for retimbering, drifting, and diamond drilling is to include all direct costs of labor, supplies, utilities, supervision, and office expense.

In addition to the above costs, the following costs are allowable as calculated and shown under Exhibits B and C:

Additional facilities	(Exhibit B)	$5000.00
Equipment rental	(Exhibit C)	9922.00
Total for Project		$89922.00

EXHIBIT B - Fixtures and Improvements

The project involves the installation of water lines and power lines into the premises which is estimated as follows:

Water line - 800 feet @ $4.00 per foot	$3200.00
Power line - 600 feet @ $3.00 per foot	$1800.00

The Government will participate in the actual cost of the above fixtures to a maximum of $2500.00. No other costs for fixtures and improvements are allowable under this contract.

EXHIBIT C

The project involves use of the following operating equipment:

ITEM	PRICE	ITEM	PRICE
Bench Grinder	$ 150.00	Hoist	$ 5500.00
Ore Cans	2180.00	Air Pump	900.00
Cage	1700.00	3-Jack Hammers	1035.00
Air Compressor	3500.00	2-Stoper Drills	1220.00
Slusher Hoist	1102.00	Air Receiver	210.00
Tugger Hoist	1000.00	3-Jack Legs	585.00
Air Trammer	2000.00	Water Pump	520.00
Mucking Machine	3200.00		
		Total	$24802.00

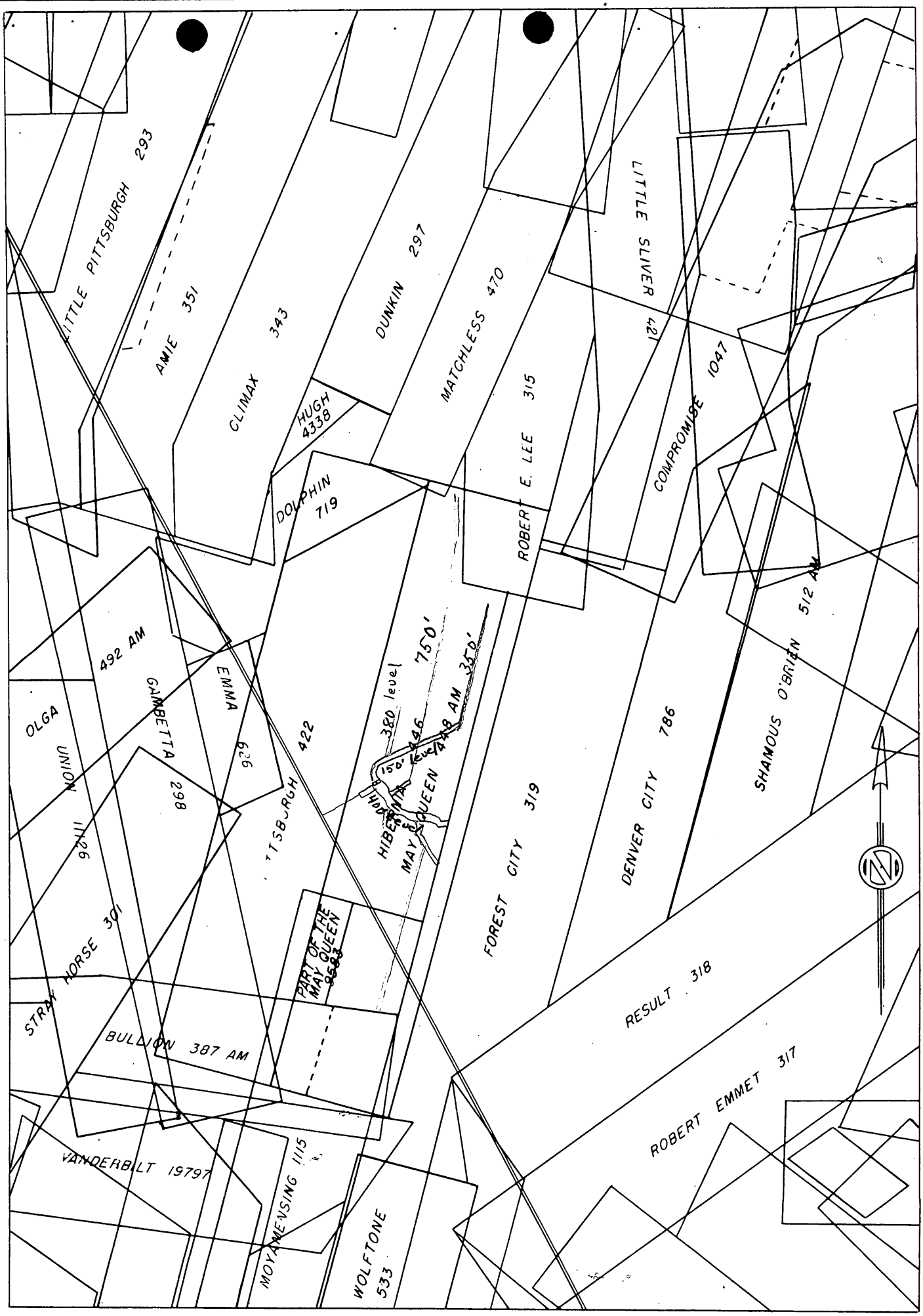
The Government will participate in use of the above equipment as a rental cost on the basis of an average amortization period of 60 months with allowable costs on actual purchase price computed on the months of actual use on the exploration project. The maximum allowable will thus be $24802/60 months = $413.36 x 24 months = $9922.00.

EXHIBIT D - Labor and Supervision

Classification	Wages
Shaft man	$13.00 per day
Miner	$12.00 per day
Hoistman	$10.50 per day
Top man	$ 9.00 per day
Superintendent	$500.00 per month

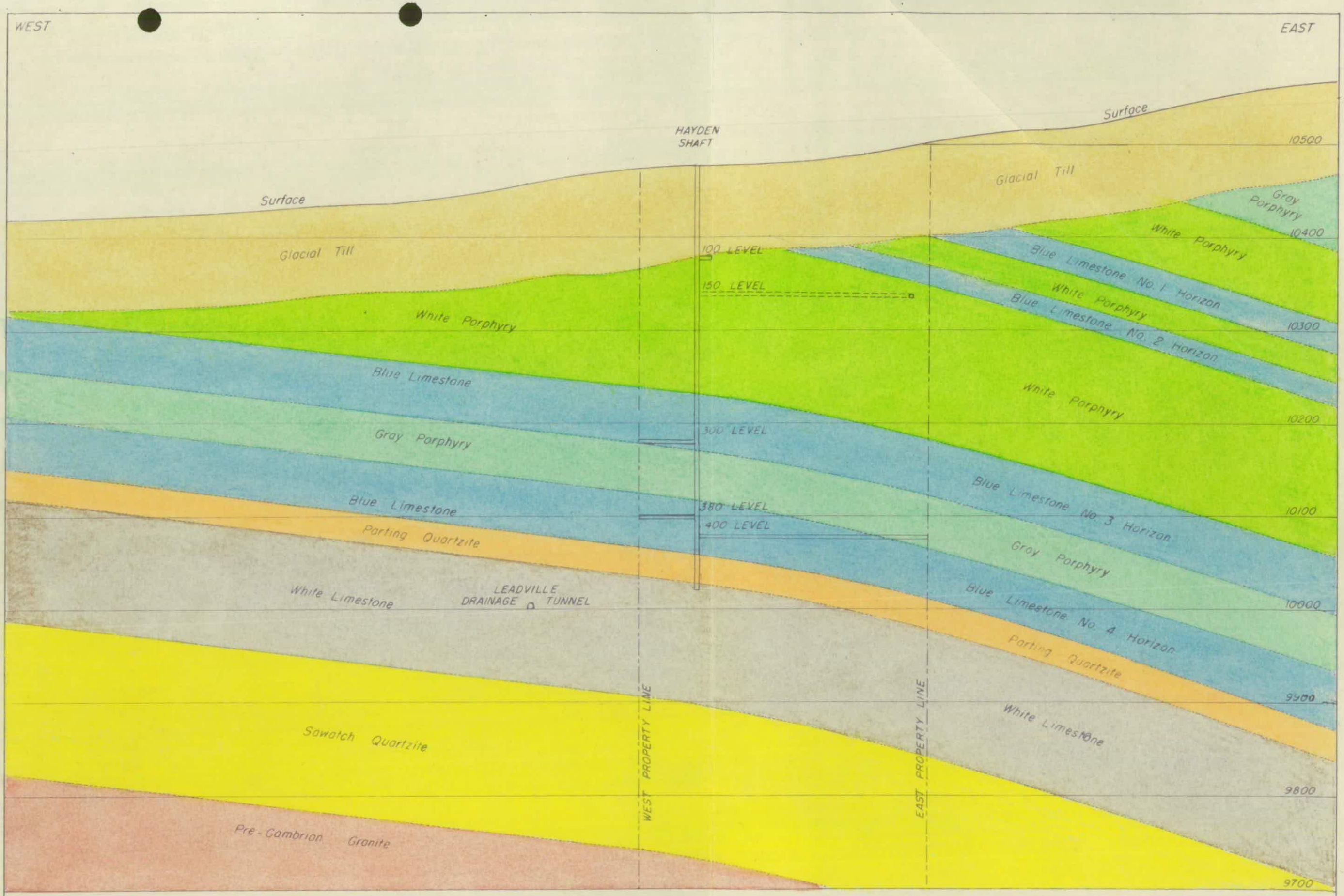
EXHIBIT E

No rehabilitation or repairs of existing facilities except retimbering of Hayden Shaft shown in Exhibit A is required. The only costs to be allowed for rehabilitation or repairs of existing facilities are those shown under project (1) of Exhibit A.



PROPERTY MAP
SCALE 1" = 300'

RBP



GENERALIZED EAST - WEST GEOLOGICAL CROSS - SECTION THROUGH THE HAYDEN SHAFT

SCALE 1" = 100'

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of LAKE, state of COLORADO, described in a certain Exploration Project Contract dated June 28, 1951, between the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated June 12, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease, as outlined in Paragraph 14 of form MF-200 dated April, 1951, and entitled "EXPLORATION PROJECT CONTRACT", said paragraph being as follows:

"14. Repayment by Operator. If, upon 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 successors 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 such discovery or development."

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

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

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

Dated this 23rd day of July, 1951.

RESURRECTION MINING COMPANY

by Fred Searls Jr.
Pres.

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE, made this _____ day of June, 1951, by and between

S. C. PHILLIPS
E. W. LUMBERG
SAMUEL C. PHILLIPS,
the present Lessees,

to

THE CADWELL MINING CO.,
a Colorado Corporation,

and

approved by written consent of Lessor,

RESURRECTION MINING COMPANY,
a Delaware Corporation.

WITNESSETH:

That the present Lessee is now incorporated as a Colorado Corporation under the name of The Cadwell Mining Co.; that said Corporation is to assume and carry on the operations of the present Lessee and is, therefore, desirous of assuming the lease of the present Lessee in toto.

In consideration therefor of mutual promises and other good and valuable considerations by and between the present Lessee and his assignee, the Cadwell Mining Co., the present Lessee hereby relinquishes, releases and assigns all right, title and interest in this lease and all its covenants thereto to The Cadwell Mining Co., a Colorado Corporation, who hereby covenants and agrees to all the terms, covenants or agreements contained in said lease.

Further, and with specific reference to that lease of May 12, 1950, Section 30 thereof, the Lessor, Resurrection Mining Co, in consideration of mutual promises by and between the parties hereto and other good and valuable considerations, agrees to the assignment of the afore-mentioned lease with all the terms, covenants or agreements as contained therein.

S C Phillips
E W Lumberg
Samuel C Phillips

RESURRECTION MINING COMPANY,
a Delaware Corporation

By: Fred Searls Jr.

THE CADWELL MINING CO.

By: S C Phillips