UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~Terminated~~ (or cancelled) without certification. DMEA No. 649

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

✓ Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

✓ Subordination Agreement.

Leases and assignments of leases.

No Application and attachments.

Schedule of Collections.

Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

7973

_____
Reviewer's Initials

Government Copy

NOTICE OF TERMINATION AND RESCISSION OF EXPLORATION
PROJECT CONTRACT BEFORE WORK IS BEGUN

To: George L. Beardsley and Arthe' B. Beardsley
1516 Mesa Avenue
Colorado Springs, Colorado

Operator under Exploration Project
Contract I-DMA-E47, Docket No. DMA
649, dated June 28, 1951

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

(a) Failure to commence work within thirty (30) days from the date of the contract; and

(b) In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that you have failed to perform any work at all.

Dated this 22nd day of July, 1952.

UNITED STATES OF AMERICA

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

JUL 28 1952

AMENDMENT OF CONTRACT: No. I-DMA-E47

Contract Docket No. DMA 649, dated June 28, 1951, between the United States of America and George L. Beardsley and Arthe' B. Beardsley, is hereby amended as follows:

> Referring to Exploration Project Contract, Form MF-200, Article 3, Exploration project, after the following: "all properly designed to bring the project to completion within a period of", delete the following: "Seven (7)", and insert the following: "Fifteen (15)".

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 March 3, 1952.

GEORGE L. BEARDSLEY and ARTHE'
B. BEARDSLEY

George L. Beardsley

Arthe' B. Beardsley

UNITED STATES OF AMERICA

By _____
Executive Officer - DMA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 7 1952

MF-200
(April 1951)

Indexed
No. Card
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Reviewed
RECEIVED
AUG 7 1951
G.A.O.

Docket No. DMA 649
Commodity Zinc
I-DMA-~~E32~~ E-47

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

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]
George L. Beardsley and Arthe! B. Beardsley
1516 Mesa Ave.
Colorado Springs
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."

AUG 8 1951

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Colorado, County of Custer described as follows: [3] Lady Franklin Mine, Survey No. 297, Section 4, T22S, R72W 6 P.M. Handscrabble 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: owner of undivided one-half interest, Lessee of the other undivided one-half interest. Subordination agreement on leased property 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 and lead ores; 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] Seven (7) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $7,407.50, which is 50 percent of the agreed estimated total cost of this project, $14815.00.

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.

THE UNITED STATES OF AMERICA

By _____

Defense Minerals Administration

_____ (Operator)

By _____

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Exhibit "A"

The exploration project consists of unwatering and rehabilitation of an old 215 foot shaft and workings known as the Lady Franklin Mine and extension of the shaft and additional 100 feet with 250 feet of explorating drifting from the bottom of the extended shaft.

The estimated cost of the project is as follows:

Unwatering present shaft	$750.00
Rehabilitation of present shaft	500.00
Sinking 100 feet @ $75 per foot	7500.00
Drifting 250 feet @ $20 per foot	5000.00
Equipment rental	1065.00
Total	$14815.00

The above amounts for unwatering, rehabilitation, sinking and drifting include all allowable costs of labor, supervision, supplies and utilities.

Rental costs are shown in exhibit. "C"

Exhibit "B" Fixtures and Improvements

No additional fixtures, facilities, or buildings are required for the project and no costs of this nature are allowable under this contract.

Exhibit "C" Operating equipment

The following equipment is to be used on the project by the Contractor and allowable rental for each month use is shown along with the maximum amount for the 6 months estimated duration of the work.

	Rental Per Month	Maximum Rental
Compressor	$100.00	$600.00
Hoist	25.00	150.00
Pump	50.00	300.00
Jack hammer	2.50	15.00
	$177.50	$1065.00

Items of small tools, pipe and miscellaneous equipment are to be furnished by the Contractor at no change to the project.

Exhibit "D" Labor and Supervision

Classification	Wage
1 Mine foreman	$2.00 per hour
1 Machineman	1.50 " "
1 Helper	1.25 " "
1 Hoistman	1.75 " "
Superintendent and bookkeeper	$350.00 per month

The above cost of superintendence and bookkeeping may be for direct service by the owner of the property and is allowable if payment is made for actual service on and for the benefit of the project.

Exhibit "E" Rehabilitation and Repairs

Headframe
Hoisthouse
Compress on house
Sorting shed
Blacksmith shop

The above facilities are in good condition and no repairs are required. Costs of this nature are therefore not allowed under this contract.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of an undivided one-half interest in that certain parcel of ground in the county of Custer, 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 August 1st, 1950, _____, does by these presents subordinate all of ~~his~~ her right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

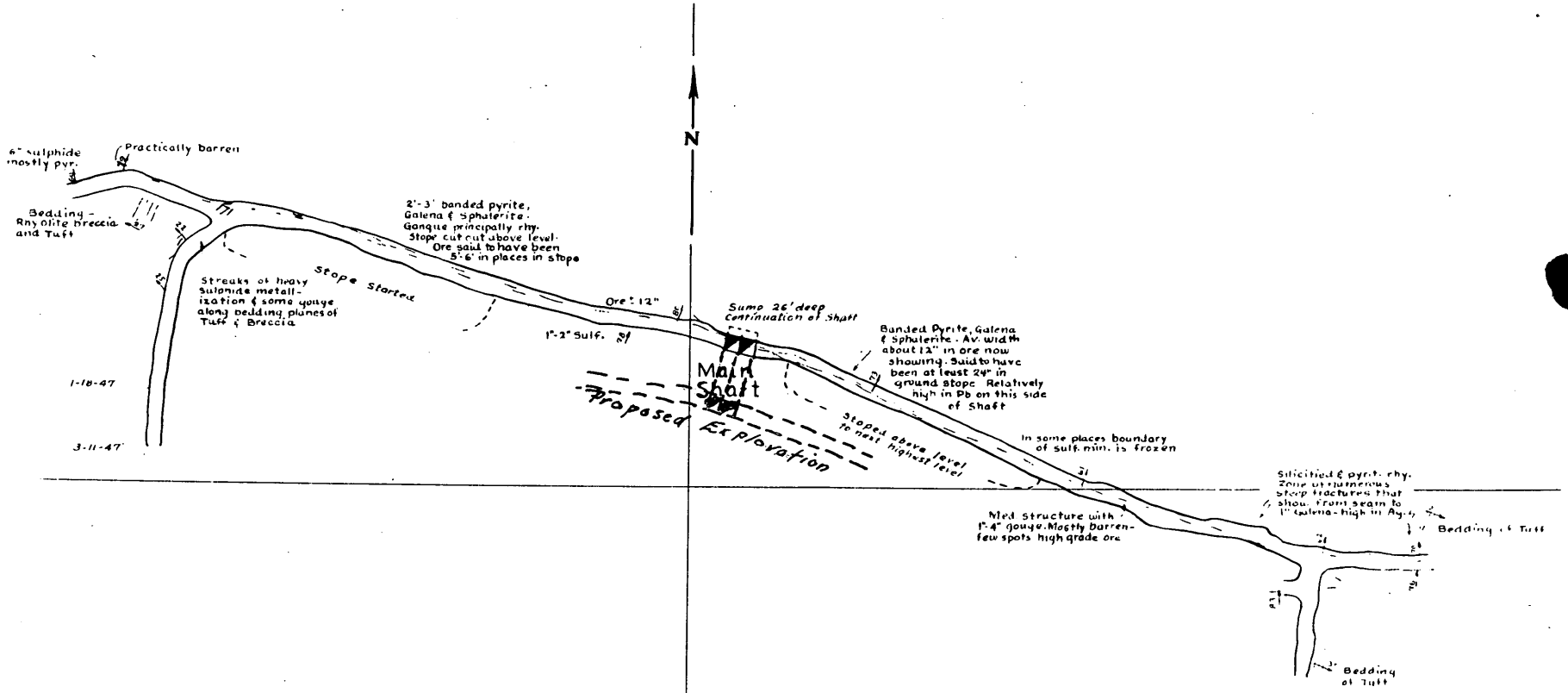
This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 18th day of May, 1951

Margaret M. Townsend

Margaret M. Townsend

U. S. GOVERNMENT PRINTING OFFICE 940768



GEOLOGIC PLAN OF 215 LEVEL
LADY FRANKLIN MINE
SILVER CLIFF DIST., CUSTER CO., COLO.

Scale:- 1in.=50 ft.

American Smelting & Refining Co.
Denver, Colo.
Geology & Brunton Survey by:- R. K. Kirkpatrick
January 1947

10-118

MF-200
(April 1951)

Docket No. DMA 699

Commodity

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Lady Franklin Mine, George L. & Arthe' B. Beardsley, owners of 50% interest & lessees of 50% interest, 1516 Mesa ve., Colorado Springs, 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 Custer described as follows: [3] Lady Franklin Mine, Survey No. 297, Section 4, Tp. 22 S. R. 72 W. 6th P. M., Hardscrabble Mining District, Custer County, Colorado

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: owner of undivided one-half interest, Lessee of the other undivided one-half, subordination agreement form M F-202 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 30 days from the date of this contract shall commence work on a project of exploration for [5] Lead- Zinc; 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.

[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 property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 7,407.50, which is 50 percent of the agreed estimated total cost of this project, $ 14,815.00.

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 the day and year first above written.

THE UNITED STATES OF AMERICA

Lady Franklin Mine
(Operator)

By _____

By _____

Archie W. Seeley

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

HRA Docket 840
Lady Franklin Mine
Westcliffe, Colorado

Exhibit A

Unwatering Mine . . . . . $	750.00
Rehabilitation of shaft	500.00
Supplies and equipment	1,065.00
Sinking 100 feet a t $75.	7,500.00
Drifting 250 feet at $20.	5,000.00
Total . .	$14,815.00

Exhibit B

FIXTURES & IMPROVEMENTS

No facilities will be purchased, installed or erected.
All are on the project ready for use.

Exhibit C

OPERATED EQUIPMENT

Rental va lue is requested for the following:

Chic. Pneu. Compressor (Elec Drive)	$300.00	per month
1 Gasoline Driven Hoist	25.00	" "
1 100 GPM Allis Chalmers Pump (Elec)	50.00	" "
Total . . .	$375.00	

The following equipment is furnished at no charge:
Ja ck hammer & mounting, cars, pipe and misel, mining equipment.

Exhibit D

LABOR & SUPERVISION

1 Supt. & accountan nt	$300.00	per month
1 Mine Foreman	2.00	per hour
1 Machine man	1.50	" "
1 Helper	1.25	" "
1 Hoistman	1.75	" "

All labor is availa ble in the district

Exhibit E

1 Hoe drums
1 Hoisthouse
1 Compressor House
1 Sorting shed & Ore bin combined
1 Blacksmith shop

All the above facilities are in good condition and no repairs will be required.

THIS AGREEMENT, Made this 1st day of August, A. D. 1950, between MARGARET TOWNSEND of Radnor, Pennsylvania, of the first part and GEORGE L. BEARDSLEY AND ARTHE' B. BEARDSLEY, of Colorado Springs, Colorado, of the second part, WITNESSETH:

THAT, WHEREAS, The said first party is jointly the owner and in possession of an undivided one-half interest in and to the following described mining property in the Hardscrabble Mining District, Custer County, Colorado, to-wit:

The Lady Franklin, Survey No. 297, in Section 4, Township 22, Range 72, and the second parties are the owners, and in possession of the remaining undivided one-half interest in the above described mining claim, and desire to lease the said first party's interest therein, with all of the rights and privileges thereunto belonging, upon the terms and conditions hereinafter stated.

NOW, THEREFORE, In consideration of the covenants and agreements hereinafter expressly reserved to be kept and performed by the said second parties, the said first party has let, demised and leased, and by these presents does let, demise and lease unto the second parties, for the term of three years from the date hereof, the above described mining claim.

The said second parties covenant and agree to pay to the said first party, as royalty, five per centum of the net smelter or mill returns on all ore taken from the above described premises by them. Such net smelter or mill returns shall be the amount paid therefor by the smelter or mill after deducting all treatment, transportation and freight charges. All royalties reserved to the said first party may at her option be deducted by the smelter or mill and paid directly to her at the time of settlement with the said second parties, and statements and vouchers covering these settlements shall also be delivered to the said first party at the time royalty remittances are made to her. It being expressly understood that the second parties shall bear all expenses incurred by them in mining and prospecting the demised premises, and will pay all bills incurred in such mining operations promptly, and at least once a month, and any failure so to do shall be sufficient grounds for cancellation and forfeiture of this lease, at the option of the said first party.

The said second parties further agree to work the said mining properties continuously in a thorough, workmanlike and mine fashion, in manner necessary to good and economical mining so as to take out the greatest amount of ore possible with due regard to the development and preservation of the same as a workable mine, keeping the property and equipment in good order and repair, and to deliver all ore -

mined with all convenient speed, in lots as mined, to a smelter or mill. A failure by said second parties to work at least thirty shifts in each calendar month after work commences, and thereafter during the remaining term of this contract, shall forfeit this lease at the option of the party of the first part. In case of such default, written notice of such forfeiture shall be made by mailing same by registered mail by the said first party to the said second parties at P. O. Box 1051, Colorado Springs, Colorado.

Said second parties shall further, in all respects, comply with the Mining Laws of the State of Colorado, now in force or hereafter adopted during the term of this lease, and particularly comply with the Workman's Compensation Law of the State of Colorado, and they shall save harmless the said first party from all suits, claims and demands arising from any failure on the part of the said second parties so to do, and arising from any mischance or accident resulting from operations conducted on the demised premises on the part of the said second parties; and said second parties shall at all times keep posted at the main portal of said premises a conspicuous notice in words and figures satisfactory to the first party, and stating in substance that the premises are leased to the second parties, and that the first party will not be liable for any personal injury or property damage occasioned any person upon the leased premises, and the second parties shall also post, and at all times keep posted in the name and on behalf of the first party in some conspicuous place upon said premises, a written or printed notice in words and figures satisfactory to the party of the first part, that the said premises are leased to the second parties, and that the interest of the first party therein shall not be subject to any liens for services, labor or materials furnished upon or used in connection with said leased premises.

The second parties further agree that the party of the first part, her agents or attorneys, shall have the right at any time, and all times, to enter upon and descend into any and all parts of said leased premises and that the second parties will render to the first party, her agents or attorneys, all the assistance in their power in so doing.

It is further understood and agreed, that during the continuance of this lease, the first party may at any and all reasonable times have access to and examine the books and accounts of the second parties, showing the work done in and upon said premises, and the money expended upon the same, and the ores extracted therefrom, and the value thereof.

The said second parties further agree that any and all buildings, structures, and improvements placed in or upon the demised premises during the term of this Lease, shall remain thereon, and shall be and become the property equally of the respective owners, but that the said second parties expressly reserve the right, at any time during the continuance of this lease, or within thirty days thereafter, or within such additional time as may be granted in writing to them by the said first party after the termination of this lease, for any reason, to remove all tools, machinery, equipment and other movable personal property as they may have placed upon the demised premises.

The said second parties further agree to well and sufficiently timber the demised premises at all points where proper, in accordance with good mining, and to repair all old timbering in any of the working wherever necessary; to occupy and hold all cross or parallel lodes, spurs or mineral deposits of any kind which may be discovered by the said second parties, or any persons under them, in any manner by working within or from the premises hereby leased, as the property of the parties hereto, with the privileges to said second parties of working the same as parcel of said premises hereby leased, and further to keep at all times the drifts, shafts, tunnels and other workings operated by them thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

The said second parties further agree, upon the termination of this lease, for whatever cause, to surrender and deliver up to the said first party, her heirs, successors or assigns, the quiet and peaceable possession of the premises, and in condition for continued mining operations thereon, and therein, with all shafts, winzes, drifts, levels, sumps and other workings then in operation, in good condition. All ore and rock, broken or in place, whether underground or on the surface, which may remain at the expiration of this lease, shall revert to and become the property of the respective owners.

The respective owners shall each pay a one-half part of the general taxes now due, or hereafter assessed, upon the demised premises during the term of this lease, and so long as the same shall not become a producing mine within the meaning of the statute of the State of Colorado, but in the event the demised premises do become a producing mine, the one-half share of the taxes chargeable against the party of the first part for such year or years

as the same shall be a producer, shall be divided between the first party and the second parties, in proportion to the amounts they severally receive from the ores so produced.

It is further expressly understood and agreed that upon the failure of the second parties to properly keep and perform any of the agreements and covenants herein expressed or implied, then and in that case it shall be lawful for the party of the first part, her agents or attorneys, to declare this lease void and of no effect thereafter, and to enter upon and to take possession of said premises without process of law, and in such case as well as in case of the expiration of this lease by limitation, the second parties will surrender and deliver up the peaceable possession of the said undivided one-half interest of said first party therein, in good condition.

The said first party hereby agrees to give to the second parties the option to buy her undivided one-half interest in the above described mining claim at any time prior to the expiration of three years from the date of this lease. The party of the first part agrees to execute to them or any person named by them a good mining warranty deed to said mining claim upon demand therefor. Upon the execution of said deed the party of the first part is to be paid the full sum of Five Thousand Dollars, provided, however, it is fully understood that if this option is exercised, all royalty payments made by parties of the second part, under the terms of this lease and prior to the expiration of three years from the date hereof are to be applied upon said purchase price of Five Thousand Dollars.

It is expressly agreed between the parties hereto, that the terms and conditions of this lease shall extend to and be obligatory upon the heirs, legal representatives and assigns of the respective parties hereto, but that this lease may not be assigned by the parties of the second part, or either of them, without the written consent of the party of the first part.

IN WITNESS WHEREOF, The said parties hereto have hereunto set their hands and seals the day and year first above written.

WITNESS:
Eric A. McCouch

(signed) MARGARET M. TOWNSEND (SEAL)
First Party

(signed) GEORGE L. BEARDSLEY (SEAL)
(signed) ARTHUR B. BEARDSLEY (SEAL)
Second Parties

WITNESSED IN THE PRESENCE OF:

Dorothy R. Weinberger

STATE OF COLORADO)
:SS.
COUNTY OF EL PASO)

TO ALL WHOM IT MAY CONCERN:

THE UNDERSIGNED NOTARY PUBLIC, duly qualified and empowered to act in such capacity for and within the County of El Paso, in the State of Colorado, DOES HEREBY CERTIFY:

THAT the foregoing instrument is a true copy, as to word and figure, of that certain agreement executed by and between one MARGARET TOWNSEND (signing MARGARET M. TOWNSEND), and GEORGE L. BEARDSLEY and ARTHUR B. BEARDSLEY, on the "1st day of August, A. D. 1950," as in said Agreement indicated, at Colorado Springs, Colorado.

GIVEN OVER MY HAND AND OFFICIAL SEAL, this 18th day of June, A. D. 1951, at Colorado Springs, El Paso County, Colorado.

My commission as Notary Public expires February 11, 1952.

L. Mart Hanna
NOTARY PUBLIC

MF-200
(April 1951)

Docket No. DMA 649
Commodity Zinc

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] George L. Beardsley and Arthur B. Beardsley
1516 Mesa Ave.
Colorado Springs
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 Custer described as follows: [3] Lady Franklin Mine, Survey No 297, Section 4, T 22 S, R 72 W 6 P.M. Hardscrabble 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: owner of undivided one-half interest, Lessee of the other undivided one-half interest. Subordination agreement on leased property 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 and lead ores; 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] Seven (7) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $7,407.50, which is 50 percent of the agreed estimated total cost of this project, $14,815.00

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~~ Sex copies the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ---

By ---

Administrator Defense Mineral Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Exhibit A

The exploration project consists of unwatering and rehabilitation of one old 215 foot shaft and working barrow as the Lady Franklin Mine and extension of the shaft and additional 100 feet with 250 feet of exploratory drifting from the bottom of the extended shaft.

The estimated cost of the project is as follows:

Unwatering present shaft	$750.00
Rehabilitation of " "	500.00
Sinking 100 feet @ $75 per foot	7500.00
Drifting 250 feet @ $20 " "	5000.00
Equipment rental	1065.00
Total	$14815.00

The above amounts for unwatering, rehabilitation, sinking and drifting include all allowable costs of labor, supervision, supplies and utilities

Rental costs are shown in exhibit

Exhibit "B" Fixtures and Improvements

No additional fixtures, facilities, or buildings are required for the projects and no costs of this nature are allowable under this contract

Exhibit "C" Operating equipment

The following equipment is to be used on the project by the Contractor and allowable rental for each month use is shown along with the maximum amount for the 6 month estimated duration of the work.

	Rental Per Month	Maximum Rental
Compressor	$100.00	$600.00
Shovel	25.00	150.00
Pump	50.00	300.00
Jackhammer	2.50	15.00
	$177.50	$1065.00

Items of small tools, pipe and miscellaneous equipment are to be furnished by the Contractor at no charge to the project.

Exhibit "D" Labor and Supervision

Classification	Wage
1 Mine foreman	$2.00 per hour
1 Mechanic	1.50 " "
1 Helper	1.25 " "
1 Electrician	1.75 " "
Superintendent and bookkeeper	$350.00 per month.

The above cost of superintendence and bookkeeping may be for direct service by the owner of the property and is allowable if payment is made for actual services on and for the ~~project~~ benefit of the project.

Exhibit "E" Rehabilitation and Repairs

Headframe.
Hoisthouse
Compressor house
Lunch shed.
Blacksmith shop

The above facilities are in good condition and no repairs are required. Costs of this nature are therefore not allowed under this contract.

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

COPY
O. M. E.
RECEIVED
R 22 1972
INITIALS | CODE
1 | 20

MAR 13 1972

AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Memorandum:

To: William N. Sharp

From: Chief, Office of Minerals Exploration

Subject: DMEA - 649 (Lead, zinc, silver)
George L. and Arthe' Beardsley
Lady Franklin Mine
Custer County, Colorado
Contract I-DMA-E47

Enclosed is our file copy of the subject docket which you requested recently from J. W. Hasler's office.

Please return it to this office when you are finished with it.

Harold Kirkemo

Harold Kirkemo

Enclosures

3-20-72 Thanks much Bill Sharp

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S).
REQUIRED FEE(S) PAID.

☐ Show to whom, date and address where delivered

☐ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133572

INSURED NO.

DATE DELIVERED May 15, 72

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

3 SHOW WHERE DELIVERED (*only if requested*) 80225

Fed Center, Denver

DMA 649

55-20-71548-11 347-198 GPO

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

MAR 13 1972

AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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From: Chief, Office of Minerals Exploration

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George L. and Arthe' Beardsley
Lady Franklin Mine
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Please return it to this office when you are finished with it.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Region III
Mr. Kirkemo

HKirkemo/cac 3/13/72

FILE COPY
SURNAME:

Mittendorf

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

July 25, 1951

a.e.c.

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket DMA 649
Exploration Project Contract
I-DMA-E32
George L. Beardsley and Arthur B.
Beardsley
Colorado Springs, Colorado

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

DEMoulds/bjs

cc to: Adm. Reading File
Reports and Records
Region IV (2)
Mr. McKnight
Mr. B illings
Mr. Mittendorf, Mr. Olund
Mr. Moulds
Chron. copy

FILE COPY
SURNAME:

Memo to C.O. Mittendorf

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

July 24, 1951

AIRMAIL

Mr. J. H. East, Jr.,
Executive Officer
DMA Field Team-Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 649X
Lady Franklin Mine
George L. & Arthe' B. Beardsley

Dear Mr. East:

In reference to your memorandum of July 20th on Lady Franklin Mine DMA-649X and Banner Mining Company DMA-269X, which bear contract number Idm-E32; the correct number for the Lady Franklin Mine DMA-649X is Idm-E47, and the Banner Mining Company DMA-269X is Idm-E32.

The error arose in serializing a number of contracts on June 28th when a number previously assigned but unrecorded was used for a later contract.

Kindly correct the number on all copies of the contract to Idm-E47 before giving the operator his copy and sending the others here for distribution. We will advise the Washington Finance Office of the correct number.

Sincerely yours,

C. O. Mittendorf
7/26

DEMoulds/bih
cc to: Messrs. Admr's. Reading File
Reports & Records
Mittendorf-Olund
Moon
Herres
McKnight
Field Team
Mr. Moulds

C. O. Mittendorf, Director
Production Expansion Division

Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

July 20, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 3 1951
LANDON F. STROBEL
Executive Secretary

Memorandum

To: C. O. Mittendorf

From: Regional Director, Region IV

Subject: Contracts for DMA-649 and DMA-269

We have received contracts having the same numbers as follows:

(1) Lady Franklin mine, DMA-649, Contract I-DMA-E32 (47) (Book shows Idm-E47)

(2) Banner Mining Company, DMA-269XA, Contract I-DMA-E32. (Should be Lastlin Which is okay B.H.)

Will you please review these numbers and advise what should be done.

J. H. East, Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 3 1951
LANDON F. STROBEL
Executive Secretary

A Mg file

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

224 New Customhouse
Denver 2, Colorado

July 16, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: Exploration Project Contract I-DMA-E32, DMA Docket 649, George L. Beardsley and Arthe' B. Beardsley, Lady Franklin Mine, Custer County, Colorado

We are forwarding you the original and two copies of the above contract.

These contracts have been signed by the contractor as requested in your letter received here July 9.

One copy has been furnished the operator, one has been given to the Fiscal Office and we have retained one in our files.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

DEPARTMENT OF
Defense Min
JUL 20 1951
LINDOL F.
Executive Officer

FILE COPY
SURNAME:

Mittendorf

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

6/29/51

Re: DMA Docket 649 Beardsley
George L. & Arthe B. Beardsley
Lady Franklin Mine

Mr. J. H. East, Jr.
Executive Officer, Region IV
Defense Minerals Administration
224 New Customhouse Building
Denver, Colorado

Was carried by Mr. East personally + Committee no signatures were on it.

Dear Mr. East:

Please find herewith six (6) copies of contract for subject exploration. As you will note, the contract has been revised in text from the one filled out and signed by Messrs. George L. and Arthe B. Beardsley. This revision was required by legal standards and involved minor changes in the exhibits with the total amount remaining as before.

The contract has been signed by Mr. James Boyd, Administrator, with exploration number and effective date as shown.

The contract is to be signed by the above parties in the presence of yourself or member of your staff without any changes to its contents. If any provisions are unsatisfactory to the operator, the contract must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the Contractor, and two copies retained by your office; one for your files, and one for the finance section. The remaining copies, including the original, are to be sent to this office as soon as possible.

Enclosures 6

Sincerely yours,

C. O. Mittendorf

APPROVED:

C. O. Mittendorf, Director
Production Expansion Division

DEMoulds/meh

Chairman, Coordinating Committee

cc: Mr. Strobel
Adm. Reading File
Mr. Moon
Messrs. Mittendorf, Olund
Mr. Herres
Mr. McKnight
FILES
Field (2)
Chron. File
Mr. Moulds

Member, Bureau of Mines

Member, Geological Survey

Series 649

858

FILE COPY
SURNAME:

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

June 26, 1951

Memorandum

To: C. O. Mittendorf

From: J. L. Hofflund

Subject: George L. Beardsley and Arthe' B. Beardsley exploration contract -- Docket No. DMA-649

This office has reviewed the contract in the above-styled case and finds it in satisfactory form for execution.

At the time of execution the effective date should be inserted in the contract.

Your file on the case is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachments

R.R.Guthrie/ema

Copy to: L. F. Strobel
R. R. Guthrie
J. L. Hofflund
Chron.
Files

Docket 649

1956

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

224 New Customhouse
Denver, Colorado

June 21, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 649, George L. and Arthe' B. Beardsley, Lady Franklin Mine, Custer County, Colorado

We attach the contracts and exhibits for Docket DMA 649 on the Lady Franklin Mine, Custer County, Colorado.

We believe the exhibits are in order.

J. H. East, Jr.

A. H. Koschmann

Attachments
6 copies Exploration Contract
Exhibits A through E
Plan map
Lease Agreement
Landlord's Subordination Agreement

WMT/dd

Building 2-A, Denver Federal Center

Chief, Mining Division, Region IV

June 19, 1951

W. M. Traver, Jr.

DMA Docket 649, Lady Franklin Mine

Please find enclosed, in accordance with instructions in your memorandum of June 12, 1951, on the above-captioned docket, the following:

1. Six copies of "Exploration Project Contract", form MF-200, undated, signed by the applicants.

2. Six copies of exhibits A-B-C-D-E.

3. Six copies of the plan map of the Lady Franklin mine, scale 1 inch = 50 feet, showing the proposed exploration, to accompany exhibit A.

4. Six copies of the "Lease Agreement" with Margaret M. Townsend covering her 50 percent ownership of the property.

5. Six copies of the "Landlord's Subordination Agreement", form MF-202, signed by Margaret M. Townsend covering her 50 percent interest.

Your attention is called to the fact that the applicant had only obtained one signed copy of form MF-202 which is attached to the original copy of the contract. The other five copies are notarized showing they are identical copies of the original. This procedure was followed because Margaret Townsend resides in Pennsylvania and it would have required considerable time to obtain additional copies.

It is presumed these contracts are prepared correctly for submission to the Production-Expansion Division.

W. M. Traver, Jr.

W. M. Traver, Jr.

Mining Division
Date Rec'd.
JUN 20 1951
BUREAU OF MINES
Denver, Colorado

enclosures

cc PTAllsman
DMA 649
DMA Chron.

FILE COPY
~~SURNAME~~

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

Mailed 6/1/51

May 29, 1951

Mr. J. H. East, Jr.
Executive Officer Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-649
Lady Franklin Mine
George L. & Arthe B. Beardsley
1516 Mesa Avenue
Colorado Springs, Colorado

Dear Mr. East:

The above-subject applicant originally requested a loan but revised this to an exploration aid project under date of May 5, 1951.

The project as outlined consists of the following:

Unwatering of mine.....	$ 750.00
Rehabilitation of shaft.....	500.00
Supplies and equipment.....	1,065.00
Sinking 100 feet @ $75.....	7,500.00
Drifting 100 feet @ $50.....	5,000.00
Total.....	$14,825.00

The above cost appears reasonable except for the $50.00 per foot of drifting. Unless the ground is exceptionally heavy or swelling, a cost of $20.00 per foot appears to be the normal cost. Examination of the plan of the ore body indicates a possible ore length of 250 feet on the bottom level. It is therefore proposed to extend the exploratory drifting 250 feet at a maximum price of $20.00 per foot.

As the application was made for a loan prior to announcement of the criteria and exhibits required under MO-5 and the Exploration Project Contract, Form MF-200, the following material and exhibits will have to be secured to accompany each copy of the six copies of the signed contract:

(2) Operator's property rights.

A legal description of the mining property upon which the exploration project is to be conducted. If not entirely owned, subordination agreements are required.

(3) Exploration Project (Exhibit "A")

A brief description of the work consisting of the following:

Unwatering Mine.....	$ 750.00
Rehabilitation of shaft.....	500.00
Supplies and equipment.....	1,065.00
Sinking 100 feet @ $75.....	7,500.00
Drifting 250 feet @ $20.....	5,000.00
Total.....	$14,825.00

Maps illustrating the proposed exploration project in relation to the present mine workings.

(5) Fixtures and Improvements (Exhibit "B").

A detailed list of facilities to be purchased, installed or erected by the operator with estimated cost and salvage value. If none is required, it should be so stated.

(b) Operating Equipment (Exhibit "C").

A detailed list of operating equipment to be rented, purchased or furnished by the operator with allowable rental, purchase price or rental value and estimated salvage value at the end of the exploration project.

(8) Labor and Supervision (Exhibit "D").

An itemized schedule of labor by numbers and classes and supervisors with maximum wages or salaries to be paid. If on contract, state price per unit and basis of determination.

(9) Rehabilitation and Repairs (Exhibit "E").

Detailed list of existing facilities with a statement of cost of repair or rehabilitation. If none required, it should be so stated.

Government Participation:

The Government will participate in the project to a maximum of $14,825.00, less estimated salvage value of drill, for the entire

FILE COPY
SURNAME:

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

From McKnight
Hesses
Mittendorf

May 14, 1951

Memorandum

To: Mr. H. A. Montag, Director Requirements Division

From: Production Expansion Division

Subject: Application for serialization of the Lady Franklin mine, Custer County, Colorado

Submitted by George L. Beardsley and Arthe B. Beardsley
1516 West Avenue
Colorado Springs, Colorado

The attached letter of May 5 from George L. Beardsley requests that his application (DMA-649) for an exploration loan also be considered as an application for serialization of the Lady Franklin mine.

The application (DMA-649) is attached.

C. O. Mittendorf, Director
Production Expansion Division

Attachment
EJLyons:emp
G 5/14/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf

Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

DMA 649

856

FILE COPY
SURNAME:

Herres

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

May 9, 1951

DMA-649
Lady Franklin Mine
Custer County, Colorado

Mr. Geo. L. Beardsley
1318 Mesa Avenue
Colorado Springs, Colorado

Dear Mr. Beardsley:

This will acknowledge receipt of your letter of May 5 advising of your willingness to provide your share of the funds needed to carry out the proposed exploration project described in your application DMA-649. The original proposal will be modified in accordance with your request, making a total deduction of $13,500 to the figure of $14,815.

With reference to your application for serialization under MO-7, it is my understanding that Form MP-100 must be filed unless it already has been sent in.

I am enclosing six copies of this form for your use if you have not yet filed it.

In case I can be of further assistance, kindly let me know.

Yours very truly,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

OHERRES:ks

Enclosures

cc: Mr. Strobel
Mr. Mote
Mr. McKnight
Mr. Herres
Files

DMA-649

857

Received May 8, 1951

c
o
p
y

1516 Mesa Avenue
Colorado Springs, Colorado

May 5, 1951

Mr. Otto Herres, Chief
Lead-Zinc Branch
U. S. Dept. of the Interior
Defense Minerals Administration
Washington 25, D. C.

Re: DMA-649

Dear Mr. Herres:

This is to advise you of my willingness to provide my share of the funds needed to carry out the proposeed exploration described in my application DMA-649, referred to in your letter of April 12th.

The original proposal will be modified by the elimination of the $6,000.00 item for additional equipment and the second 100 feet of sinking at $75.00 per foot. This makes a total deduction of $13,500.00 to the figure of $14,815.00.

If you can do so will you additionally consider my above numbered application, DMA-649, as my application under MO-7 for serialization.

Awaiting your further action on my application and thanking you, I am

Very truly yours,

/s/ George L. Beardsley

George L. Beardsley

Original letter was sent to Mr. Montag for serialization.

FILE COPY
SURNAME:

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

APR 12 1951

In reply please refer to DMA-649

Mr. George L. Beardsley
1516 Mesa Avenue
Colorado Springs, Colorado

Dear Mr. Beardsley:

One of the purposes of the Defense Production Act of 1950 is the encouragement of exploration, development and mining of strategic minerals and metals. Where an applicant has proven reserves of strategic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain private financing in most instances.

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc and lead deposits it will be necessary to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

A review of your application (DMA-649) for financial aid in exploring your Lady Franklin mine in Custer County, Colorado indicates that part of your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal we believe that the program will apply to $22,315, which you propose to use in dewatering the shaft, sinking an additional 200 feet and drifting 100 feet on the lowest level.

Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your original proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake.

ABGriggs:emp G 3/21/51

Very truly yours,

Copies to: J. H. East, Exec. Officer
Region IV
Chief, Lead-Zinc Br.
McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel C. O. Mittendorf Files

OTTO MORRES, Chief
Lead-Zinc Branch

Enclosures

Dma 649

FILE COPY
SURNAME:

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

Herres
Otto
McKnight

March 22, 1951

DMA-649
Lady Franklin Mine
Custer County
Colorado

Mr. George L. Beardsley
1516 Mesa Avenue, Broadmoor
Colorado Springs
Colorado

Lead
Zinc

Dear Mr. Beardsley:

We have your letter dated March 17 concerning your application for an exploration loan for your Lady Franklin Mine in Custer County, Colorado. Your application has been received in Washington and referred to the Lead-Zinc Branch for consideration.

You are correct in your understanding that new forms are being prepared to be used in carrying out the exploration program approved recently. The press release dated February 20 is enclosed for your information in that connection.

In case you are interested in further information concerning the exploration program, it is suggested that you apply to your nearest field office which is in Region IV, Mr. J. H. East, Jr., Executive Officer, 224 New Customhouse Building, Denver, Colorado.

Yours very truly,

Otto Herres

OTTO HERRES Chief
Lead-Zinc Branch

Enclosure - 2

OHERRES:ks
cc: Mr. Strobel
Mr. Moon
Mr. Mote
Mr. McKnight
Mr. Herres
2 copies Field Team Region II Mr. A. N. Weissenborn
South 157 Howard Street, Spokane, Washington
Files

Dma 649

856

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

224 New Customhouse
Denver 2, Colorado

July 24, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Notice of Termination and Rescission of Exploration Project Contract I-DMA-E47, Docket DMA 649, George L. Beardsley and Arthe' B. Beardsley (Zinc)

Enclosed are three copies of Notice of Termination and Rescission of Exploration Project Contract Before Work is Begun covering Contract I-DMA-E47. A copy of this notice has been sent to the operator.

W. H. King

W. H. King

Enclosures

RECEIVED
JUL 30 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

S&S 7-28-52

FILE COPY
SURNAME:

DEM

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

May 29, 1951

Memorandum

To: C. O. Mittendorf, Director, Production-Expansion Division

From: D. E. Moulds

Subject: Docket No. DMA-649
Lady Franklin Mine
George L. and Arthe B. Beardsley
1516 Mesa Avenue
Colorado Springs, Colorado

The subject application for a loan was made under date of January 28, 1951 and amended to exploration project assistance under date of May 5, 1951 in the amount of $14,825. The Lead-Zinc Branch recommended the application under date of May 14, 1951.

Criteria:

(a) The metal produced by past mining and expected from the proposed exploration is lead and zinc which are strategic under the definition of exploration project aid, MO-5.

(b) Production from the mine has been conducted intermittently since 1943 with a total production of 15,702 tons of lead-zinc ore. The downward extension of the ore shoot was indicated on the bottom level with a width ranging from 1 - 4 feet. During the last war the mine under the present operators produced 4,158 tons averaging 10.37 ounces silver, 4% lead and 7.8% zinc. On the basis of the steping above the bottom level, the extension of the shaft another 100 feet is expected to open up 8,000 tons of ore of somewhat better grade ore.

(c) The unwatering and shaft sinking will require 4 men and a total of 7 for the drifting phase and the men are said to be available locally.

(d) Equipment is available for the unwatering, rehabilitation and exploration except one sinker drill.

(e) The mine has production record from the shaft and is therefore accessible in adequate road facilities.

(f) Ample water for mining and power is available at the mine.

(g) The applicant has operated the property for several years and has produced 6,513 tons of ore from present facilities.

Exploration Project

The applicant desires to unwater the present mine workings, rehabilitate the present shaft to a depth of 225 feet, extend the shaft an additional 100 feet and drift on the vein in both directions from the shaft on the vein. The listed cost of the project is as follows:

Unwatering Mine.....	$ 750.00
Rehabilitation of shaft.....	500.00
Supplies and equipment.....	1,065.00
Sinking 100 feet @ $75 per foot.....	7,500.00
Drifting 100 feet @ $50 per foot.....	5,000.00
	$14,825.00

Analysis of the above costs indicates that all are reasonable except the $50 per foot for drifting.

The cost per foot for exploration type drifting should not exceed $20 per foot except in extremely heavy-swelling ground; it is therefore believed that the drifting cost be limited to $20 per foot. Examination of the plan of the ore body indicates that the ore zone extend a total of 250 feet and the drifting project is recommended to be 250 feet @ $20 or the $5,000 listed by the applicant.

Repayment

Based on the net smelter return of $10.32 per ton of ore shown by the smelter settlement sheet, the 8,000 tons would return only $2,880. The engineer's report, however, states that improvement is expected over the 10.72% combined base metal shown by the smelter shipments of September 22, 1947. As the unwatering and rehabilitation is of benefit to the entire mine, repayment should be based on the entire production of the mine. On this basis there is a possibility of entire repayment on the present price schedule and ore improvement.

It is recommended that a letter be sent to Field Team, Region IV, requesting them to advise the applicant of the revised project and to obtain the necessary exhibits, subordination agreements, fill out the Exploration Project Contract and secure applicant's signature. Upon receipt of this approved material, the contract can be certified.

DEMoulds/GMcC

cc: Files
Administrator's Reading File
Mr. Strobel
Original and 1 copy to Field Team
Mr. Meem
Bur. Mines Commodity Expert
Geol. Survey " "
PED Engineer
PED Files
Chron. copy
~~Mr. Hoffland~~

~~cc: Mr. Hoffland~~

FILE COPY
SURNAME:

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

Memorandum

May 14, 1951

To: Director, Production Expansion Division

From: Director, Supply Division

Re: Docket DMA-649
Commodity: Zinc, lead

Subject: Recommendation for approval of application for exploration loan submitted by George L. and Arthe B. Beardsley, 1516 Mesa Avenue Colorado Springs, Colorado

A. George L. Beardsley and Arthe B. Beardsley
1516 Mesa Avenue
Colorado Springs, Colorado

B. Lady Franklin Mine
Westcliffe, Custer County, Colorado

C. (1) The proposed project has a reasonable chance of increasing the zinc and lead resources of the United States by a modest amount.

(2) No technical difficulties are anticipated.

(3) Priority and allocation assistance may be required.

(4) The applicant has indicated his willingness to provide his share of the funds.

(5) The applicants have had four years experience in operating this mine.

D. It is recommended that a loan of $7,407.50 be granted to George L. Beardsley and Arthe B. Beardsley as the Government's one-half share of the exploration project proposed for the Lady Franklin mine, Custer County, Colorado. Following is an itemized cost of the project:

Pump, water and airline pipe, steel, bits.....	$ 1,065.00
Unwatering mine.....	750.00
Repairs to timbering.....	500.00
Deepening shaft 100 ft. at $75.00 per foot.....	7,500.00
Drifting 100 ft. at $50.00 per foot.....	5,000.00
	$14,815.00

E. The applicant proposes to deepen the present shaft 100 ft. and then drift 50 ft. in each of two directions from the shaft along the vein. The applicant requests financial aid from the Government in the form of an exploration loan in the amount of one-half of the total cost of the project or $7,407.50.

F. It is believed that this project will prove up from 5000 to 7000 tons of ore having an estimated grade of 10 oz. Ag, 4% Pb, and 7% Zn.

G. (1) Because the mine workings are under water and thus inaccessible, no examination was requested of the field team. The accompanying report by Melvin Brugger, who is considered a competent and reliable engineer, states that ore is exposed in the floor of the lowest drift and that there is an indication of an increase in metal content with depth. On the basis of this and the fact that the mine was a small but steady producer in the past, it is believed that exploration of the deposit at depth is warranted.

(2) Not applicable.

(3) Standard mining methods will be used to deepen the shaft and drive the drifts.

(4) Not applicable.

(5) Not applicable.

(6) It is estimated that 6 months will be required to sink the shaft 100 ft. and drive the 100 feet of drifts.

H. (1) The mine has a small two compartment shaft, with head frame and hoist house, sunk to a depth of 225 ft. with levels at 165 ft. and 215 ft. Equipment consists of:

A gasoline-driven, single drum hoist with a 1000 pound bucket.
An old Chicago pneumatic, horizontal, single-stage compressor.
A stoper and liner.
Mine car.
Centrifugal pump.
Small mine tools.

H. (2) Although very little new equipment is required for this exploration work, the applicant has requested serialization of his mine.

(3) Transportation is adequate.

(4) Manpower is available.

(5) Power is obtained from an R.E.A. line.

I. (1) There is no alternative method proposed.

(2) Amount requested appears adequate for the proposed program.

(3) Not applicable.

(4) Repayment will be made in accordance with Section 14 of Form MO-5.

(5) Not applicable.

J. The applicants' operation of the mine from 1944 to 1948 indicates their competency.

K. None.

Tom Lyon
OB.

Tom Lyon, Director
Supply Division

EJLyons:emp
G 5/14/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

LANDON F. STROBEL

MAR 20 1951 Mr. Herres

1516 Mesa Avenue, Broadmoor
Colorado Springs, Colorado
March 17, 1951

DMA 649

MAR 20 9 47 AM '51

BUREAU OF MINES
WASHINGTON, D.C.

Mr. Otto Herres,
Lead and Zinc Section,
Defense Minerals Administration,
Department of Interior,
Washington, D. C.

Dear Mr. Herres:

My application for an exploration and development loan in the amount of $28,315.00, for my Lady Franklin mine in Custer County, Colorado, was mailed to Mr. J. H. East, Jr., Regional Director, Bureau of Mines, Denver, Colorado, on February 3, 1951. Mr. East acknowledged receipt thereof and informed me that it had been forwarded to the Defense Minerals Administration in Washington. To date I have received no acknowledgment from Washington.

Now, as I understand, new forms are being prepared for making application for loan for exploration. The Lady Franklin mine has a shaft 215 feet deep, and workings 300 feet long, each direction (east and west) on the vein--which produce lead and zinc sulphides from the bottom level up to the carbonate zone (over 125 feet above). My loan application is for funds to sink the shaft 100 feet to make available one hundred feet of ore six hundred feet long--which is as surely there as it is ever possible to know from what has been proven immediately above. Is my program one of exploration or development?

Can you, if you please, refer to my application and inform me if I should prepare a new application or if the present one should stand? Can you tell me what if any consideration my application has received? Information concerning production of my mine should be in the files of the Premium Price Plan for Copper, Lead and Zinc for the years 1944, 1945, 1946 and 1947.

Thanking you, I am

Very truly yours,

Geo. L. Beardsley

George L. Beardsley

INFORMATION SUBMITTED IN CONNECTION WITH AN APPLICATION FOR A LOAN PURSUANT TO THE DEFENSE PRODUCTION ACT. TO REOPEN THE "LADY FRANKLIN" MINE

LOCATION: Westcliffe, Custer County, Colorado

1. Last operation and proposed operation by George L. and Arthe B. Beardsley, owners of a one-half interest in the mine--which began in August, 1944; prior to which time operation was by Adolph M. Poston, beginning March, 1943.

2. The mine is not now producing. Under the Poston operation production was 9189 tons silver, lead and zinc ore; and under Beardsley operation: 6513 tons; a total of 15,702 tons.

3. The loan applied for is to provide the equipment necessary to be replaced and acquired; and to pay for sinking the shaft 200 feet to make accessible a new ore supply.

4. Map~~ping~~ of the workings is attached hereto.

5. a. MAJOR EQUIPMENT AND FACILITIES OWNED AND ON PROPERTY:

hoist house	centrifugal pump
head frame	compressor
shaft 215 feet deep	electric power available at mine
hoist	miscellaneous equipment

b. EQUIPMENT AND FACILITIES REQUIRED:

Sinker - - - - - - - - - - - - - - - - - -	$ 325.00	
900 feet of 2" pipe, to replace water pipe and provide for extension of water and air-line - - - - - - - -	$ 540.00	
Steel and bits - - - - - - - - - - - - -	$ 200.00	
Cost of unwatering (about 2 weeks of steady pumping) - - - - - - - - - -	$ 750.00	
Possible necessary repairs to timbering	500.00	
Sinking 200 feet @ $75 per foot - - -	$15,000.00	
Drifting 100 feet (50 feet each, east and west from bottom of shaft, to provide space to start stoping and producing ore; @ $50 per foot - -	$ 5,000.00	
At THIS point, a larger, more efficient compressor, and a shovel-loader would be needed, at a cost, each: $3,000.00 - - - - total -	$ 6,000.00	$28,315.00

6. Employees: none at present
Hoistman and 3 miners will be required for sinking, and thereafter 3 men additional (all available).

7. Milling: Ore probably will be milled at A. S. & R. Mill, Leadville, Colorado, 115 miles by truck, over good roads.

8. Production: Between 10 and 20 tons per day may reasonably be expected.

9. Terrain: Mine located in flat country; readily accessible to Westcliffe.

10. MINIMUM PRICE REQUIREMENT: Silver: 90¢ per oz; lead: 17¢ lb; zinc: 17¢ lb; estimated requirement to enable this mine to operate on grade of ore expected.

Owner 6491 (Cont)

(continue--1)

P36

11. It is estimated that this development will make available for mining 20,000 tons of ore. Copies of four of the settlement sheets covering some of the last shipments are attached.

12. An Engineer's Report (Melvin Brugger) is attached.

13. Management has four years of experience in operating the mine.

14. It is estimated that six months will be required to sink the shaft 100 feet and drive drifts 50 feet in each direction (east and west) on the vein. Production can proceed on that level while the shaft is being sunk another 100 feet.

REPORT ON THE LADY FRANKLIN MINE WESTCLIFFE
CUSTER COUNTY COLORADO

By Melvin Brugger January 28 1951

The Lady Franklin Mine consists of one patented, 300 by 1500 feet, lode mining claim , lying about two miles east of Westcliffe, county seat of Custer County, Colorado, and with which it is connected by a good dirt road, the maximum grade being not over three percent. Elevation at the mine is 8000 feet. The nearest shipping point is Texas Creek, a siding on the Denver Riod Grande Rail Road, twenty odd miles to the ~~east~~, NORTH and the nearest custom mill is at Leadville, Colorado, one hundred and twenty miles distant. Trucking charges from the mine to Texas Creek are two dollars a ton, and from the mine to Leadville mill five dollars a ton.

Equipment consists of a gasoline driven single drum hoist, with 1000 pound bucket for hoisting ore, an old Chicago Pneumatic horizontal single stage compressor of air capacity for one lyner, or stoper, a stoper and lyner, mine car and the usual complement of small mine tools. Power connection is with an REA line.

The mine is opened by a small two compartment shaft, sunk on the vein to a depth of 225 feet. There are two levels, one at 165 feet and one at 215 feet. Drifts have been driven on each of the levels, to the east and west for a distance of 300 feet. Mining has been done by cut and fill, and by shrinkage.

The ore occurs in an almost vertical fissure in rhyolites. It varies in width from one to four feet, with an average width of ore of about two feet. The ore is sphalerite and galena, carrying silver. Over the section mined there has been a noticeable increase in metal content in depth.

The mine was operated by George and Arthe Beardsley during the last war with a crew of four men and produced 4158 tons averaging 10.37 ounces silver, 4 percent lead, 7.8 percent zinc.

Lady Franklin Mine cont.

This was taken from a stoped heighth of fifty feet and over a length of six hundred feet. Operations were stopped when subsidies were discontinued and the metal prices broke.

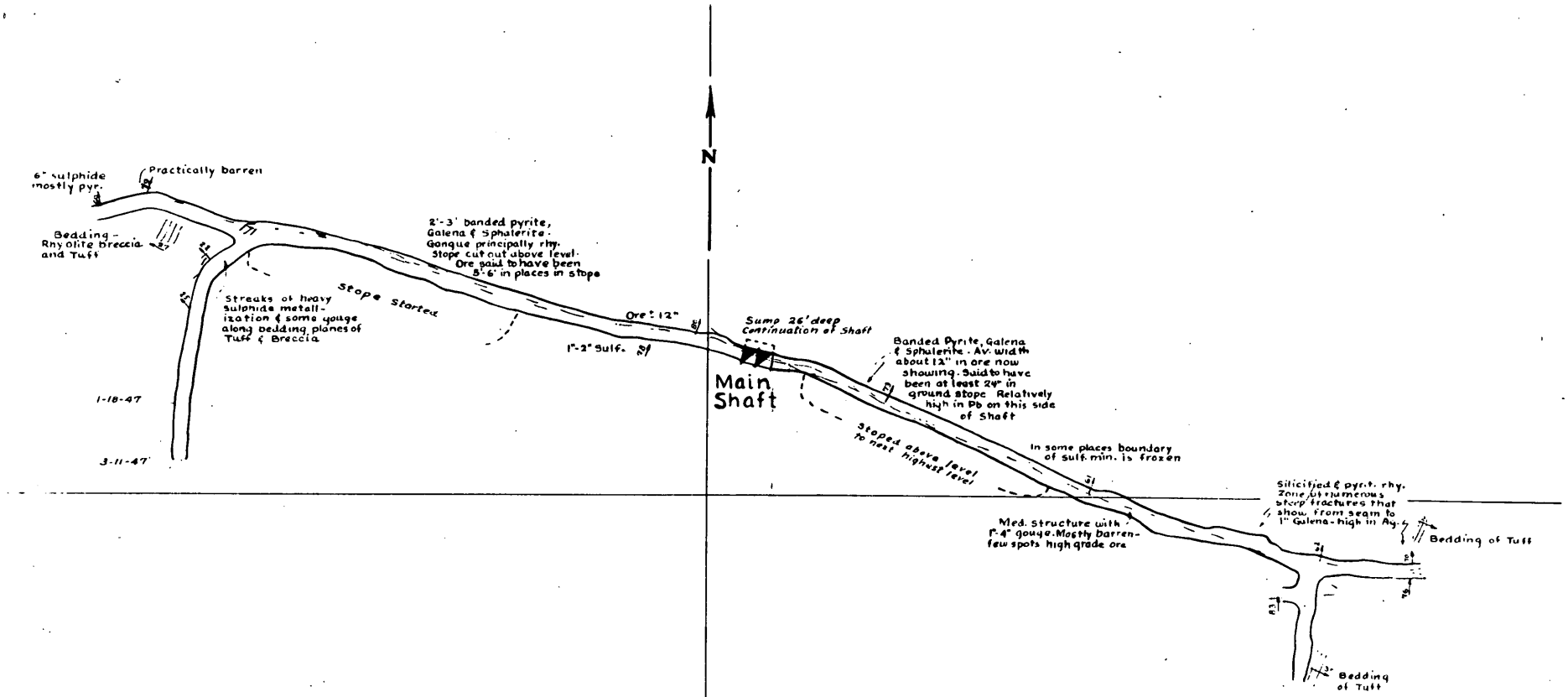
The ore streak was exposed in the floor of the drift below the present stoped sections, and it is now proposed to sink the shaft another one hundred feet, and extend drifts east and west for three hundred. This on the basis of the production above the 215 level will make available some eight thousand tons of ore of probably somewhat better grade than the ten silver, four lead and seven zinc mined above. With the ore proved on this level and its continued downward extention indicated it would be in order to extend the shaft another hundred feet with expectation of developing another eight to ten thousand tons.

In addition to this proven ore occurrence there is a known east-west vein just south of the Lady Franklin which has not been explored and which offers possibility of potential ore, and there is an area east of the present easterly workings which from surface outcroppings suggest possibility of occurrences of copper-silver ores.

I would anticipate that the rate of production could built to fifteen to twenty tons a day with a mine crew of six to eight men. All labor would be from the immediate area, and would not otherwise be employed in mines. The ration of mine supplies, steel and powder, to pounds of lead and zinc produced would be favorable.

Melvin Brugger

Melvin Brugger



GEOLOGIC PLAN OF 215 LEVEL
LADY FRANKLIN MINE
SILVER CLIFF DIST., CUSTER CO., COLO.

Scale:- 1in.=50 ft.

American Smelting & Refining Co.
Denver, Colo.
Geology & Brunton Survey by:- R. K. Kirkpatrick
January 1947

10-118

A. S. & R. M. D. F. 3- 5M, Herald Democrat

AMERICAN SMELTING AND REFINING CO.

LEADVILLE MILLING UNIT

LEADVILLE, COLO., Sept 9,1947

BOUGHT OF George Beardsley.

LOT NO. MILL 1358 MINE 91

ADDRESS

CLASS Crude

SHIPPING POINT Texas Creek, Colo.

QUOTATIONS: 8/18-8/23/47 GOLD 34.9125 SILVER .90 LEAD 15.00 COPPER ZINC 10.50

ASSAYS	Gold Ozs. Per Ton	Silver Ozs. Per Ton	Lead Per Cent	Non Sul. Lead	Zinc Per Cent	Non Sul. Zinc	Copper Per Cent		Iron Per Cent
Smelter	0.02	12.1	4.9	0.15	7.8	0.21	0.0		
Mine	0.04	12.8	5.1	0.0	7.85	0.10	0.1		
Umpire WEB	0.025	12.53							
Less-Non-Sulphide			0.075		0.155				
Settlement Assays	0.025	12.53	4.925	0.075	7.67	0.155	0.05		

CAR INITIAL	NUMBER	WEIGHT	FROZEN WT.
8/19 RG	71736	114200	

VALUE PER TON		
Gold —		
Silver —	50%	5.64
Lead —	70% 2.54	8.76
Zinc	25% 2.10	4.03
Copper —		
Gross Values of Metal		18.43
Less - Treatment		3.35
Net Value Per Ton		15.08

Gross Wt.	
Truck Tare	
Wet Weight, Lbs.	114200
Less - Moisture 4.70 %	
Dry Weight, Lbs.	108833

DRY WEIGHT TONS 54.4165 @ $ 15.08 PER TON 820.60

Rec'd 8/19/47

This lot contains 682 ozs of silver ~~Hauling~~ Federal Transt Tax

FREIGHT ADVANCED @	2.28	130.19
MOISTURE		3.91
SAMPLING Hauling 1.75	W.A.Lanbaster	99.93
FROZEN ORE Federal Trans Tax.		3.00
UMPIRE		3.00
% ROYALTY John B & Margaret Townsend		43.54
C.O.Parker & Co		6.00
Beach & Co		5.71

CORRECT WR

CHECKED JC 7½

EXCEPT ON CONTRACTS, SUBJECT TO CHANGE WITHOUT NOTICE

NET PROCEEDS $ 525.32

AMERICAN SMELTING AND REFINING CO.

FRONTIER MILLING UNIT