UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 789

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.

✓ 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 _____

✓✓
Reviewer's Initials

7973

AMENDMENT OF CONTRACT: No. Idm-E71

Contract Docket No. DMA-789X, dated July 18, 1951, between the United States of America and Erickson and Baer is hereby amended, effective as of the date of said contract, as follows:

1. To "Exhibit A Exploration Project" attached to the contract, add "Rehabilitation and preparation of the tunnel, including the installation of ventilation line, compressed air line, and timbering is an allowable cost under this contract."

2. In "Exhibit D" strike out "2 Miners @ $12.80 per day - $1300.00"

   and substitute:

   "1 Miner @ $1.50 per hour
   1 Miner @ $6.00 per foot of advance of the raises
   1 Trammer @ $1.50 per hour
   1 Timberman @ $1.50 per hour
   1 Surface Laborer at $1.50 per hour
   Labor for rehabilitation is allowable at $1.50 per hour.
   The maximum allowable labor charge - - - - -$1300.00"

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 11 of the contract form.

Dated October 9, 1951.

ERICKSON AND BAER

By Edward C. Baer

UNITED STATES OF AMERICA

By J. H. Eccles
Executive Officer - DMA

S)MR
1/3/51

MF-200
(April 1951)

Indexed | Stem
No. Card
Card
Reviewed | GAD 10/5/51

RECEIVED SEP 4 1951 G.A.O.

Docket No. DMA 789-X
Commodity Lead-Zinc
Idm-E71

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 18th day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Erickson & Baer, a partnership composed of K. L. Erickson & Edward C. Baer c/o N. J. Knickerbocker 402 Sixth Street, Virginia, Minnesota

SEP 8 SEP 17

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 Dolores described as follows: Badger and Sunflower Group of claims, Sec. 31 - T.40N. - R.10W. consisting of two (2) patented and eight (8) unpatented claims approximately 180 acres

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: Owned jointly by:
K. L. Erickson 50%
Edward C. Baer 50% with no indebtedness

(*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 and zinc 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] one year 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.

Supplement No. Amend., dated 10-9-51 Revised 11-5-51 SMC

16—64066-1

7. *Title to and disposition of prope*[illegible] All facilities, buildings, fixtures, equipment[illegible] 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 $1,600.00, which is 50 percent of the agreed estimated total cost of this project, $3,200.00.

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.

sextuplet

Erickson & Baer, Partners
(Operator)

By V. L. Erickson
Edward C. Baer.

THE UNITED STATES OF AMERICA

By C O Mettendorf

Director, Production Expansion Division
Defense Minerals Administration

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

EXHIBIT "A" Exploration Project

The applicants propose to raise 100 feet on a mineralized fissure which has been discovered on the Black Demon Claim so as to intersect two limestone beddings which have been known to be highly productive in the adjoining Rico Argentine Mine.

Estimated cost of the project is as follows:

Raising 100 feet (Two raises of 50 feet each)	
Labor @ $13.00 per foot	$1300.00
Operating supplies	
Gasoline and oil	515.00
Explosives and miscellaneous	225.00
Equipment to be purchased	700.00
Equipment to be rented	460.00
Total	$3200.00

EXHIBIT "B"

Does not apply.

EXHIBIT "C"

Equipment to be purchased:
700 feet of 8 inch used vent pipe is to be purchased at a maximum allowable cost of $700.00

Equipment to be rented:
The following items are to be rented for use on the project and are allowable costs as follows:

Blower and motor @ $60 per month for two months	$120.00
Air compressor and gasoline motor @ $170 per month for two months	$340.00

EXHIBIT "D"

2 miners @ $12.80 per day $1300.00
Supervision done by one of the owners at no charge.

EXHIBIT "E"

Does not apply.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-789X

Date received 5-31-51

Participation

Erickson & Baer
c/o N. J. Knickerbocker
402 Sixth Street South
Virginia, Minnesota

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application May 28, 1951

Estimated cost $3200.00 3182.20

Mineral or metal Zinc and lead

Percentage of Government participation 50

Location of mine 1½ miles from Rico, Colorado

Pioneer Mining District, Dolores County.

Date of filing MF-100

DMA Docket Number, if available 789X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

All questions are answered on supplemental sheets attached.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

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THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

Erickson & Bach
(Name of ~~company~~)

By K. L. Erickson
(Signature of authorized official)

5-28-51
(Date)

Partner, Mgr.
(Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Supplement to be attached to Form MF-103 under MO-5

1. Applicant is a partnership.

2. K. L. Erickson, Box 294, Henderson, Nevada - one half interest
Edward C. Baer, Box 553, Rico, Colorado - one half interest
N. J. Knickerbocker, 402 Sixth Street South, Virginia, Minnesota holds an option to purchase up to 1/3 interest of combined partnership and has paid $5,000 toward purchase price of $10,000. His option is valid for 5 years.

3. No

4. K. L. Erickson, Metallurgical Engineer, 25 years experience. Has held many supervisory positions in mining and milling projects covering lead, zinc, copper, tungsten, gold, etc.
Edwrd C. Baer, skilled miner and war veteran. 6 years of underground mining experience including shaft sinking, raising, drifting, stoping, timbering - all for large mining companies.
N. J. Knickerbocker, graduate mining engineer, University of Minnesota. In supervisory positions covering mines and plants on tungsten, manganese.

5. Owners

6. There are no claims, liens, or encumbrances against the properties.

7. We are owners.

8. A fincancial statement has never been prepared and is not available.

9. Applicant is prepared to invest $1600 in an exploration project in the early summer. If this exploration project is a success and ore is discovered, applicant is prepared to invest up to $5,000 additional as working capital to begin shipments and to carry the operation on a limited scale until receipt of smelter returns can carry the project. However, this additional $5,000 may not be available unless the exploration work outlined below reaches shipping ore. It is this first $1600 we desire the government matach. In addition the applicant intends to make a $730 down payment on a work vehicle for use at the property but it is not the intention that the government participate in this purchase. $1600 is sufficient to pay the applicant's portion of the proposed project.

10. a. Two patented mining claims - 20 acres.
8 unpatented mining claims -160 acres.
Mining claims include old properties known as Sunflower and Badger Mines.

b. Black Demon Claim. Patented. Survey 515, Section 31, Township 40N Range 10 West.

11. Badger, Black Demon, and Sunflower.

12. Badger, Black Demon, and Sunflower Mines are situated approximately 1½ miles almost due east from the town of Rico, Colorado, in Pioneer Mining District, Dolores County. The portal of the Badger tunnel is at an elevation of 10,375'. The portal of the Hidden Treasure Tunnel is at an elevation of 10,100'. The town of Rico is served by the Denver Rio GrandeSouthern Railroad which is a narrow gauge line. The town of Rico is also located on Colorado State Highway No. 147. The three miles of road from Rico to the mining properties are in good enough condition for prospecting work.

13. Source of water is Allyn Creek and mine seepage. These are sufficient for project requirements. Until 1950 Allyn creek could furnish water the year around but has recently been drained by the workings of near-by Rico Argentine Mining Company.
Power requirements: One compressor, 50 HP
One air blower, 5 HP
Compressor and blower will be rented on basis of $200-$230/month.

14. Mine is presently equipped with pipe, rail, air receiver, mine cars,drill and necessary tools. Two small buildings on property are adequate for proposed project. The present mine workings are in ready-to-go order.

15. Direct-shipping grade ore anticipated could be shipped to milling plants via railroad - either to A.S.& R. mill at Leadville, Colorado, or to several custom milling plants in Salt Lake Valley, Utah.

16. a. The present owners during the summer seasons of 1948, 1949, and 1950 have been carrying on an exploration project with their own personal funds aimed at locating zinc-lead replacement ore bodies in the Hermosa Series of Limestones which are within the property limits and which have been highly productive of zinc-lead ore in two adjoining properties. During the three summers the old workings were re-opened, cleaned out, sampled, and a geological study made of the existing underground workings. Following that, a cross-cut was driven to intersect what is known as the Star Vein or Black Demon Fissure. It is felt by the present owners that this Star Vein or Black Demon Fissure will produce shipping grade zinc-lead ore at its intersections with the limestone beds. The applicants propose to follow the fissure by drifting through the limestone beds and expect to find ore at these intersections as it has so been found in the two adjoining properties.
b. The only known production in recent years was made by the applicants in 1948 which consisted of a 35 ton shipment of clean-up zinc-lead ore to Internation Smelting Company, Salt Lake. The return was $1798.49 and the ore was shipped from along the fissure vein and not from the replacement deposits which the applicant expects to encounter during the presently proposed project. Early production from the mine unknown but existing old stopes indicate about 400 tons. Suspension of operations each year was in each case due to lack of further finances.
Two operations adjoin the applicants properties as follows:

Rico Argentine Mining Company has produced in excess of $30,000,000
Union Carbonate Mine has produced in excess of $2,000,000

c. Enclosed is a private report by the applicants (please return).
Enclosed is a U. S. B. M. metallurgical test (please return).

17. The property is not productive as the exploration project has not reached its objective.

18. There are no mineable widths of ore yet exposed.
a. At the present time a drift is being driven along a narrow mineralized fissure carrying sulphides of zinceand lead. This fissure is being followed toward limestone beddings where it is expected that mineable replacement deposits will be found at the intersections of the fissure and the limestones. This is the history of the most productive zinc-lead deposits in the adjoining mines.
b. The only available assay map is attached.
c. No ore reserves.

19. Present owners in 1948 reopened old tunnels on the property and began project of cross-cutting and drifting to area of intersections of mineralized fissure and limestone beddings in search for replacement deposits of zinc-lead sulphides. The present owners since 1948 have completed 275' of drifting and 20' of vertical raising. The project remaining:to raise on the mineralized fissure through the limestone beds known to be just above by an addtional 100' of raise. It is the opinion of the applicants that the geological conditions on the Black Demon claim are the same or similar to those at the Union Carbonate Mine and Rico Argentine Mine which adjoin.

20. Zinc and lead sulphides in replacement deposits in bedded limestones.

21. The applicants propose to raise 100' on a mineralized fissure which has been discovered on the Black Demon Claim so as to intersect two limestone beddings which have been known to be highly productive in the adjoining Rico Argentine Mine.
T ime estimated to complete project: two months.

22. Please see attached private report.

23. Estimate cost of project:

a. Two miners for two months @ $12.80/day	$ 1331.20
b. Supervisors: one being a partner at no salary.	
c. None	
d. None	
e. 700' of 8" vent pipe (used)	700.00
f. Air blower and motor for 2 months	120.00
Air compressor, 160 cubic foot, 2 months	340.00
g. Owners will furnish at no charge	
h. Gasoline for compressor, oil, etc.	365.00
13 cases powder	143.00
3000' fuse	32.00
400 caps	11.00
i. Running expense of work truck or vehicle	150.00
Total cost of project	$ 3192.20

24. June 15 - June 22, 1951: preliminary preparation by owners
JUne 23 - July 23, 1951: Raising 60'
July 24 - August 24, 1951: Raising another 40'
Cost: As above $3192.20

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

SCHEDULE OF COLLECTIONS

Schedule No. 1X4-54-C-61

Sheet No. 1

(14-23-040)

Department of the Interior (Department or Establishment)

Defense Minerals Exploration Administration (Bureau or Office)

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

Period December 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
12/7/53		Pat E. Sayre Check No. 96 drawn on Valley National Bank, Wickenburg, Arizona	Repayment under the Mineral Exploration Program, Contract No. Idm-271, Government's Int. in Property	25.00	14X4401 Revolving Fund Defense Production Act, Interior
"		American Smelting and Refining Company (Lupton) Check No. 45094 drawn on First National Bank of Denver, Denver, Colo.	Repayment under the Mineral Exploration Program, Contract No. Idm-E6	398.37	" "
"		Gateway Mining & Development Co., Check No. 1196 drawn on United States Bank of Grand Junction, Grand Junction, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-408	30.93	" "
"		Gateway Mining & Development Co., Check No. 1185 drawn on United States Bank of Grand Junction, Grand Junction, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-408	2.75	" "
			Total,	457.05	

Received _____, subject to collection. Forwarded December 7, 1953

_____ (Disbursing clerk or accountable officer)

Naomi By Stokes (Name)

By _____

Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

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

224 New Customhouse
Denver 2, Colorado

December 2, 1953

Memorandum

To: Secretary to Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA 789X (Lead-Zinc), Contract Idm-E71, Erickson and Baer, a partnership composed of K.L. Erickson and Edward C. Baer, Dolores County, Colorado

Enclosed are two sets of data relevant to the Government's acceptance of reimbursement for its interest in the property acquired under the subject contract and transfer of title of the property.

W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

To: Mr. Edward C. Baer, Partner
Erickson and Bear
P. O. Box 585
Telluride, Colorado

DISPOSAL OF GOVERNMENT'S INTEREST IN PROPERTY

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, for a valuable consideration hereby sells, assigns, transfers and sets over to you all of its right, title and interest in all property acquired under Exploration Project Contract Idm-E71, Docket No. DMA 789X, dated July 18, 1951.

Dated DEC 2 1953

THE UNITED STATES OF AMERICA

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

ERICKSON & BAER

Docket No DMA-789X

Contract Amount	$ 3200.00
Gov. %	1600.00
Total Expended –	$ 1923.61
Total Footage –	60.75' Raising
Cost per foot $	
Wages & Salaries –	13.13
Equipment –	2.28
Supplies –	4.43
Other –	4.33
	$ 24.16
Total Cost per foot including Rehabilitation etc –	$ 27.58

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Mineral Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

March 20, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Region IV

Subject: Monthly Progress Reports, Form MF-104

Enclosed is one copy of the Monthly Progress Report, Form MF-104 and one copy of the narrative report for DMA Docket 71, Contract No. 789X for the months of July-August 1951.

W. H. King.
W. H. King, for
J. H. East, Jr.

Enclosures

Project Terminated — No ore
Owner requested termination
ok

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
MAR 24 8 25 AM '52

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-49

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

U. S. Dept. of Interior, Defense Minerals Administration, 224 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver, Colorado 10/11/51
(Give place and date)

THE UNITED STATES, Dr.,

To Erickson and Baer
(Payee)
Address 402 Sixth Street
Virginia, Minnesota
Payee's Account No. I-DMA-E-71

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms Net % Discount Cash days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	July-August 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				960	.17

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 960.17

(Payee must NOT use this space)
Differences _____
Account verified; correct for 960.17
(Signature or initials) _____

Contract No. I-DMA-E71 Date 7/18/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

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

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		$960.17

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ { on Treasurer of the United States in favor of payee named above.
Cash, $_____, on _____, 19____, Payee _____
(Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*) (*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

ERICKSON & BAER
(Name of Company)

By Edward C. Baer.
(Signature of Authorized Official)

August 18, 1951
(Date)

Superintendent
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Erickson & Baer
Project No. DMA 789X
Total contract amount $3200.00
Government participation percent 50%

Distribution of Expenditures for Month of July-August, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	601.00	None	601.00	601.00	none	601.00
Equipment purchase [1]	388.34	"	388.34	388.34		388.34
Equipment rental [2]	217.36	"	217.36	217.36		217.36
Buildings		"				
Explosives		"				
Repair parts	38.88	"	38.88	38.88		38.88
Other supplies	303.08	"	303.08	303.08		303.08
Power		"				
Transportation	3.42	"	3.42	3.42		3.42
Withholding taxes		"				
Compensation insurance		"				
Other insurance		"				
Contract work	364.50	"	364.50	364.50		364.50
Other (specify) Tel. & Assay	7.03	"	7.03	3.75		3.75
Total	1923.61	None	1923.61	1920.33		1920.33
Totals previously reported	None	None	None			
Totals to date	1923.61	None	1923.61			

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hagend
Amount approved for payment 1923.61/2 = 961.81 PTC
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

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

Administrative Audit Difference Statement

Date: October 11, 1951
Payee's
Reference: Progress Report
July and August, 1951

Erickson and Baer
402 Sixth Street
Virginia, Minnesota

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

Amount claimed $ 1,923.61

Difference $ 3.23

Amount Approved $ 1,920.33

The reason for the difference was due to:

Paragraph 10 of contract states: "No items of General Overhead are to be allowed as costs of the project in which the Government will participate."

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

WMT/dd

Building 20, Denver Federal Center

Chief, Mining Division, Region IV

September 19, 1951

W. M. Traver, Jr.

DMA-789X, Contract 14a-871, Badger and Sunflower Group, Erickson and Baer, Rico, Dolores County, Colorado, Progress Report, July-August 1951.

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

I am resubmitting the above-captioned progress report with Mason's original memorandum on the verification of expenditures under date of August 24, 1951, and my accompanying memorandum of the same date transmitting the report. I inspected the project on September 14, 1951, in company with Edward C. Baer, one of the contractors and supervisor of the operations.

A total of 650 feet of 6-inch ventilating pipe, of which 500 feet was purchased under the contract, was found to have been installed in the Badger tunnel along with 850 feet of air line, as reported, and there was evidence that the tunnel to the two raises had been cleaned up and prepared for the raise work.

Raises 1040-A and 1040-B were carefully measured and found, in both cases, to be as reported by Baer in his monthly narrative report. Raise 1040-A measured 40 feet and raise 1040-B 43 feet above the drift timbers. The work was obviously recent, and chutes, in both cases, were recently constructed. The location of the limestone bed and the thickness in the raises were approximately as reported. No mineralization in the limestone beds in either raise was observed.

Equipment purchased under the contract and available for liquidation consists of the 500 feet of used ventilation pipe, all in compliant condition, costing $250.00, and a pressure tank and accessories costing $62.30, or a total of $312.30. Baer has a possible purchaser for these items and was instructed to obtain a written bid for submission. He is anxious to remove his air line for use elsewhere and was instructed to remove the vent line at the same time and store it with the pressure tank and accessories until instructions for their disposal are received.

It is my opinion that the project was conducted in an efficient manner and was terminated to the advantage of all concerned, as reported, due to the failure to make a mineral discovery. It is recommended that payment be made of $961.41, as shown on the MF-104 forms, and final termination of the project be consummated as soon as satisfactory arrangements for liquidation of the equipment can be made.

Receipted invoices are available in the Colorado Branch office file.

cc 5
871
DMA Chron.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/dd

Building 20, Denver Federal Center

Chief, Mining Division, Region IV

August 24, 1951

W. M. Traver, Jr.

DMA-789K, Contract Ldm-E71, Badger and Sunflower Group, Krishman & Baer, Rico, Dolores County, Colorado, Progress Report, July-August, 1951.

Please find enclosed four copies of the monthly progress report, form MP-104, for July and August on the subject project and six copies of Baer's narrative report approving the statement of expenditures for $961.81, or fifty percent of the total sum reported--$1,923.61.

As you will note by the contractor's narrative report, signed by Edward C. Baer, the exploration projected under the contract has been completed without an ore discovery resulting and operations have been terminated.

Baer was contacted by telephone and he will have the property available for examination on our next San Juan inspection trip. At that time the small amount of nonexpendable equipment purchased for the operation will be appraised for liquidation, and a final report submitted.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

cc 5
E71
DMA Chron.

SWH/dd

Building 20, Denver Federal Center

M. M. Traver, Jr.

August 24, 1951

Scott W. Hasen, Jr.

DMA-7091, Contract Idm-E71, Badger and Sunflower Group, Erickson & Baer, Ely, Dolores County, Colorado, Progress Report, July-August, 1951.

The company report submitted by Mr. Baer for the operations from July 16 through August 15, 1951, has been examined. Invoices were attached for all items except two which are noted by Mr. Baer. All figures were checked and total as entered. The report, as submitted, is approved for payment.

It is to be noted that the project reached its planned objective during the first month and, as reported, did not find the expected ore. The operators are closing the project with a total of $1,953.41 expended out of the $3,500.00 allowed on the contract.

There will be some of the items of equipment purchased which will have to be evaluated and disposed of to close out the project. This can be done at the time of final examination.

Scott W. Hasen, Jr.
Mining Engineer

cc 5
E71
DMA Chron.

NARRATIVE
Badger Mine
Rico, Colorado

8-18-51

Operations at the Badger Mine, Rico, Colorado began July 18, 1951, the date of Government Contract.

Rehabilitation and preparation was conducted for a period of fourteendays in which time 650 feet of ventilation line was installed. 850 feet of air line was installed and various timbered places in drift was repaired. Two additional sets of timber was placed, and shute at 1040-B raise was started.

Actual raise work was started August 3, 1951 at 1040-A raise. Two raises were driven simultaneously on two separate fissures to make contact with a lime bedding above the drift.

On August 18, 1951, a total of eighty-two feet and nine inches was driven, sixty feet and nine inches being driven between the period 8-3-51 and 8-18-51. 1040-A raise reached a total depth of thirty-nine feet and nine inches. 1040-B raise reached a total depth of forty-three feet.

A lime bed was intercepted in both raises. In both instances the intercepted lime bed measured thirty-two feet above the known bedding in the drift.

In 1040-A raise four feet of the lime bed is available for inspection. In 1040-B raise thirteen-and-one-half-feet of the lime bedding is available for inspection.

In both raises, the bedding shows signs of being a superior quality of lime. However, there is absolutely no indication of any kind of replacement in the bedding. Neither is there any sign of ore in either fissure.

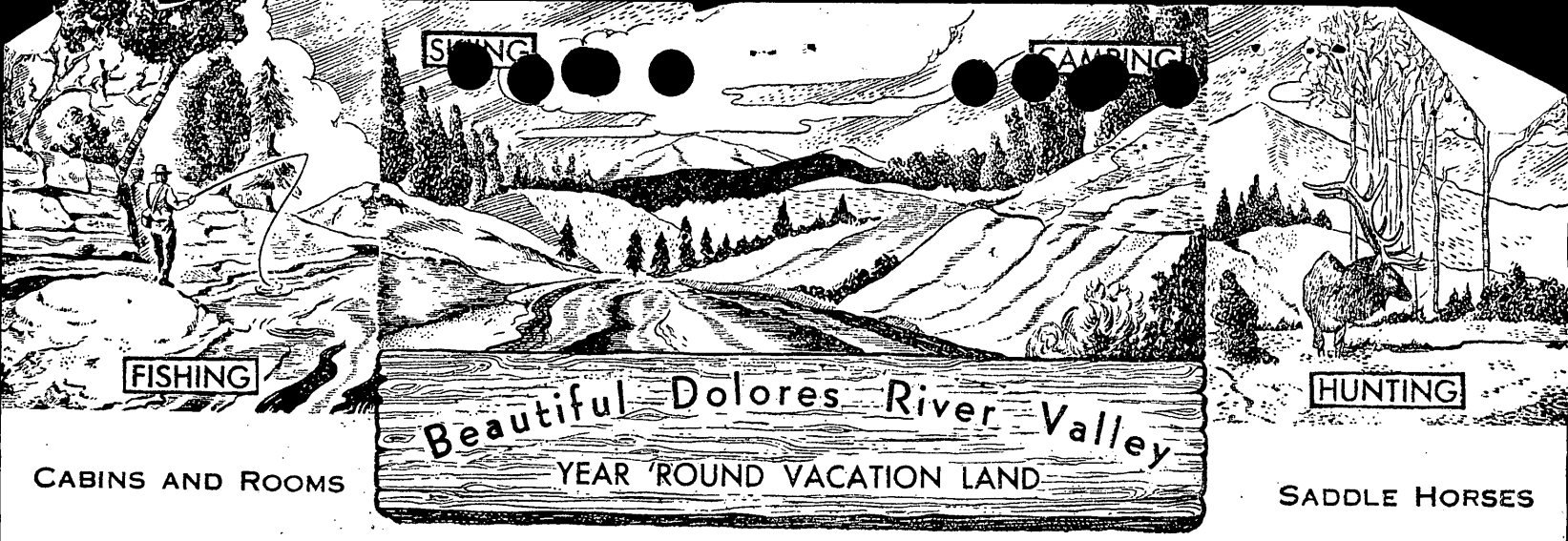
Both fissures consist mostly of crushed quartz, iron oxide, manganese and silt.

The fissure in 1040-A raise is approximately six inches wide, and the fissure in 1040-B raise is approximately three feet wide.

In view of the fact that there appears to be no chance of replacement in the bedding intercepted, it has been decided to abandon the project effective August 18, 1951.

No maps have been compiled on the development work accomplished during the past month. Both raises went through a strata of shale and sand prior to the interception of the lime bedding.

ERICKSON AND BAER
by
Edward C. Baer
Edward C. Baer



CABINS AND ROOMS

SADDLE HORSES

Rio Lado Guest Ranch

Stoner, Colorado

Ralph and Hazel Bliss, Owners

C
O
P
Y

Building 20, Denver Federal Center

W. M. Traver, Jr. August 24, 1951

Scott W. Hazen, Jr.

DMA-789X, Contract Idm-E71, Badger and Sunflower Group, Erickson & Baer, Rico, Dolores County, Colorado, Progress Report, July-August, 1951.

The company report submitted by Mr. Baer for the operations from July 18, through August 18, 1951, has been examined. Invoices were attached for all items except two which are noted by Mr. Baer. All figures were checked and total as entered. The report, as submitted, is approved for payment.

It is to be noted that the project reached its planned objective during the first month and, as reported, did not find the expected ore. The operators are closing the project with a total of $1,923.61 expended out of the $3,200.00 allowed on the contract.

There will be one or two items of equipment purchased which will have to be evaluated and disposed of to close out the project. This can be done at the time of final examination.

/s/ Scott W. Hazen, Jr.,
Mining Engineer

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF July-August, 1951

Name of operator Erickson & Baer
Project No. DMA 789X
Total contract amount $3200.00
Government participation percent 50%

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	1	16	$1.50 per-hr. $6.00 per-ft.	$ 473.50
Muckers	0			
Trammers	1	16	1.50 per-hr.	204.00
Timbermen	1	4	1.50 per-hr.	48.00
Pumpmen	0			
Hoistmen	0			
Surface	1	6	1.50 per-hr.	72.00
Samplers	0			
Assayers	0			
Shift bosses	0			
Mechanics	0			
Electricians	0			
Blacksmiths	0			
Carpenters	0			
Drill runners	0			
Drill helpers	0			
Teamsters	0			
Manager	0			
Superintendent	1	18	1.50 per-hr.	None
Engineers	0			
Geologists	0			
Bookkeeper	1	18	1.50 per-hr.	None
Foreman	0			
Clerks	0			
Stenographers	0			
Other Misc. installing vent pipe, air line, etc.	1	14	1.50 per-hr.	168.00
TOTAL	7	92		965.50

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hagenah
Remarks

Note:
Total expenditures on wages include time and one-half for all working hours over a 40-hour week.

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July-August, 1951

Name of operator Erickson & Baer
Project No. DMA 789X
Total contract amount $3200.00
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting										
Raising	797.50	138.34	268.83	262.94	1467.61	Feet	60'9"	None	60'9"	100
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	168.00	250.00	34.25		452.25					
Geology and geophysics										
Trenching										
Sampling and assaying				3.75	3.75					
Roads and trails										
Test pits										
Other (specify)										
Totals	965.50	388.34	303.08	266.69	1923.61	Feet	60'9"	None	60'9"	100

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Remarks

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

PROJECT SUMMARY REPORT

By: J. W. Alt July 29, 1958

1. Docket No. DMEA-789X (Lead-Zinc)
Contract No. Idm-E71
Property: Badger-Sunflower Group of Claims
Dolores County, Colorado

Operator: Erickson & Baer
c/o N. J. Nickerbocker
402 Sixth Street
Virginia, Minnesota

Operators Property Rights: Owner

2. Contract dated July 18, 1951. To complete - 1 year.

Work Authorized

The applicants propose to raise 100 feet on a mineralized fissure which has been discovered on the Black Demon Claim so as to intersect two limestone beddings which have been known to be highly productive in the adjoining Rico Argentine Mine.

Estimated Cost of the Project

Raising 100 feet (2 raises of 50 ft. each)	
Labor @ $13/ft.	$1,300.00
Operating Supplies	
Gasoline and oil	515.00
Explosives and miscellaneous	225.00
Equipment to be purchased	700.00
Equipment to be rented	460.00
Total	$3,200.00

8623

Amendments

Not Numbered - Effective date of contract (July 18, 1951).

Allows for cost of ventilation line, compressed air line, and timbering.
Change in employees rates.

Work Completed

60.75 feet of raising	$1,870.33

Work on the project was started on July 18, 1951 and work was stopped on August 18, 1951.

3. Report of Review: Dated December 21, 1953.

Total cost as billed by contractor	$1,923.61
Proceeds from property disposition	50.00
	$1,873.61
Exceptions	3.28
Total Accepted Cost	$1,870.33
Government Participation @ 50%	$ 935.17

Operator's final report - none received.
Field Team final report - none received.

4. Certification date: No certification made as there was no ore discovery.

5. Comments

The project was conducted in an efficient manner and was terminated to the advantage of all concerned, due to the failure to make a mineral discovery.

Two raises were put up, 40 feet and 43 feet above the drift timber. The Operator was allowed 60.75 feet of raising. No mineralization in the limestone beds in either raise was observed.

Further exploration with Government assistance is not warranted.

J. W. Alt

J. W. Alt

JWAlt/ss 7/28/58
Copy to: Docket
Chron.

☒ Audited

☐ Certified

RK ANALYSIS SHEET -- DMEA PROJ

Analysis as of 12/3/54.
Incl. Voucher for July-Aug. 1951

☒ Actual Cost

☐ Agreed Unit Costs

Name Erickson and Baer

Docket No. DMEA - 789X

State Colorado

Commodity Lead-Zinc

Idm-E No. 71

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising	100'	$3,200.00	60.75'	$1,920.33	$1,870.33
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$3,200.00		$1,920.33	$1,870.33

Recovered $50.00

Prepared by O.K. Klugescheid

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

500

January 20, 1955

Memorandum

To: Chief, Contract Administration & Audit Division

From: Chief, Base Metals Division

Subject: Contracts for which no closing letters will be prepared.

The following is a list of contracts for which no closing letters will be prepared, due to the fact that they are cases which have been either terminated or completed before December 1952. This cut-off date was established in accordance with instructions contained in the Administrator's memorandum to Division Chiefs, dated February 18, 1953.

Docket No.	Contract No.	Operator
1145	E- 11	Dedgeville Mining Company
344	20	Ike W. Kusisto
1118	45	Bootman and Boswell Mining Company
789	71	Erickson and Baer
32	75	Lee S. Heller
1654	85	The Goldfield Consolidated Mines Co.
1425	128	Pittsburg Silver Mining Company
1397	158	American, Zinc, Lead & Smelting
1132	166	Albert Dance and Jewell Dance
2108	327	Amadee A. Peugnet
2333	341	Carr Mining Company, Inc.

W. R. Griswold
W. R. Griswold

WRG/er

Copy to: Docket (11)
Base Metals (11)
Chron.

FILE COPY
SURNAME:

Chamberlin

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

JAN 15 1954

Mr. Thomas H. Bruding
DMEA Auditor
244 New Customhouse
Denver 2, Colorado

Re: Idm-E71, DMA-789
Erickson and Baer
Dolores County, Colorado

Dear Mr. Bruding:

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

The Report is acceptable and distribution may be made in the usual manner.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
January 14, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.G.
1-15-54

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

224 New Customhouse
Denver 2, Colorado

October 19, 1953

Mr. Jay L. Chambers, Chief
Contract Adm. & Audit Div.
Defense Minerals Exploration Adm.
Interior Building
Denver 2, Colorado

Dear Mr. Chambers:

The following is the status of the "Be Whiskered" completed exploration contracts in Region IV.

Idm-E260 DMEA Docket 1931-White Canyon Mining Co.
Idm-E458 DMEA Docket 1549-Mathis and Mathis.

No work was started on either of the above contracts, consequently no disbursements were made. Inasmuch as you have probably had similar cases to these in other regions, you, no doubt, have developed a form of report to handle them. Please advise me the form of report to use in these two instances, and I will be happy to comply with your instructions.

Idm-E71-DMEA 789-Erickson and Baer-One of the examining engineers contacted Mr. Baer at Telluride about sixty days ago, and he promised immediate action on the disposition of the equipment under this contract. An effort will be made to see Mr. Baer in the immediate future, and definite steps taken to close this deal.

Idm-E124-DMEA 1318-Kenneth L. Porter-Attached are copies of letters regarding this contract:

(1) Letter dated September 21, 1953-Frank E. Johnson, Acting Administrator to Mr. Porter.
(2) Memo regarding inspection of deposits under subject contract, and statement regarding certain materials in storage.

Sincerely yours,

T. H. Brading
DMEA Auditor

Enclosures

FILE COPY
SURNAME

Talbert
Chambers

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

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

Dear Mr. Brading:

In reviewing the terminated and completed exploration projects in Region IV, it appears there are several "be-whiskered" ones for which neither Reports of Review nor Audit Reports have been issued. These are:

Idm-E71	DMEA-789	Erickson & Baer
" E260	" 1931	White Canyon Mining Co.
" E458	" 1549	Mathis & Mathis

The Erickson & Baer contract apparently was completed on August 18, 1951 except for the disposition of equipment; the White Canyon Mining Co. contract was terminated before completion of the work by notice dated March 2, 1953; and the Mathis & Mathis contract was terminated before completion of the work by notice dated March 6, 1953. Every effort should be made to close these accounts by final audit or review, so that the obligated funds may be released.

Please advise the present audit status of these contracts.

There is one other "old" termination in Region IV, that is the Kenneth L. Porter contract, Idm-E124, DMEA-1318, which was the subject of your letter of August 28, 1953. I am planning on sending an auditor from the Washington office to New York for this audit, but, in view of the small amount involved, a trip for this purpose alone is not justified. Therefore I am delaying the proposed audit until late November or December, when we expect to perform a few audits in New England. Please, however, keep me currently informed on the progress of the property disposition under this contract.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
October 13, 1953

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Griswold
Mr. Chambers

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

Memorandum

July 17, 1953

To: The Administrator

From: George C. Selfridge
Special Assistant to the Administrator

Subject: Contracts that were scheduled for completion of work by July 1, 1953, but which are yet carried as active.

The writer has read Mr. Griswold's memorandum to you, dated July 14, 1953, which discusses the status of the base metal contracts that Mr. Adams thought should be terminated by now. Although the preparation of the memorandum took a good deal of time and effort, it is incomplete and only serves for the moment.

During the discussion of some of the contracts with Mr. Adams, the writer gained the impression that possibly the closing out of many was held up because of auditing.

Checking with Mr. Chambers, it appears that the audits are reasonably current with the lists furnished by the regional offices for auditing. In some cases audits have been made but not released because the operator has not disposed of the equipment. Seemingly many contracts are carried for months because of the lack of final reports or the disposal of equipment.

Because it has been time consuming to learn the status of the contracts that originally should have been finished by now, the writer has prepared a table which might serve in each division as a progress guide. If kept current, only a glance would be needed to determine the status of the contract. With the information required, it would be easy for the division to know just what information was lacking to close out a contract.

While looking over Mr. Chambers' audit work sheets, the fact was noted that an Inter-Region IV Memorandum, dated September 21, 1951, asked for instructions regarding the disposal of equipment under Contract No. Idm-E-71, Erickson and Baer. The field engineer instructed the operator to remove the vent pipe, pressure tank, and accessories

(costing $312.50) and store all until instructions for their disposal were received. There is no information available in our dockets to show what finally happened to the equipment. Region IV described the project in its last monthly report (May-June 1953). The Audit Division is holding up a review until a settlement for the equipment is made.

Although the above item is not important and now could be waived by the Executive Officer, there may be other cases of equipment disposal of more importance. It would seem that the longer the period is before the operator disposes of the equipment, the greater the depreciation will be. Under some contracts the operator has the use of the equipment many months before he disposes of it at a reduced value.

George C. Selfridge

George C. Selfridge

Status of Contracts

Name	No. Idm-E	Contract Date	Completion Date	Date Work Completed	Termination Date	Date-Final Reports		Date Equip. Disposed	Audited Date	Date Certified	Terminal Letter Date	Remarks
						Operator	Field Team					

FILE COPY
SURNAME:

200

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

SEP 22 1952

Mr. Edward C. Baer
Mine Superintendent
Knickerbocker Mining Company
Rico, Colorado

Dear Mr. Baer:

This office is in receipt of a communication from W. H. King, Executive Officer, DMEA Field Team, Region IV, requesting that a report and some pictures contained in your application, DMEA 789, be returned to you.

In accordance with your request the pictures are returned herewith, however, the report must remain a part of the official file of this Agency.

Sincerely yours,

9-22-52

ROBERT E. ADAMS

Robert E. Adams, Chief
Operations Control & Statistics Div.

Enclosures
READams/meb
9-22-52
cc to: Adm.Reading File
Mails & Files Br.

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

224 New Customhouse
Denver 2, Colorado

September 16, 1952

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, Field Team, Region IV

Subject: Docket DMA 789X, Contract Idm-E71, Erickson and Baer (Badger-Sunflower Group)

Attached is a copy of a letter from Mr. Edward C. Baer concerning Contract Idm-E71, Docket DMA 789X.

Mr. Baer requests return of a report which we assume was included with his application for exploration assistance. If possible, please return the report to Mr. Baer.

W. H. King
W. H. King

Enclosure

SEP 1 1952

C
O
P
Y

KNICKERBOCKER MINING COMPANY

Rico, Colorado

September 8, 1952

Mr. W M. Traver, Jr.
U. S. Bureau of Mines
Bldg. 20, Denver Federal Center
Denver, Colorado

Dear Mr. Traver,

Some time ago when your field engineers were here to inspect our property in regards to our application for an access road, I gave them a map partially showing the Union Carbonate workings.

They said that they would return this map as soon as they were able to complete their report.

I would appreciate it if you would check into this matter for me.

My reason for concern is that this map is the only one we have showing the workings of the property, and we would like to expand to some of these workings as soon as possible.

Also, if it would be possible for you to do so, I would like to have the report back we submitted to your office in regards to DMA 789X Idm-E71 (Badger-Sunflower Group), or at least the pictures contained therein. The reason for this is that I have been unable to duplicate some of these pictures, and one of them is of my Father inside of a mine standing with a pick in his hand by a large fissure with water running out of it. Since he is dead, I would truly like to have this picture back.

It appears that some time in the future we will be able to submit a bid to you on the remaining equipment from the Badger project. I would like to know what you would consider a fair bid on this equipment.

Sincerely yours,

/s/ Edward C. Baer

Edward C. Baer
Mine Supt.

C
O
P
Y

400

FILE COPY
SURNAME:

Mould
Mittendorf

a.e.

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

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

OCT 1 8 1951

Re: Docket DMA 789X
Erickson and Baer
Exploration Project Contract
Idm-E-71
Amended: October 9, 1951

Gentlemen:

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

Sincerely yours,

C. O. Mittendorf (fw) J.J. 10-18

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1
DEMoulds/hmj
cc to: Reports and Records
Adm. Reading File
Messers. Mittendorf, Olund
Mr. Moulds
Docket

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

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
OCT 12 8 AM '51

224 New Customhouse
Denver 2, Colorado

October 9, 1951

OCT 18 1951

Memorandum

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

From: Executive Officer, DMA Field Team, Region IV

Subject: Amendment to Contract Idm-E71, DMA Docket 789X, Erickson and Baer

Enclosed herewith are the original and two copies of an amendment to Contract Idm-E71, DMA Docket 789X, as listed above.

One copy has been sent to the operator, one copy has been delivered to the Fiscal Office and we have retained a copy for DMA files.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division

Region IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

September 21, 1951

Memorandum

To: Executive Officer, DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Liquidation of DMA Projects and Disposition of Jointly Owned Equipment

Erickson & Baer

We have already reached the point on project DMA 789X where we need instructions on proper procedure in liquidating projects and disposing of jointly owned equipment. Presumably the contractor would have first priority in purchasing the equipment by paying to the Government its share of the appraised value of the equipment.

What to do whether or not the contractor wants to purchase the equipment is the problem.

Paul T. Allsman

P. T. Allsman

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 24 10 27 AM '51

OFFICIAL FILE COPY

To	Init.	Date
400	Q.E.C.	9-24
210		

400

FILE COPY
SURNAME:

Mittendorf

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

AUG 31 1951

G. E. C.

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

Re: Docket No. DMA-789X, Lead-Zinc
Exploration Project Contract
Idm-E71
Erickson & Baer
Virginia, Minnesota

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 (D. H.)

C. O. Mittendorf, Director
Production Expansion Division

J. F. 8/31

Enclosure-1

DEMoulds/jem
8-29-51

cc to: Adm. Reading File
Reports & Records
Messrs: Mittendorf-Olund
Mr. Moulds
Docket

FILE COPY
SURNAME:

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

Moulds
Mittendorf

AUG 31 1951

A. E. C.

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

Re: Docket No. DMA 789X
Contract Idm-E71
Erickson and Baer

Dear Mr. East:

Please find herewith two copies of the subject exploration project contract which have been signed by this office for the Government.

Exhibit A has been corrected to agree with the contract as presented in your letter of transmittal of August 20, 1951.

In reference to the statement of the owners relative to the single raise, the statement heading Exhibit A has been copied from the Application on Form MF 103 and does not indicate that the 100 feet is to be two raises. The revised Exhibit A has, however, incorporated this plan in effect.

Kindly transmit one copy of the contract to the operator and retain the other for your file. The copy required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. O. Mittendorf (N.N.)

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-2

JF 8/B1

DEMoulds/bjs
8/29/51
cc to: Adm. Reading File
Reports & Records
Mr. Billings
Mr. McKnight
Region IV
Mr. Mittendorf, Mr. Clund
Mr. Moulds
Docket

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 27 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

August 20, 1951

Memorandum

To: Director, Production Expansion Division, Defense Minerals Administration, Washington, D. C.

From: DMA Field Team, Region IV

Subject: DMA-789X, Contract Idm-E71, (Erickson and Baer) Badger and Sunflower Group, Dolores County, Colorado

Enclosed are six copies of the contract on the above application for a loan of $3,200. The contract has been signed by the applicant and is being submitted to you for signature.

The contract states that the sum to be expended totals $3,200.00. In Exhibit A the contract shows 100 feet of raising with a breakdown of $13.00 per foot for labor, $2.00 per foot for supplies, and $5.00 per foot for power, for a total of $20.00 per foot, or $2,000.00. This is a discrepancy between the amounts shown under Exhibit C and the amounts indicated under the recapitulation breakdown after Exhibit E. Apparently Exhibit A failed to consider purchase of equipment amounting to $700.00, as listed under Exhibit C, and did not enter $40.00 of the supplies, as listed under Exhibit C. It also failed to show $460.00 of equipment rental under Exhibit C. The total amount of $3,200.00 is shown on the back of the signed contract form MF-200; therefore, it is to be assumed that $3,200.00 is the correct amount of the contract rather than the $2,000.00 shown under Exhibit A.

It should also be noted that Exhibit A indicates a single raise, whereas the owners stated that the proposal as submitted and as being carried out involves two raises of 50 feet each.

The applicant stated that they received a telegram to the effect that the effective date of their contract is July 18, 1951 and that they were notified by this telegram to proceed with that date as the effective date of the contract.

We are enclosing a revised page of the contract which you may substitute in the contract if it meets with your approval.

DEPARTMENT OF THE INTERIOR
RECEIVED
AUG 28 1951
Defense Minerals Administration,
Production Expansion Division.

Enclosures

J. H. East, Jr.

A. H. Koschmann

C. O. Mittendorf, Director,
Production Expansion Division,
Defense Minerals Administration,
X5371

14.20137 Salaries and Expenses
Defense Production Activities, Interior,
1952 (10.1)

JULY 27, 1951

MR. H. J. KNICKERBOCKER
ERICKSON AND BAER
402 Sixth Street South
Virginia, Minnesota

RETEL JULY 24 APPROVED CONTRACTS DMA SEVEN EIGHT MINE X, ERICKSON AND BAER, WITH EFFECTIVE DATE JULY 18, MAILED JULY TWENTY SIXTH TO MISTER EAST FOR SIGNATURE ERICKSON OR BAER.

C. O. MITTENDORF, DIRECTOR
PRODUCTION EXPANSION DIVISION

COMittendorf/fw

cc to: Reports & Records
Docket file
Mr. Mittendorf, Mr. Olund
Mr. Warren

FILE COPY
SURNAME:

SPWarren
Mittendorf

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

JUL 27 1951

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

Re: DMA 789-K, Badger
Lead and Zinc
Black Demon, Sunflower Mines
Rico, Colorado

Dear Mr. East:

Enclosed you will please find six copies of a contract with the captioned applicant which have been signed for DMA but require the signature of the applicant.

The application was presented by a Mr. N. J. Knickerbocker, who was acting as representative of a partnership consisting of K. L. Erickson and Edward C. Baer. At present, Mr. Erickson is in Bagdad, Arizona and Mr. Baer is in Rico, Colorado, Box 553. Mr. Knickerbocker stated during a recent telephone conversation that arrangements for Baer to sign would be made so that these contracts could be processed quickly and without the necessity of forwarding to Erickson.

After the contracts have been signed, please deliver one copy to the applicant and retain one for your files. The original and three copies are to be returned to my office for distribution. The copy required by your Regional Finance Officer will be forwarded directly by the Washington Finance Section, together with their accounting instructions.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-6

APPROVED:

Tom Lyon
Chairman, Coordinating Committee

Lowell B. Moon
Member, Bureau of Mines

Olaf [illegible]
Member, Geological Survey

SPWarren/meh
7/25/51

cc to: Reports and Records
Adm. Reading File
Mittendorf, Olund
Warren
Moon
Terry (Mrs.)
Billings
McKnight
Region IV

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

16

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WP094 PD=VIRGINIA MINN 24 139P=

1951 JUL 24 PM 3 19

US DEPARTMENT OF INTERIOR DEFENSE=MINERALS ADMINISTRATION,
ATTN S P WARREN LEAD ZINK BRANCH WASHDC=

WE HAVE LETTER DATED JULY 20TH FROM J H EAST DENVER ADVISING OUR CONTRACT DOCKET NO DMA789X HAS NOT ARRIVED THERE FOR MR BAER'S SIGNATURE. CAN YOU HELP US EXPEDITE CONTRACT AS PROJECT HELD UP. WAITING=.

ERICKSON AND BAER BY N J KNICKERBOCKER=

20TH DMA789X BAER'S=

IATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 5 1951
8:30 AM
LANDON F. STROBEL
Executive Secretary

BUREAU OF MI
MAIL ROO
WASHINGTON
JUL 25 7 47 AM '51

FILE COPY
SURNAME:

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

July 17, 1951

Memorandum

To: Chief, Production Expansion Division

From: General Counsel

Subject: Erickson and Baer, exploration contract DMA-789

Reference is made to your memorandum to me of July 16.

The subject contract is approved as to legal form and content subject to the following:

1. In the opening paragraph, after the name of the parties, add the words: "a partnership composed of K. L. Erickson and Edward C. Baer."

2. Strike out subparagraph (b) of Article 2.

3. In paragraph 3 of the contract form write the name of the mineral in the second blank and the period of the contract, one year, in the third blank.

4. On the signature line, over the word "Operator," write "Erickson & Baer, Partners." The signature of the partner, Edward C. Baer, will then be sufficient.

5. You could date the contract when you sign it, but I think it is preferable to leave the date blank to be filled in in the field. The reason for this is that the Operator has thirty days from the date of the contract within which to commence the exploration project, and it may be that he will need the full length of time from the date he executes the contract. Ordinarily, a contract should be dated when the last signature is placed on it.

~~EJKoenixxem~~
JLHofflund/em
Copy to: L.F. Strobel
J.L.Hofflund
Files
Attachment

J. L. Hofflund

J. L. Hofflund
General Counsel

FILE COPY
SURNAME:

Mittendorf

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

Memorandum July 16, 1951

TO: Mr. J. L. Hofflund
General Counsel

FROM: C. O. Mittendorf
Director, Production Expansion Division

SUBJECT: DMA-789X - Erickson & Baer

The docket on the subject case is transmitted herewith for your review and comment.

Due to the fact that this mine is in the high country, I plan to expedite final action by signing the contracts and sending them to the Field for consummation. Will you please comment with respect to the effective date that should be entered in the contract? That is, should it be dated as of the day I sign it, or filled in in the Field when the applicant's signature is obtained?

Please note that this is a partnership and that one of the partners, Mr. Erickson, is in Arizona; also that it is planned to have the other partner, Mr. Baer, execute the contract in behalf of the partnership. It will be noted, further, that Mr. Erickson signed the application in behalf of the partnership.

Attachment-Docket

COMittendorf/fw

cc to: Mr. Mittendorf, Mr. Olund
Mr. Warren
FILES

Baer 789

2-57

402 Sixth Street South
Virginia, Minnesota
July 14, 1951

RECEIVED
JUL 1 1951
LAWRENCE F. STROBEL
Executive Secretary

U. S. Department of the Interior
Defense Minerals Administration
Lead-Zinc Branch
Washington 25, D. C.

Attention: Mr. S. P. Warren

Subject: Matching Exploration Funds Program
Erickson & Baer - Docket Number DMA-789X

Dear Mr. Warren:

I wish to thank you very much for your telephone call of yesterday advising that the above application had been approved and a contract had been prepared for signature. I understand that this contract is being forwarded to Mr. East, DMA, Denver, and that Mr. Baer's signature will be obtained from there. Mr. Baer is presently directing this project in Rico, Colorado, and is one of the partners.

We hope that this contract can clear your offices and those in Denver at the earliest possible date for the reason that this project is so small that we could quite quickly exhaust our funds if delayed. We might then never participate in the matching funds program for the reason that the U. S. would not reimburse for expenditures made prior to the contract.

We very much appreciate your cooperation and thank you.

Yours very truly,

ERICKSON & BAER

By: N. J. Knickerbocker

N. J. Knickerbocker

To. Production Expansion Division

Brought for McKnight
6/5/51
Herrera

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-789

Commodity Zinc-lead

Total Amount $3192.20

Govt. Participation 50%

1. Name and Address of Applicant Erickson and Baer, c/o N.J.Knickerbocker, 402 Sixth Street South, Virginia, Minnesota

2. Location of Property Badger, Black Demon, and Sunflower mines, Sec. 31, T.40 N., R.10 W., 1½ miles east of Rico, Pioneer Mining District, Dolores County, Colorado

3. Mineral or metal Zinc-lead Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good See attached draft

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? No
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Not applicable

Does the lease have sufficient time to run to cover a future productive period? Not applicable.

*question numbers are those of MF-103

4 a.The Badger and Sunflower mines, including the Black Demon claim, are located in the Rico mining district adjacent to the Rico Argentine and Union Carbonate mines. Much of the production of the Rico Argentine and Union Carbonate mines has been from replacement bodies in the Hermosa formation which is present on the properties of the Badger and Sunflower mines.

The applicant has driven a crosscut from the Badger or upper tunnel to the Star vein which is 24 inches to 36 inches in width and carries sulfide minerals. It is now proposed to raise on this vein to where it intersects the same beds which are productive in the Rico Argentine mine. In view of the known mineralization of the Star vein and the fact that replacement bodies have been found in these limestone beds on adjacent properties, it is believed that this project has a good possibility of uncovering a lead-zinc deposit.

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes If so, attach a draft.

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? No

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

10 d. Exhibit A.

100 ft. of raising at $24.922 per ft.	$2492.29
Equipment purchase	700.00
	$3192.20

12 b. Exhibit C.

Equipment purchase		
700 ft. of 8" vent pipe (used)		$ 700.00
Equipment rental		
Air blower and motor at $60.00 per month for 2 months	$120.00	
Air compressor, 160 cfm, at $170 per month for 2 months	340.00	
		460.00
		$1160.00

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
Recommended for approval

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

approved
Jim Lyon

Reviewed by Erwin J. Lyons, U.S.G.S.

G.A.Apell, U.S.B.M.

Date 6/29/51

97692

Mr Strobel
Herres

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

(10)

1229

SYMBOLS

DL = Day Letter
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

The filing time shown in the text is Time of receipt is STANDARD TIME at point of destination

1951 JUN 18 PM 3 13

WP108 LONG PD=VIRGINIA MINN 18 110P=
:U S DEPT OF INTERIOR DEFENSE MINERALS ADMIN ATTN
MR OTTO HERRES CHIEF LEAD ZINC BRANCH=

DMA 789

:IS THERE ANY POSSIBILITY OUR LOAN APPLICATION DOCKET NUMBER DMA-789X REFERRED YOU JUNE 1 CAN RECEIVE YOUR ATTENTION AND FAVORABLE CONSIDERATION PRIOR JULY 1. WE HOPE AND INTEND TO BEGIN PROJECT OUTLINED IN APPLICATION JULY FIRST AS CLIMATE AND ALTITUDE AT PROJECT SITE SEVERLLY LIMIT EXPLORATION TIME AVAILABLE UNDER PRESENT OPERATING CONDITIONS AND COMPLETION THIS MODEST PROJECT WILL REQUIRE EARLY START:

=ERICKSON AND NAER BY N J KNICKERBOCKER=

Department of the Interior
Defense Minerals Administration
RECEIVED
JUN 19 1951
8:33
LANDON F. STROBEL
Executive Secretary

JUN 19 1951

L

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.
JUN 19 7 57 AM '51

FILE COPY
SURNAME:

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

June 14, 1951

Mr. N. J. Knickerbocker
402 Sixth Street South
Virginia, Minnesota

Subject: DMA-789X
Re: Exploration Loan -
Badger, Black Demon and
Sunflower

My dear Mr. Knickerbocker:

Receipt is acknowledged of your application and attachments for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-789X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on June 1, 1951.

In any future correspondence relating to your application, kindly refer to DMA-789X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
✓File
Herres
Lyon

402 Sixth Street South
Virginia, Minnesota
May 28, 1951

Defense Minerals Administration
U. S. Department of Interior
Washington 25, D. C.

Attention: Mr. Otto Herres, Chief
Lead-zinc Branch

Subject: Application for loan by Erickson & Baer on MF-103 under Mo-5

Gentlemen:

Attached is an application for loan by Erickson & Baer, a partnership, on form MF-103 in quadruplicate, under Mineral Order 5, together with supporting papers in the form of report and assay map.

This application covers a modest project estimated to cost a total of $3200 of which the applicant is prepared to furnish $1600.

You will note under question 24 that the applicant hopes and intends to begin this project about June 15, 1951. It is hoped for this reason that this application can receive your early consideration and we thank you.

Yours very truly,

Erickson & Baer

By: N. J. Knickerbocker

MAY 31 1951

FILE COPY
SURNAME:

Otto Herres
McBrayer

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

April 2, 1951

Re: DMA-789

Mr. N. J. Knickerbocker
402 Sixth Street North
Virginia, Minnesota

Dear Mr. Knickerbocker:

Your letter of February 24, addressed to the attention of Landon F. Strobel and requesting advice as to how to apply for assistance under the recently announced exploration program of the Defense Minerals Administration, has been referred to me for reply.

For your information, I am enclosing a copy of a press release which outlines the general details of the exploration program. The program, as you will note, is based on matching funds advanced by an operator with Federal funds to pay the costs of exploration on projects approved after investigation by Government geologists and engineers. The Federal contribution will be a loan, to be repaid if the exploration is successful. Application for use in requesting aid in exploration will be available for distribution soon. If after you have familiarized yourself with the general details of the program you find that you are interested in applying for this type of assistance, I suggest you arrange to obtain the necessary application blanks from J. H. East, Jr., Executive Officer of the Defense Minerals Administration Field Team in the Colorado area. His office is at 224 U. S. Customhouse, Denver, Colorado.

I trust that this information will satisfactorily answer your inquiry. If I can be of further assistance to you at any time, please do not hesitate to call upon me.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch.

Enclosure (1)

cc: Mrs. Parker
R. H. Mote
Otto Herres
L. F. Strobel
L. B. Moon
Ed. McKnight
C.O. Mittendorf
Files

2 copies - Mr. J.H. East, Jr.
Exec. Officer
Region II
224-U.S. Customhouse
Denver, Colo.

RHMote:mjb

DMA-789

956

The nite H.se over the week-end re-

Defense Funds Allowed To Spur Search for Strategic Minerals

2/19/51 WS

WASHINGTON (AP) — Sen. O'Mahoney (D., Wyo.) disclosed that $10 million of defense production funds have been allocated to spur the search for strategic and critical minerals.

The money was made available through an agreement signed by Secretary of Interior Chapman and E. T. Gibson, acting defense production administrator, the senator said.

The agreement provides that the Government can enter into exploration contracts with mine operators, on the condition that funds contributed by the Government will be matched by private capital.

Also under the agreement, the contracts will provide for repayment of the Governments contribution to a mineral exploration project on a royalty basis in an amount to be determined by the Secretary of Interior up to the full amount advanced.

Sen. O'Mahoney said he understood the mineral exploration program would "be followed up on a larger scale" during the next fiscal year beginning July 1.

Minerals listed in the agreement as being strategic and critical include manganese, chrome, cobalt, nickel, tungsten, molybdenum, copper, lead, mercury and zinc.

dmw 789

LANDON F. STROBEL

MAR 6 1951

Mr. Herres

402 Sixth Street South
Virginia, Minnesota
February 24, 1951

BUREAU OF MINES
WASHINGTON, D. C.

United States Department of Interior
Defense Minerals Administration
Washington 25, D. C.

Attention: Mr. Landon F. Strobel, Exec. Secretary

Subject: My letter to you December 13, 1950
Your letter January 10, 1951
Allocation of funds to assist search for lead-zinc

Gentlemen:

I wish to thank you for your letter of January 10 and the enclosed forms NSRB-146. This does not seem to be just what we are interested in or are qualified for. We do not have an existing ore body which we wish to expand or from which we wish to increase production.

We have a highly likely lead-zinc prospect in the Rico District of Colorado which we wish to continue to explore. We have carried out an exploration program with our own funds on this prospect for the past two summer seasons and wish to continue.

The program outlined in the attached press release seems designed exactly for our purposes. Our loan requirements at the present time are very small - $5,000 or less.

We would be pleased to have your advice as to how to apply for the assistance described in the attached clipping and thank you.

Yours very truly,

N. J. Knickerbocker

MAR 8 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

March 11, 1949

Salt Lake City Branch
Metallurgical Division

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mr. K. L. Erickson
P. O. Box 294
Henderson, Nevada

B&T Bagdad, Ariz

Dear Mr. Erickson:

This is in reply to your letter of March 8, 1949, concerning testing of an ore sample from the Sunflower mine, Rico, Colorado.

The ore sample you left at this station assayed 4.2 percent lead, 6.2 percent zinc, and 3.4 ounces silver per ton. Microscopic examination of the ore showed that the sulfide minerals are moderately coarse, but that grinding to about 65-mesh would be required to liberate the majority of the galena and sphalerite from the gangue and from one another.

The results of the best of a number of tests made on the ore are given in the following table:

Metallurgical Results

Product	Weight, percent	Assay, percent Pb	Assay, percent Zn	Oz./ton Ag	Dist., percent Pb	Dist., percent Zn	Dist., percent Ag
Pb conct.	7.1	48.2	7.1	22.2	82.3	8.2	47.1
Zn Cl. conct.	10.0	2.8	52.2	6.8	5.3	83.8	20.1
Zn Cl. tail	5.2	2.5	3.0	4.8	3.1	2.4	7.4
Ro. tail	77.7	0.5	0.4	1.1	9.3	5.6	25.4
Calc. heads	100.0	4.2	6.2	3.4	100.0	100.0	100.0

Reagent Addition, pounds/ton

	Grind	Lead	Zn Rougher	Zn Cleaner
Minerec 194	.06			
Z-6			.12	.03
B-23		.04		
NaCN	0.6			0.2
$ZnSO_4$	4.0			
$CuSO_4$			2.5	
CaO	4.5			3.0

The results given show that over 80 percent of the lead and zinc in the ore can be recovered in salable products. Apparently, the silver occurs as a separate mineral that we were not able to recover as satisfactorily as the lead and zinc. In this test we did not attempt to clean the lead concentrate or retreat the zinc cleaner tailing. Furthermore, we made no study of reagent combinations because we feel laboratory batch flotation tests are only indicative of the reagent amounts required in operating plants.

If you have any questions concerning this matter, do not hesitate to write me again.

Very truly yours,

C. H. Schack

C. H. Schack
Metallurgist
Ore Dressing Section

REPORT UPON THE
BADGER AND SUNFLOWER MINES
RICO, DOLORES COUNTY, COLORADO

by

K. L. Erickson
and
E. C. Baer

DMA
189X

Ironton, Minnesota
July 20, 1949

Introduction

The purpose of presenting this report is to interest venture capital for prospecting and developing new orebodies in a proven and highly productive mining area at Rico, Colorado.

The property herein described has all of the essential requirements to merit such consideration.

Conclusion

The Badger and Sunflower mining property comprises approximately 180 acres. The area covered is favorably located in respect to the stratigraphy embodying the most productive ore horizons of the district, namely the lower middle series and the upper lower division of the Hermosa formation.

The middle series includes 8 productive limestone beddings which have been mined from in the Rico Argentine and Blackhawk mines almost continously since the 1880's to the present time. The lower series contains two limestone beddings which the Union Carbonate, Forest Payroll and other mines have likewise produced from since the earliest days of the district.

The Badger and Sunflower Mine is almost centrally located between these two producing mines. In 1948 the Rico Argentine Mine produced $1,635,163. The Union Carbonate Mine net profit for 1948 was in excess of $100,000.

Lying between the Rico Argentine Mine and the Sunflower Mine is the Blackhawk fault, which has a throw upward of nearly 800 feet and cuts the orebodies of the Rico Argentine Mine off on the south. Farther to the south of the fault is the Union Carbonate Mine which produces ore from a lower series of limestone beddings. Because of the replacement of the limestone beddings on both sides of the Blackhawk fault the possibility of finding orebodies in the same beddings in the Badger and Sunflower Mine seems almost assured with very little further development work. Stratigrafically the ore horizons of the two productive mines are approximately 450 feet apart.

There is no section of ground in the district which offers as good an access to both ore horizons as the property herein presented.

The chances for finding new orebodies by running prospect drifts from both the Badger and Sunflower tunnels are exceptionally good. There are numerous strong lead-zinc sulphide fissures exposed in the Sunflower drift of the lower tunnel which need to be drifted along into the Union Carbonate limestone beddings. The same fissures can be developed in the Rico Argentine beddings by cross cutting from the Badger or upper tunnel.

The Star or main vein is from 24" to 36" in width and carries all sulphide minerals. There are numerous paralleling lead-zinc fissures. Most of these veins are too small or too low grade to be mined profitably by themselves, but in all other places in the district widen and form large irregular bodies of commercial ore where they intersect limestone beds. During 1948 one 38 ton shipment of ore was mined from the Badger Vein which netted $1,800.00 at the smelter.

A program of prospecting and developing the Star Vein in the limestone beddings in both the upper and lower tunnels can be accomplished by doing approximately 700 feet of drifting and raising. The cost of doing this work is estimated at $15,000.00. Should any single orebody be found comparable to those in the adjoining mines the investment should be returned many times.

Proposal

We estimate that it would require from $15,000.00 to $20,000.00 to equip the mine with a compressor, drills, pipe, rail, cars, etc., and to do approximately 700 feet of drifting and raising.

This amount of development work would cover to separate projects for exploring the Star Vein in limestone beddings:-

Project A Crosscutting approximately 250-300 feet N.E. from the Badger Tunnel to the Star Vein in the No. 1 Rico Argentine Lime Bed, thence raising 40 feet to the No. 2 Bed.

Project B Driving a 300 to 350 foot drift along the Star Vein from the Lower Tunnel into the Union Carbonate Limestone Beds.

At present we have a rented compressor and mining tools. We are engaged in driving the first 75-100 feet of project A. However, we are not financially able to complete this program except in piece-meal manner spread over several years time. We therefore would like to interest a party or parties who would furnish the necessary capital to make possible these two projects. In return we would give a one half interest in our mine and holdings. The money could be supplied according to the monthly working expenses. If preferred the work could also be let out on contract.

As an alternative to the above proposition we would like to lease or sell the property. We would give a long time lease with a 10% royalty based on net smelter returns. We would require a minimum royalty of $300 per month or a specified amount of work to be done each month. Or, we would give a lease and bond whereby the property could be purchased for $100.000.00, all payable out of royalties.

Respectfully,

K. L. Erickson

K. L. Erickson

Edward C. Baer

REPORT UPON THE
BADGER AND SUNFLOWER MINES
RICO, DOLORES COUNTY, COLORADO

by

K. L. Erickson
and
Edward C. Baer

Situation

The Badger and Sunflower Mines are situated approximately 1½ miles almost due east from the town of Rico, in the Pioneer Mining District, Dolores County, Colorado. The portal of the Hidden Treasure Tunnel is at an elevation of 10,100 feet. The portal of the Badger Tunnel is at an elevation of 10,375 feet. The town of Rico is served by the Denver Rio Grande Southern Railroad,which is a narrow gauge line. It is located on Colorado State Highway 146.

Property

The Badger and Sunflower group of claims are all located in Section 31, Township 40 North, Range 10 West. The group consists of eight unpatented mining claims held by possessory rights, and two patented mining claims by tax sale purchase pending County Treasurer's Deed July 29, 1949. The block forms approximately 180 acres

Ownership

The property is jointly owned by K. L. Erickson (50%), of Park City, Utah and Edward C. Baer (50%), of Rico, Colorado. There is no indebtedness or or attachments.

Description of Property

The claims of the Badger and Sunflower Mine border the Rico Argentine Mining Company property on the northwest, and the Union Carbonate Mines on the southwest. They are completely covered by the Hermosa formation, which has furnished the large replacement lead-zinc sulphide ore bodies of the Rico District. The property has two main tunnels on it, each being approximately 700 feet in length. There is a difference of 250'-275' in their elevations. The lower or Hidden Treasure tunnel intercepts the Sunflower shaft at its bottom, which is 120 feet in depth. There are several other prospect tunnels of minor importance. However, one of these, The Black Demon discovery tunnel and long covered by landslide has a recorded shipment of 55 tons of 55 ounce silver ore. This tunnel lies approximately 100 feet above and to the east of the Badger Tunnel.

The property has the same formation and same type fissure filling mineralization as the adjoining Rico Argentine Mining Company properties. However, the beddings in this case have been faulted upward almost 800 feet by the Blackhawk and Last Chance faults, the latter cuts off the ore bearing formation of the Rico Argentine Mine on the southwest side.

The possibility of finding replacement ore bodies in this section of the Hermosa formation in the limestone beddings seems to be very favorable due to the fact the lower tunnel has cut at least seven strong lead-zinc sulphide fissures, all of these within a distance of 200 feet. The large ore bodies of the Union Carbonate Mine furnish evidence the limestone beds are mineralized on both sides of the Blackhawk and Last Chance faults. The veins and fissures of the Badger and Sunflower Mine have never been prospected in the limestone beddings.

The general tenor of the sulphide ore found in the limestone beddings of the Rico Argentine Mine varies between 20% to 40% combined lead-zinc with associated silver values ranging from 5 to 20 ounces per ton. The oxidized ores of the Union Carbonate generally range from 20% to 40% lead with silver values of 8 to 14 ounces per ton, with only a few percent zinc.

Reference Maps:

Composite Plan Map "A"
Longitudinal Map "B"
Claim Map

History

Sunflower Mine:

There is no authentic record of when this mine was worked, but present information indicates all work was done prior to 1900. The shaft and workings have remained inaccessible until June 1948. During 1926 the Hidden Treasure Tunnel was driven to connect with the bottom of the Sunflower Shaft. The connection was made, but no further development work was done as this work came to an end with the metal market collapse in 1927-28.

In a report made by Whitman Cross and Arthur Coe Spencer of the U.S.G.S. in 1900 the following is stated - "Sunflower Mine. This is also on the south side of Allyn Creek, at an elevation of 10,300 feet. The workings, consisting of a 120 foot shaft and tunnel, are abandoned and inaccessible. Considerable work is reported to have been expended on a "contact" lying above those of the Forest Payroll Mine".

Badger Mine:

The Badger Mine appears to have been opened and worked at a date later than 1900, as there is no mention of it in the report of Cross and Spencer. The mine was under small production during World War I years. According to the man who mule packed the ore it produced approximately 200 - 250 tons of hand sorted ore during this period. A small amount of work is known to have been done in 1926 by the late George E. Collins of Denver, Colorado who was operating the Union Carbonate Mines at that time. The mine has been idle until 1948 when it reopened and a 38 ton shipment of ore taken out.

Badger Mine

The upper tunnel which is known as the Badger Mine follows a mineralized fault fissure of considerable displacement for its entire length of 700'. Considerable narrow width stoping has been done above the tunnel level. It appears that the ore, although of good grade, was narrow, perhaps not exceeding two feet in width at any place. The ore shipped was undoubtedly all hand sorted. 300 feet from the portal the Badger Vein intersects the Mud Vein which also parallels a fault plane. At this intersection the ore was stoped up 40'-60' for a distance of 70 feet along the tunnel level. There are several other small stopes going toward the breast. The experience gained in taking out the 38 ton shipment in 1948 would indicate the Badger Vein itself is too small to mine for worthwhile profit.

The fact that the Badger Vein has cut through four of the Rico Argentine ore beds without replacing the limestone is best explained/characteristic of the fault veins of large displacement in the district. So far none are directly connected with replacement type ore bodies, but in all cases the orebodies have been associated with the tight fissures and veins of no or only slight movement closely paralleling these faults. It appears that the thick gouge material has been too impervious to permit the mineralizing solutions to penetrate the wall rocks. To the east of the Badger Vein is the series of fissures which are exposed in the lower tunnel workings. So far as can be ascertained from careful inspection of these fissures and the Star Vein no movement has taken place,nor does any gouge material appear to be present. It is the objective of the present work to prospect for ore bodies on these fissures in the limestone beds.

Production

Aside from last years production of 38 ton assaying 7.5 ozs. silver, 14.3% lead, 26.6% Zinc and .7% copper of net smelter value $1800.00 there is no record available showing the tonnage or grade of ore shipped. Our own estimate is that between 300 -400 tons of hand sorted ore has been shipped, all prior to 1926. The man who transported most of the ore from the mine to the depot at Rico, and who is thoroughly familiar with ore values, stated it all averaged more than 40% combined lead-zinc with fair silver values. Several samples taken near the old stopes confirm these figures.

Ore Reserves

There are no mineable widths of commercial ore exposed in any of the workings.

Sunflower Mine

The Sunflower Mine includes the 120' Sunflower shaft, one three hundred foot drift, with possibly another drift uncovered, and the Hidden Treasure Tunnel. The latter tunnel intercepts the shaft at its bottom. The original work was all done during the boom days of the camp and prior to 1900. The shaft was sunk for the purpose of prospecting the Newman Hill "Contact" for rich silver ores. It is apparent the work was all done previous to the first discovery of the bedded replacement orebodies. In drifting along this contact the Star Vein and other lead-zinc sulphide fissures were crossed. These fissures form the basis for the present program of prospecting in the limestone beddings lying both above and below. None of the workings have yet penetrated the limestone beds. The drifts pass through sandstone, porphry, and shale.

Production

There is no record of the Sunflower Mine having shipped ore, but one old time resident claims several shipments were made. However, there is no evidence in the present exposed workings to support this statement. There is though the possibility of another drift or intermediate level sealed off by the cave in the shaft. It is apparent the late George E. Collins who once had the mine leased had access to maps or other information which would indicate he had some idea of finding exposed ore when he caused the connection to be made with the bottom of the shaft. Reference Collin's letter 1926.

Ore Reserves

None.

Miscellaneous

Present Condition of Underground Workings:

With the exception of the Sunflower Shaft which is caved at the collar and filled at the bottom level, all of the workings are accessible for examination.

During 1948 both the Hidden Treasure and Badger Tunnels were reopened and the portals and caved sections along the drifts retimbered. Both tunnels are equiped with track and cars. The Badger Tunnel has 450' of 1" air pipe. Both mine tunnels are dry except for small surface seepage in places.

Labor Supply:

There is an adequate supply of good and experienced miners in the Rico District. There would not be any difficulty in hiring miners or other experienced help. It would be necessary however, to furnish transportation for the miners.

Timber:

There is an adequate stand of timber on the property for several years mining operation. Native dimension lumber can be purchased at nearby sawmills for $40.00/M. The underdround workings do not show evidence of requiring much timbering as the ground stands well.

Water:

The property does not hold any water rights, but Allyn Creek passes within a few feet of the portal of the lower, or Hidden Treasure Tunnel. The stream is large enough the year around to furnish water for a milling operation. It does however during the late summer and fall disappear under the gravel near the tunnel and then reappear lower down the gulch.

Roads:

The Badger Mine and Sunflower Shaft are both served by a rather steep and tortuous three mile wagon road from the town of Rico. During 1948 the section of road from the Union Carbonate Mine was rebuilt. This road is in daily use by workman traveling by "jeep". It would be necessary to do a small amount of rock and grading work to put it in better shape for truck hauling of ore. The Union Carbonate Mine transports its ore over an aerial tramway and therefore no ore has been hauled by truck.

Climate:

Winters in this area are quite severe. The district is free from snow only during the period from June 1, to November of each year. However, most mines in this district , even those at higher elevation operate the year around. The Union Carbonate Mine which is only 2000 feet distance at the same elevation has operated during the past three winters, the men walking to work during the winter months.

Buildings:

There is one small log cabin at the Badger Tunnel which is in fair condition. There is also a one-room board building on the lower tunnel section which is in fair condition. It could be lived in during the summer months.

Brief of General Geology of the Rico District

COPY

Rico Mining District,
Dolores County
by
D. J. Varnes

The Rico mining district is in a small group of mountains which are isolated from the main San Juan Mountains to the east and northeast. The town of Rico is in the valley of the Dolores River at an altitude of about 8700 feet. The mountains rise to an altitude of about 12,500 feet. The slopes are steep but not rugged, and below 11,000 feet they are covered by dense growths of aspen and spruce.

The mountains are carved from a low structural dome which is roughly circular in shape and 12 to 15 miles across. Rocks ranging in age from pre-Cambrian to Jurassic were involved in the doming. The schist, quartzite, and diorite of pre-Cambrian age are overlain successively by the Ignacio quartzite of Cambrian age; the Ouary and Leadville limestones of Devonian and Mississippian ages, respectively, and shales, sandstones, and thin limestones belonging to the Hermosa formation of Pennsylvanian age; sandstone and sandy shale belonging to the Rico formation of Permian (?) age; and red shale, sandstone, and conglomerate of Triassic and Jurassic age on the flanks of the dome.

Those faults near the center of the dome having greatest displacement trend westward. Long blocks and wedge-shaped slices between these main faults have been dropped step-like away from the central and structurally highest block in the heart of the dome. The dip of the strata progressively decreases away from the center of the dome.

The main production of the district has come from the north-east, east, and southeast sides of the central igneous core. Mining exploration first began in 1869 with the discovery of ore deposits in the Leadville and Ouray limestones near the present Atlantic Cable Shaft. Ten years later rich silver ores were found in the "Enterprize blanket" deposit in the Hermosa formation on what is now called Newman hill, and the town of Rico was founded. Although the rich silver ores of Newman Hill southeast of the town were soon exhausted, other deposits were discovered and the district has continued to produce until the present time. Two lead smelters and numerous mills have been built in the district. From 1924 to 1929 the St. Louis Smelting and Refining Co. had a large production, chiefly from mines in CHC Hill northeast of town, but this activity was brought to a close by the callaspe of the metal market at the beginning of the depression. Lately the Rico Argentine Mining Company has produced steadily from several areas, but chiefly from the country above Silver Creek, a mile east of town. This mine is now one of the major zinc, lead, and silver producers in Colorado. Records of the Bureau of Mines give the total value of gold, silver, copper, lead and zinc produced in Dolores County from 1879 to 1944 as $26,279,454. The Rico district has accounted for almost all of this amount, of which about 40% is represented by silver, 24% by zinc, 22% by lead, 8% by gold, and 6% by copper.

Some of the veins occupy faults, some occupy fissures parallel to and close by faults, and some trend at various angles to the main faults. Most of the veins are too small to be mined profitably by themselves, but may widen and form large irregular bodies of ore where they intersect limestone beds, gypsum beds, or brecciated zones within shales of the Hermosa formation.

No general rules can be laid down as to which system of veins is likely to contain ore because the direction of ore-bearing veins is relatively constant only for small areas within the district. Furthermore, the direction of ore-bearing veins, which coincide with or are closely parallel to faults throughout the district as a whole, do not appear to follow any pattern so far as the geology is now known.

At the Nora Lilley mine, half a mile north of town, production has come from the main westerly vein system. The faults and veins which cut replacement deposits in the Argentine, Iron and Blackhawk mines to the east of Rico along Silver Creek trend about N.15 W., and the veins at the Yellowjacket mine on Nigger Baby Hill north of Silver Creek trend northwestward and westward.

A large part of the production of the district has come from blanket deposits in the lower part of the Hermosa formation on Newman Hill southeast of the town. At th this place a bed of sedimentary gypsum, originally 15 to 30 feet thick, in a series of shales, sandstones, and limestones, had previously been dissolved out, probably by the solutions, to leave a brecciated zone ideally fitted as a site for the deposition of ores. The ore solutions were admitted through a series of northeastward and northwestward trending fissures that traverse the rocks below the blanket. The Northeastwardly fissures were themselves productive, as lode deposits, to depths of 150 feet below the blanket, below which they contained little in addition to the worthless quartz and pyrite gangue.

The silver-bearing minerals of the richer ores are argentite, prousite, polybasite and argentiferous tetrahedrite, but the more abundant ore minerals are galena, sphalerite, chalcopyrite, and pyrite. The dominant gangue minerals are quartz and rhodochrosite.

Considerable prospecting has been carried on in the Leadville ans Ouray limestones, and replacement ore bodies in it have been developed at several times. In the vicinity of the Atlantic Cable mine and Van Winkle shaft irregular bodies of massive lead,zinc, copper and iron sulphides are mined from marbelized and serpentinized phases of the limestone. Hematite and chlorite are abundant gangue minerals in this type of deposit.

The limestone unit is normally 150-200 feet thick but recent geologic studies have proved this unit and the underlying quartzite to be much thinner or totally absent in some parts of the mining district. Apparently part are all of the unit was removed locally by post-Mississippian pre-Pennsylvanian faulting and erosion, and recurrent movement along these old faults is expressed in some of the younger faults now observed.

Tracing of the ore-bearing beds in the Hermosa and Rico formations across faults which bound the main blocks within the dome calls for careful interpretation of all available geologic ~~information~~ data. Unfortunately, the geologic information is too often very meager because landslides and timber cover much of the ground surface. However, with further study, the prospects of discovering additional ore, now hidden by surface cover or lying in limestone beds not yet explored, are reasonably good in several parts of the district.

State of Colorado
Mineral Resources Board
204 State Office Building
Denver 2, Colorado

Mineral Resources of Colorado

Prepared under the supervision of

John W. Vanderwilt
Consulting Geologist
Denver, Colorado

TRIBUNE, Tuesday, April 12, 1949

Mine Announces $335,758 Profit

Operations for 1948 produced a net profit of $335,758 or 41.9c a share of Rico Argentine Mining Co., Colorado producer of zinc and lead, a report Monday showed.

The net profit before depletion compared with $220,053 or 27.5c a share for practically the same tonnage of ore mined and milled in 1947.

At Fair Pace

"Development continued at a fair pace," according to the report, "and the Mountain Springs area was put into production, increasing by end of the year to almost a third of total daily production."

Gross value of ore produced was $1,635,163. The company paid $40,000 in dividends during the year, making total dividends paid $450,739.

Note: Rico Argentine Mining Company has a cash reserve of $850,000.00

INTERNATIONAL SMELTING AND REFINING COMPANY

818 Kearns Building, Salt Lake City 1, Utah

Ore Purchasing and Metallurgical Departments
B. L. SACKETT, Metallurgical Manager

ANACONDA
from mine to consumer
REG. U.S. PAT. OFF.

December 8, 1948

Mr. Kenneth L. Frickson
P. O. Box 588
Park City, Utah

Dear Mr. Frickson:

You have probably received in the mail the settlement on your Lot No. 1-2, Smelter Lot No. 8396. The value after treatment, assaying, freight, etc., of this car, which was the result of the mix up at Montrose, is $1153.30. In order to arrive at a theoretical value of the two lots of ore which were shipped from Rico, I started with the actual wet and dry weight of car UCR 20765 as it was received at the Utah Ore Sampling Company. Along with these weights I used the settlement assay, after comparisons and umpires, and deducted therefrom the weighted assays of the two samples of carbonate lead material which you indicated was representative of the lead ore. The enclosed sample settlement sheets show the calculated analysis of each lot and the value under the prices in effect after deducting treatment, assaying, sampling and freight costs.

The total value, as calculated, for the two lots is $1798.49 whereas the proceeds which you received for the mixture were $1153.30, a difference of $645.19. This is the amount for which you should enter your claim with the railroad as the ore would have been worth that much more had it not been for the mixing which occurred during the transfer from narrow gauge to broad gauge cars at Montrose.

Trusting this gives you the information desired, I am

Yours very truly,

G. A. Burt
Ore Buyer

GAB:ZC
Enclosures

Erickson & Baer
Rico, Colorado

Rico, Colorado

Pb

Calculated Analysis

	25.57								
	-1.50								
0.70	24.07	1.9	13.33	.03	9.8	21.0	1.7	.7	

		21 50	Ch Pb under 30% Settlement @ 10¢	5 14 59
		90 000	Credit U.O.S. Sampling	25
		35 00		

		-	10¢	5 48 98
90%	.19593	84 89		-
		-		-
95%	.90000	11 40		
91%	35.00	96	6¢	6 46 1 26
				-
		97 25		
		5 20		
		92 05		5 20

12.975 92.05 1194 35

Assaying	6 00
U.O.S. Sampling	30 00

SAMPLE SETTLEMENT SHEET

	28,000	12.42	82.74	173 88	
			3% Federal Tax	5 22	
7.32					215 10
	25,950				979 25

12/6/48

Erickson & Baer
Rico, Colorado

Rico, Colorado

Pb-Zn

Calculated Analysis

Nil	7.2	24.59	3.87	.006	29.3	7.19	26.82	Nil

		21 50		3 40
		17 415	Cr U.O.S. Sampling	25
		90 00		
		35 00		
				3 15
		-		
83%	.19093	22 82		
65%	.093065	30 21		
83%	.90000	2 89		
-.01 oz.		-		
		55 92		
		3 15		
		52 77		3 15

21.076 52.77 1,112 18

Assaying	6 00
U.O.S. Sampling	30 00

SAMPLE SETTLEMENT SHEET

	45 480				
		10.97	47.33	249 46	
			3% Federal Tax	7 48	
7.32					292 94
	42 152				819 24

12/6/48

Exhibits

EXHIBIT "A"

Raising 100'

Labor	@ $13.00 per foot	$ 1,300.00
Supplies	@ $ 2.00 per foot	200.00
Power	@ $ 5.00 per foot	500.00
		$ 2,000.00

The above raise is to be put up at the intersection between a crosscut from the Badger Tunnel and the Star vein. Its purpose is to explore the possibility of a substantial ore body at a point above the crosscut where the Star vein encounters the Hermosa Series of Limestones.

EXHIBIT "B"

Does not apply

EXHIBIT "C"

Operating Equipment

	Approximate Cost
Purchases: Equipment	
700 feet of 8" used Vent tubing	$ 700.00
Purchases: Supplies	
Gasoline and oil for motor driving compressor and truck	515.00
Powder, caps, fuse, etc.	225.00
	$ 740.00
Rentals	
Blower and motor @ $60.00/mo for two months	$ 120.00
Air compressor and gasoline engine @ $170.00/mo for two months	340.00
	$ 460.00

EXHIBIT "D"

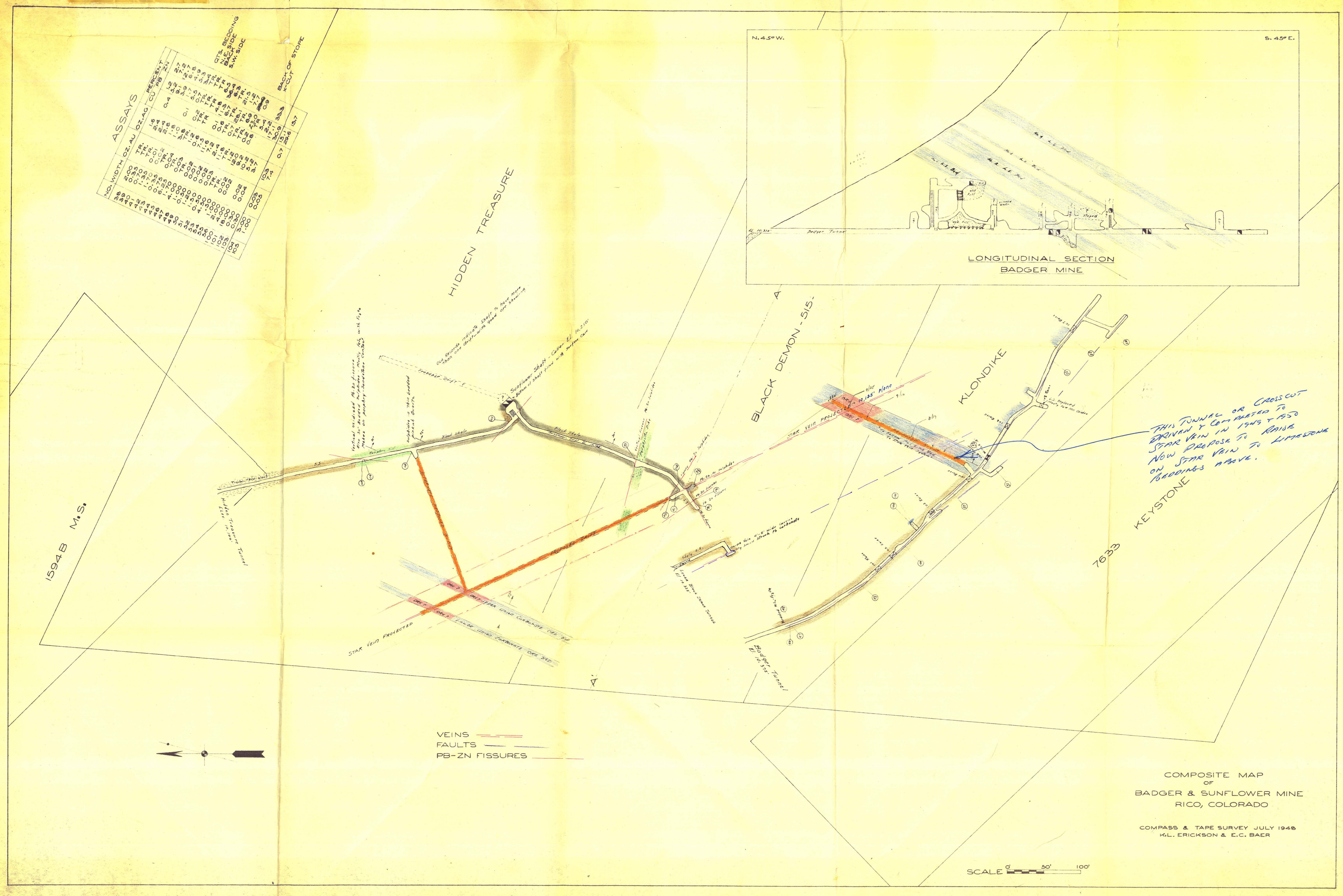
2 miners @ $12.80	$1300.00
Supervision done by one of owners for no charge	

EXHIBIT "E"

Does not apply

Recapitulation

Labor	$ 1,300.00
Power (gasoline, etc.)	515.00
Supplies	225.00
Equipment Purchases	700.00
Equipment Rentals	460.00
	$ 3,200.00


ASSAYS
NO. WIDTH OZ. AU OZ. AG CU PB ZN
PERCENT
BACK OF STOPE
CUT
OTS BEDDING
FWD SIDE
S.W. SIDE
N.45°W.
S.45°E.
LONGITUDINAL SECTION
BADGER MINE
HIDDEN TREASURE
BLACK DEMON - 515
KLONDIKE
KEYSTONE
7633
1594B M.S.
Sunflower Shaft
Hidden Treasure Tunnel
Badger Tunnel
STAR VEIN PROJECTED
10,125' Plane
THIS TUNNEL OR CROSSCUT DRIVEN & COMPLETED TO STAR VEIN IN 1945 & 1950 NOW PROPOSE TO RAISE ON STAR VEIN TO LIMESTONE BEDDINGS ABOVE.
VEINS
FAULTS
PB-ZN FISSURES
COMPOSITE MAP
OF
BADGER & SUNFLOWER MINE
RICO, COLORADO
COMPASS & TAPE SURVEY JULY 1948
K.L. ERICKSON & E.C. BAER
SCALE 0' 50' 100'