UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~Terminated~~ (or cancelled) without certification. DMEA No. 1180

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

AGREEMENT TO RESCIND
EXPLORATION PROJECT CONTRACT Idm-E66

It is mutually agreed this 31st day of October 1951, by and between the parties hereto that Exploration Project Contract Idm-E66 (Docket No. DMA-1180x) dated July 1951, between the parties hereto be rescinded.

The Cement Creek Leasing Company, the undersigned Operator, does hereby release and agrees to save harmless the United States of America from all claims and demands in or under the aforesaid Exploration Project Contract.

Witness the following signatures the day and year first above written.

UNITED STATES OF AMERICA

By Frank P. Johnson
Acting Administrator
Defense Minerals Administration

CEMENT CREEK LEASING CO.

By [illegible]
Operator

N-200
(April 1951)

Docket No. DMA 1180X
Commodity Zinc
Idm-E66

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Index Sheet
No. Card
Card
Reviewed NC
8/31/51

EXPLORATION PROJECT CONTRACT[1]

36

It is agreed this 19th 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] CEMENT CREEK LEASING COMPANY, BOX 186, SILVERTON, COLORADO, hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of COLORADO, County of SAN JUAN described as follows:[3] That certain group of patented lode mining claims known as the Adelaide A, Grey Copper, Timber, Pine Tree, Henry M. Teller, Grandview and Gold Point, U.S. Survey No. 20377 situate in Township 42N, Range 7W N.M.P.M.
with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached.~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] zinc and lead; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] 24 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

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

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

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

JUL 26 1951
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CONTRACT SECTION
G.A.O.

[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.

16—64066-1

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

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

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

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

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $2,425.00, which is 50% percent of the agreed estimated total cost of this project, $4,850.00.

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~~ sextuple the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division - D.M.A.

CEMENT CREEK LEASING COMPANY
(Operator)

By Henry P. Ehrlinger
HENRY P. EHRLINGER

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

DMA-PROJECT-1180X

EXHIBIT "A"

This exploration project to consist of the opening up, retimbering where necessary, draining, sampling and assaying of the Adelaide A. and Henry M. Teller Adits of the Otte property. These projects are delineated as follows with the estimated costs:

(1)	Labor (2-Muckers) 30 working days, opening up of the Adelaide A. portal, retimbering bad ground, draining and cleaning out of tunnel	$ 750.00
(2)	Labor (2-Muckers) 30 working days, opening up of the Henry M. Teller Portal, retimbering bad ground, draining and cleaning out of tunnel	$ 750.00
(3)	Supervision (1 Man, part time), Engineering, Geology, Sampling & Assaying	$ 500.00
(4)	Timber, rail, wedges, ties,etc. plus water pump, pipe etc. if and as needed	$ 700.00
(5)	Rehabilitation of present cabin for tools and equipment storage and temporary living quarters	$ 100.00
(6)	Powder, Fuse, Caps, Nails, water bags & tanks, etc.	$ 400.00
(7)	Power, Utilities, Fuel Oil, Transportation of men & equipment	$ 750.00
(8)	Rental on equipment outlined in EXHIBIT "C"	$ 900.00
	TOTAL	$ 4,850.00

EXHIBIT "B"

There is a cabin on the property that can be rehabilitated for a tool and equipment storage room as well as temporary living quarters for the men and it is estimated that this rehabilitation work can be done for $ 100.00

EXHIBIT "C"

The following equipment is to be rented for this project when and as needed. There is no way of giving an accurate estimate on this until the adits have been opened up so this is an estimate based on previous experience in this type of work.

Compressor, Gasoline Driven, 2½ Months @ $ 200.00	$ 500.00
2-Slushers with buckets, 2 Months @ $ 100.00	$ 200.00
1-Jackhammer complete with steel, air and water hoses and repairs for same including bits	$ 200.00
TOTAL	$ 900.00

EXHIBIT "D"

2-Muckers are to be paid at the rate of $ 1.25 per hour for the first 40 hours in each week and time and a half for all overtime. The Supervision is to be on a part-time basis with $ 20.00 per day charged for supervision,

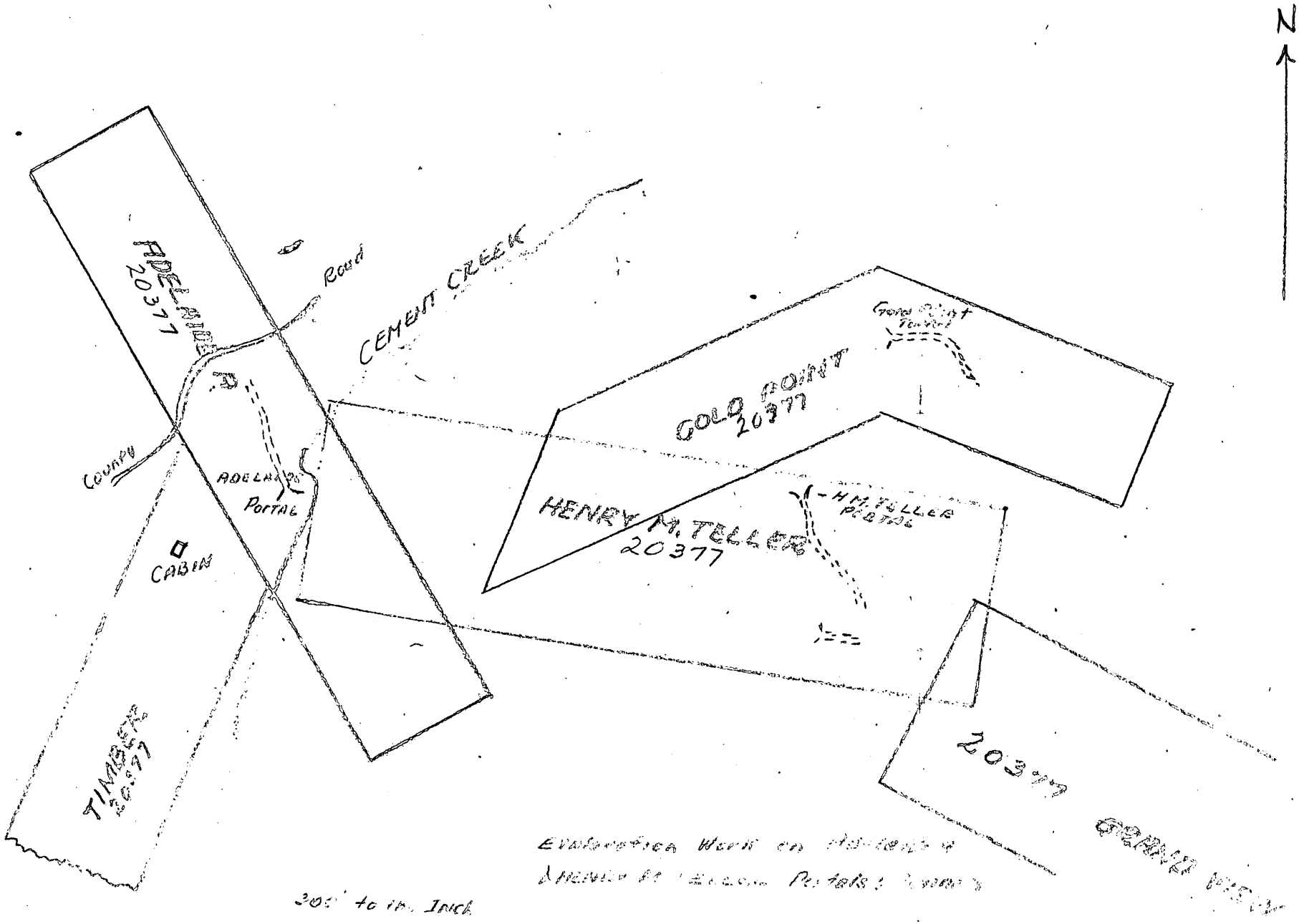
Engineering, Geological work with either of these doing the sampling as a part of their work and the samples sent to a local Assayer that has been charging 50¢ per determination. We do not feel that this job should be penalized with full time supervision and when DMA-22 has been approved as an Exploration Project the supervision will be carried on at both places by the same man.

EXHIBIT "E"

The only rehabilitation work contemplated or considered under this Exploration Project is that of repairing an existing cabin on the property for use as a toolhouse, equipment storage facility and possibly as living quarters for the two men during the week. We have set up $ 100.00 as the maximum to be thus expended which will include reroofing, window repair and all labor. The cabin has been in disuse since 1914 and hence there is need of a new roof.

△ U.S.M.M. Rob the Ranter

OTTS PROPERTIES



Evaluation Work on Adelaide & Adjacent Henry M. Teller Patents & Claims

305' to in. INCH

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of SAN JUAN, State of COLORADO, described in a certain Exploration Project Contract dated MAY 10th, 1951, between CEMENT CREEK LEASING COMPANY, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated MAY 5, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

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

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

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

Dated this 10th day of MAY, 1951

OTTE INTERESTS,

Walter H. Otte

WALTER H. OTTE.

U. S. GOVERNMENT PRINTING OFFICE 940768

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Form MF-103
(April 1951)

U. 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 - 1180 X

Date received 5/16/51

Participation

CEMENT CREEK LEASING COMPANY,
BOX 186,
SILVERTON, COLORADO.

Name and address of applicant

Date May 10th, 1951

FILL IN THIS BLOCK

Date of application May 10th, 1951

Estimated cost $ 4,850.00

Mineral or metal Zinc, Lead & Copper

Percentage of Government participation 50%

Location of mine Silverton, San Juan County, Colorado,

Date of filing MF-100 May 10th, 1951

DMA Docket Number, if available dma - 1180 X

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.

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.

16—64067-1

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.

CEMENT CREEK LEASING CO.
(Name of company)

By Henry R. Ehrlinger
HENRY R. EHRLINGER
(Signature of official)

MAY 10th, 1951
(Date)

Owner
(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

APPENDED DATA TO ACCOMPANY APPLICATION FOR GOVERNMENT ASSISTANCE TO THE CEMENT CREEK LEASING COMPANY ON THE OTTE PROPERTIES IN SAN JUAN COUNTY, COLORADO, DATED MAY 10, 1951 FORM MF-103.

1. The Applicant is an individual.

2. Not applicable.

3. Not applicable.

4. Mr. Henry P. Ehrlinger, a registered Mining & Metallurgical Engineer, who is President of the Lead Carbonate Mines, Inc.; Vice President of the Bonita Mining & Developing Co., Inc., and its General Manager; Vice President and Manager of the Colorado Gold King, Inc., all of Silverton, Colorado, who has been actively engaged in the mining operations in this District since 1930 is to finance and manage the operations. He has had a great deal of experience in this District and is well advised on this particular area as all of his operations under his management and control are in this particular area.

5. Mr. Ehrlinger is Lessee of the property from the Otte Estate group, of Alva, Oklahoma.

6. Mr. Ehrlinger is not the owner but he has been informed by the Ottes that there are no claims, leins or encumberances against the property.

7. A copy of the lease is attached and it is in good standing.

8. Not applicable.

9. Applicant is prepared to furnish up to and including $ 5,000.00 which will cover his 50% participation with the Government on this project.

10. (a) This property consists of the ADELAIDE A, GREY COPPER, TIMBER, PINE TREE, HENRY M. TELLER, GRAND VIEW AND GOLD POINT Lode Mining Claims all U.S. Mineral Survey Number 20377, patented in October of 1928 and thru the Pueblo Land District. It is located in Township 42N Range 7W N.M.P.M.

    (b) The work contemplated in this request will be done on the ADELAIDE A and HENRY M. TELLER claims.

11. This property has been known for years as the OTTE PROPERTY and there has been no change.

12. This property is located about 10 miles North of Silverton, Colorado and about 1 mile Northwest of Gladstone, Colorado, on a County Road to Gladstone and a mine access road to the Queen Anne Mine and those which the Government USBM has been drilling in the Lake Como area.

13. The North Fork of Cement Creek passes thru the center of the property and this will furnish sufficient water all year-round for any operations that are contemplated or may develop. Power for the original program will be furnished by diesel or gasoline motors, if a mine of sufficient size is developed electric power is available at Gladstone (About a mile) at the Lead Carbonate Mill and Gold King Mill line.

MAY 18 1951 5

14. The only usable facility on the property is a log cabin which can be utilized as a change house, tool house etc. and for supplies.

15. If ore is discovered it can be shipped by truck to the Shenandoah-Dives Custom Mill in Silverton of benefication.

16. The History of the property is not too well known. Dick Otte, the original locator and owner did considerable exploratory work on this property during the period 1900 to 1910 and drove about 500' of drifts by hand to explore various parts of it. The portals of these drifts are now caved but from assays taken from ore on the dumps it is quite evident that the zinc values were about twice those of the lead values and that these minerals could not be seperated at that time. With the penalties then existing on zinc in lead ores the same situation as existed at the Pride of Bonita Mine across Cement Creek must have been in existence here and the work was stopped and never started up again. In 1942 a Mr. Curtis Johnson of Durango, Colorado, tried to get an access road put in thru Government channels but his application came so late it was not acted upon before the termination of the War stopped all of these projects. No ore, however, has been removed from the property since 1910. This property adjoins such producers as the Pride of Bonita which is just across Cement Creek to the East, the Mogul Property which is to the North-east and the Queen Anne property which is to the North.

    The present applicant is prompted to enter this application only after a study of the geology of the area as exposed on the surface, a knowledge of the strike of the Pride of Bonita vein and a general theory of the mineralization of the area.

17. Not applicable as the property is not in production.

18. There is no measure of the ore or mineral reserves as the portals to all of the workings are caved and inaccessable workings can not be used as data.

19. None.

20. Lode deposits of zinc and lead minerals.

21. The proposed work consists of opening up the adits on the ADELAIDE A and HENRY M. TELLER claims, sampling of the ore veins, if any, that have been cut in these drifts and probably doing some diamond drilling of the mine from these drifts. The time element should not consume over three months to determine what possibilities this property may possess.

22. The USBM has known of this property for several years but all of their work has been on the surface and no exploration work has been done. The USGS thru Mr. W.S. Burbank has made reconnaissance of the entire area in the past years and has indicated that there is possibilities of this area being mineralized in a similar manner to that of the Pride of Bonita but here again he was not able to get into any of the workings to find out the sizes and types of the veins or of the mineral content. There are no mine assay maps or maps of any nature on the property for it is doubtful that Mr. Otte made, or had made, any such data when he was working it at the turn of the Century.

23. Costs, (Estimated) in which the Government will participate

(a)	Labor, (2-Muckers) 30 days, opening up portal of ADELAIDE A Adit, retimbering bad ground, draining out water etc.	$ 750.00
	Labor, (2-Muckers) 30 days, opening up portal of HENRY M. TELLER adit, retimbering bad ground, draining off water, etc.	$ 750.00
(b)	Supervision, Engineering, Geologist, Assaying, sampling etc.	$ 500.00
(c)	Timber, Wedges, Rail, Ties, replaced.	$ 400.00
(d)	Repairing Cabin for storage of tools, etc.	$ 100.00
(e)	Cost of Rental Equipment and/or other equipment which must be purchased.	$ 300.00
(f)	Rental on Equipment to be used for this operation for the two-months period including compressor, jackhammer, drill, steel, bits, etc.	$ 900.00
(g)	Rental Value of items which are now owned by the operator which will be used on this project but which will be returned $ 6,000.00	
(h)	Materials and supplies which can not be estimated until needed such as powder, fuse, caps, nails, water bags, etc.	$ 400.00
(i)	Power, Utilities, Fuel Oil, Transportation of supplies and men, etc.	$ 750.00
	Total Estmated Costs	$ 4,850.00

24. Timetable:

As only two men will be used on this project it is estimated that all of the preliminary work will be completed at the end of 75 total days or 60 working days. The money will be spent about evenly thruout the period as it is for labor and rentals in a majority of the cases and timber etc. will be required when the work progresses.

A G R E E M E N T

THIS AGREEMENT, made and entered into this fifth day of May, 1951 by and between the OTTE INTERESTS, a Partnership organized for the express purpose of administrating the Otte Mining Properties in San Juan County, Colorado, party of the first-part and hereinafter termed the OWNERS, and the CEMENT CREEK LEASING COMPANY, an Individual, who is to perform all of the work incident to opening up, prospecting, exploring, developing and mining ore in the said Otte Mining Properties, party of the second-part and hereinafter termed the leaser or more specifically HENRY P. EHRLINGER, Silverton, Colorado, WITNESSETH:

That for the purpose of opening up, prospecting, exploring, developing and/or mining ores from the premesis of the OWNERS, know and described as the HENRY M. TELLER, GOLD POINT, GRAY COPPER, ADELAIDE A and GRANDVIEW lode mining claims, all U.S. Mineral Survey Number 20377, situate in Sections 9-15-16, Township 42N, Range 7W, of the Eureka Mining District of San Juan County, Colorado, and to provide suitable and fair compensation for all concerned, it is agreed as follows:

1. That the LEASERS will perform all labor incident to the opening up, prospecting, exploring, developing and/or mining of ores which will include timbering, laying of rails, building of chutes and manways, diamond drilling, raising, drifting and sinking, traming of ore to the bins and shipment of ore to a Custom Mill. It is further agreed, however, that development work herein referred to shall include only that which will be used for the production of ores during the life of this contract.

2. That the LEASERS will carry on a comprehensive development program at the time of mining of the ores so as to keep sufficient ores broken in advance and on hand to at all times liquidate any and all accrued liabilities of the LEASERS.

3. That the LEASERS will perform all work in a workmanlike manner, with all manways, chutes, chute pockets, skipways, timber slides, drifts, crosscuts, etc., constructed and kept in condition for successful and safe operation of the property, the performance of which work shall meet with all specifications outlines by the Mining Inspector of the State of Colorado.

4. That the LEASERS will use their skill and best efforts in the mining of the ores to maintain the highest possible grade without mineral wastage, properly timber or leave pillars to properly support the backs of ores now of marginal, or sub-marginal grades and where deemed necessary sort out sub-marginal ores and leave them in the stopes for the time when ecconomical conditions may warrant their removal.

5. That the LEASERS shall have the exclusive control of the employment of labor required to carry out this agreement.

6. That the LEASERS will comply with all of the rules, regulations and edicts of the State Mine Inspector and/or any duly authorized Safety Inspector to insure that proper working conditions are maintained at all times.

7. That the LEASERS will furnish all permanent mine supplies such as the mine timbers, rail ties, chutes, stulls and ore bin and that these will remain a part of the property at the conclusion of this agreement.

8. That the LEASERS will carry State Compensation Insurance on all of the employees working under this agreement; pay the real estate taxes and the production taxes on the property during the period of the agreement.

9. That the LEASERS will have exclusive control of the custom milling and/or smelter contracts but that they will use good judgment to place them with the custom mill or smelter whereof the highest return will be gained all things considered and that shipments will be made in the name of the CEMENT CREEK LEASING CO. but copies of each settlement sheet together with the proper deduction for the account of the OWNERS will be transmitted to the OWNERS direct by the Custom Mill or Smelter with each settlement. It is further agreed that trucking charges from the Mine Ore Bin to the Custom Mill and/or Smelter shall be deducted from the returns prior to the calculating of the net returns as a just charge against the milling or smelting costs.

10. That should these operations be halted for a period due to the destruction of essential mine buildings by fire, windstorms or snowslides prior to the termination of this agreement; or should a custom mill or smelter wherein the products of these operations is treated suffer the same, or should strikes, railroad washouts, total lack of labor cause the operations to be suspended it is further agreed that an extention of time equal to that lost due to these conditions over which neither the OWNERS or the LEASER have any control will be granted to this agreement as compensation for the operating time lost by such occurrence.

11. That should the price of metals contained in the ores drop to such a level as to make the operations of the property unprofitable and render the ores developed sub-marginal that the LEASERS will have the right to stop all operations and that an extention of time to this agreement will be granted equal to the time lost by such shut-down period.

12. That should the LEASERS fail to comply with any part of this agreement the OWNER will notify them by letter stating what particular part of the agreement is being violated and the corrective action to be taken. Should the LEASERS fail to remedy the violation within a reasonable time, or refuse to comply, then the OWNERS shall remove all broken ore and after deducting the costs of these operations liquidate the same and make proper distribution of the assets in accordance with the provisions of this agreement.

13. That the owners shall receive twenty-five percent (25%) of the net mill, or smelter, returns as shown on the settlement sheets for each lot as their share of the proceeds.

14. That this agreement shall be made and remain in force from the date hereof until May fourth 1956 and it is further provided that should the LEASER comply with all of the requirements set out hereing and so desire it that this agreement may and will be continued for similar five-year periods.

IN WITNESS WHEREOF, said OWNERS and LEASER ahve caused their names to be subscribed hereto all on the day and year first above mentioned.

CEMENT CREEK LEASING CO. OTTE INTERESTS

HENRY P. EHRLINGER WALTER H. OTTE

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma-1180 X

Date received 5/16/51

Cement Creek Leasing Company,
Box 186,
Silverton, Colorado.

Name and address of applicant

Date May 10th, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124–A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production None

   If not in production or operation, estimated date when production will begin After June 15, 1951
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*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.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

APPENDED INFORMATION DATA ON CEMENT CREEK LEASING COMPANY ON OTTE PROPERTY IN SAN JUAN COUNTY, COLORADO.

1. Materials produced:

   (a) This is an exploration project in which we expect to open up a zinc-lead ore body of sufficient size and grade to make an producing zinc-lead mine and produce zinc and lead concentrates.

   (b) There are no by-products other than silver and some copper which are in the ores.

2. Name and Type of Mine:

   (a) This property has been known for many years as the Otte Mine and includes the following patented mining claims; ADELAIDE A which has two 150' adit tunnels and one 50' adit tunnel and a Discovery shaft of unknown depth; Gray Copper which has the original discovery cut of 50' length and an adit tunnel of 100'; TIMBER which has a discovery cut on it of some 50' in length and a cabin; PINE TREE which has a discovery cut of 50' in length; HENRY M. TELLER which has a short caved-in discovery cut and 125' of adit tunnel; GRAND VIEW which has a 15' discovery cut; GOLD POINT which has a discovery cut, 225' of adit tunnel and about 50' of drifting. These were all patented in October of 1928 and have U.S. Mineral Survey Number 20377 of the Pueblo Land District. The mine is not flooded as all of the adits are down-graded so as to drain out any water that may be collected in the mine.

3. Location:

   (a) This group of claims is located on the North Fork of Cement Creek about 10 miles from Silverton, Colorado, in the Eureka Mining District and more specifically described as in suspended Township 42N, R-7W N.M.P.M. in San Juan County, Colorado.

4. Property Operation:

   (a) The property is not now in operation nor has it been in operation other than exploration work for the past forty years.

   (b) The Cement Creek Leasing Company, Individually owned, was organized to operate this property as a lessee from the Otte Estate on a direct royalty basis and the agreement has been drawn up and agreed to by both parties.

5. Production:

   (a) There is no record of production from this property in the past but the present lesseee, the Cement Creek Leasing Company, has plans to open up the several tunnels, examine the property and do a limited amount of exploration work on the property to prove up its merits if such exist.

6. Management:

   (a) Mr. Henry P. Ehrlinger, a registered Mining & Metallurgical Eng-

who is President of the Lead Carbonate Mines, Inc.,; Vice President and General Manager of the Bonita Mining & Developing Co., Inc.; Vice President and Manager of the Colorado Gold King, Inc. all of Silverton, Colorado, who has been actively engaged in mining operations in this District since 1930 is to finance and manage the operations. He has had a great deal of experience in the District and is well advised on this particular area as all of the operations which are under his management are in this particular area.

7. History:

(a) From all of the information, data etc. that can be found this property has never had any production other than that from the exploration work done many years ago by Dick Otte which must have been done between 1900 and 1910. It is presumed that the factors of high zinc content of the ores and lack of finances was the cause of suspension and then the death of Dick Otte and the transfer to his estate which was composed of wheat farmers of Oklahoma caused the complete suspension of operations.

(b) This property is close to the Pride of Bonita and Queen Anne properties which have had a fair production record and is also adjacent to the Mogul property which had quite a production record some years ago.

(c) There are no available reports on the property. During World War II Mr. Curtis Johnson of Durango, Colorado wanted to do some exploration work on the property and placed a request for an access road with the USBM but it was entered so close to the end of the War that it was not processed in time for completeion and no work was done in openinf up of the portals or sampling of the property. The USBM ebgineers have knowledge of the property thru their general examination of the area but as all of the adit portals are caved in no examination of the workings was possible. The only data that we have had to go on was that of the examination of the dump materialwhich indicated that there had been some zinc-lead ores contacted in the workings.

8. Officers, Directors or Partners:

(a) Mr. Henry P. Ehrlinger, Box 186, Silverton, Colorado, is the only applicant and has, and will not, receive any compensation for his services in this exploration work other than engineering fees. His net worth as indicated by Bank Statements is over $ 100,000.00

9. Capital Stock Issues:

(a) There is no stock to be issued in this project.

10. Production:

(a) There has been no known production from this property as far as existing records indicate.

11. Change in Production Rate:

(a) If the preliminary exploration work indicates that a mine of commercial value exists a production rate of about 50 tons per working day will be instituted.

12. Ore, or Mineral Reserves:

(a) Since the applicant has been working properties in the adjacent area and has had an opportunity to study the geology and ore deposition of the area the only comments that can be made are of a general nature. The strong NE-SW veins of the area pass thru the area covered by these claims amd surface indications on the GRANDVIEW, HENRY M. TELLER and ADELAIDE A indicate that they are persistent thruout all three of these claims. The discovery cuts on these claims indicate that zinc-lead ores were encountered but as the development work was very limited there is no known measure of their width, lenghth or thickness. The only data that can be furnsihed at this time is that of a claim map.

(b) Assay Plans and tonnage estimates are not possible until the adit portal of the ADELAIDE A can be opened up and exploration work completed and of course minerals in reserve can not be evaluated until this preliminary work has been completed.

13. Access Roads:

(a) This property is located adjacent to the QUEEN ANNA road which was constructed by one of the Government Agencies to open up the Lake Como area for drilling by the USBM several years ago. There is an old road from the above mentioned road to the portal of the ADELAIDE A which will be rehabilitated by San Juan County when work is approved and this will only require about three or four days time to get it in first class shape. This road will be a gravel and rock road similar to all of the mountain access roads in the District.

14. Water Supply:

(a) North Fork of Cement Creek flows thru the center of this property and there is sufficient water in it for year-round operations of almost any size.

15. Power:

(a) Power requirements will be gasoline or diesel fuel for the exploratory operations and should the property prove to be of size to warrant it electric power can be obtained from the Gold King and Lead Carbonate power line at Gladstone which is about one mile from this property.

16. Labor:

(a) Two or three men will be used in the preliminary work of opening up the portal and sampling the mine and these are available in the area.

17. Equipment & Facilities:

(a) The only equipment and facilities on the property is an old log cabin but the tools, compressor etc., that will be used in this work will be supplied on a rental basis from the Lead Carbonate Mines, Inc. or by the operator.

In furnishing this data for application the applicant wants to stress the fact that this application is made for the express purpose of opening up and examining a likely looking property which lies in an area that is well mineralized and adjacent to operating properties that have had substantial production records. The applicant has had several years of operating experience in this particular area and has observed the geology quite closely as it relates to these properties outlined in this application.

While the amount of work to be done and the type of work is not know at this time the whole tenor of the application is for the purpose of opening up one, or more, of the adit tunnels, sampling of the veins and ascertaining if further work is justified.

The USBM and the USGS have had engineers in this area the past three or four years on drilling programs and general geological field work and altho no actual work was done on this particular property work has been done on the adjacent ones and from the information that has been made available there is a strong indication that ores of commercial grades and quantities may be found in this area.

The undersigned is willing to risk his capital to prove this up with the assistance of the Government on a 50-50 basis and if a discovery is made then the Government will be reimbursed in full and if we have not found anything after this work we will take our loss as one that is inherent with mining.

Henry P. Ehrlinger

HENRY P. EHRLINGER

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

None

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.

CEMENT CREEK LEASING COMPANY
(Name of company)

By Henry P. Ehrlinger
(Signature of authorized official)
HENRY P. EHRLINGER

MAY 10, 1951
(Date)

Owner
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

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

SCHEDULE OF COLLECTIONS

Schedule No. DMA-C-17

Sheet No. 1

(14-23-040)

Department of Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

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

Period September 1952 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
9/22/52	152966	Cashiers Check, First National Bank of Durango, Colorado	Refund of money paid under the Mineral Exploration Program, Contract No. I-DMA-E-66, Cement Creek Leasing Co.	91.70	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	91.70	

Received _____, subject to collection.

Forwarded September 22, 1952

_____
(Disbursing clerk or accountable officer)

By _____

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

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

Standard Form No. 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-13

GENERAL ACCOUNTING OFFICE PREAUDIT

Certified for payment in the sum of $_____

Comptroller General of the United States

By _____

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

Voucher prepared at Denver, Colorado 8/22/51
(Give place and date)

THE UNITED STATES, Dr.,

To Cement Creek Leasing Co.
(Payee)

Address Box 186
Silverton, Colorado

Payee's Account No. DMA 1180X

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms net % Discount Cash days	Quantity	Unit Price Cost	Unit Price Per	Amount Dollars	Amount Cts.
		Brought forward from continuation sheet(s)					
	July, 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				91.70	

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 91.70

(Payee must NOT use this space)

Differences _____

Account verified; correct for 91.70

(Signature or initials) _____

Contract No. I-DMA B 66 Date _____ Req. No. _____ Date _____ Invoice Rec'd 8/22/51

MEMORANDUM

AUG 22 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		91.70

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 _____

U. S. GOVERNMENT PRINTING OFFICE 16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

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

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

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

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

4. Without advertising in accordance with _____

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

_____

_____

_____

_____

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

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

16—22900-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF July, 1951

Name of operator Cement Creek Leasing Co.,
Project No. DMA 1180X, Contract Idm-E66
Total contract amount $ 4,850.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers	1	3	$ 20.00	$ 60.00
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	1	3		$ 60.00

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

FOR GOVERNMENT USE ONLY

Checked by Scott W Hagen Jr
Entered by
Approved by Scott W Hagen Jr
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF JULY 1951

Name of operator Cement Creek Leasing Co.,
Project No. DMA 1180X, Contract Idm-E66
Total contract amount $ 4850.00
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	60.00		123.40		183.40					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	60.00		123.40		183.40					

[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 Scott W Hazen
Entered by
Approved by Scott W Hazen J.F.S.
Remarks

N A R R A T I V E

Project DMA-1180X
Contract Idm-[illegible]
July 19, 1951

The following narrative report on work done on this project between the starting date, July 25, 1951 and the end of the month of July 1951, is submitted as follows:

Our Engineer, Mr. William J. Rundle, spent three days on the engineering work of locating the corners of the important claims that enter into this picture, ascertaining elevations of the two portals, and making an estimate of the work to be done by the muckers on a contract basis.

Since timbers will be required to retiber the portals and as the time for cutting timber for use this year is passing fast, we contracted with Mr. Paul Lucero, who is cutting timber for other operators in the District to cut 617 lineal feet of stull timber for us and leave it on a pile for us to pick it up when needed. The cost of labor and the timber for this small order was at the rate of $ 0.20 per lineal foot which is in line with what others are paying for this timber in the District.

Men have been engaged to muck out the portal of the Adelaide "A" claim commencing the first of the month on a days-pay basis as we were not able to get any contractors to bid on this work at what we thought was a reasonable cost.

HENRY P. [illegible]
Manager

[illegible] CREEK [illegible] COMPANY,
Box 180,
Silverton, Colorado,

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.

CEMENT CREEK LEASING CO.
(Name of Company)

By HENRY P. EHRLINGER JR.
(Signature of Authorized Official)

AUGUST 1, 1951
(Date)

Manager
(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 Cement Creek Leasing Co.
Project No. DMA 1180X, Contract Idm-E66
Total contract amount $ 4,850.00
Government participation percent 50%

Distribution of Expenditures for Month of July, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	60.00	0.00	60.00	60.00	--	60.00
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives						
Repair parts						
Other supplies (Timber)	123.40	0.00	123.40	123.40	--	123.40
Power						
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work						
Other (specify)						
Total	183.40	0.00	183.40	183.40	--	183.40
Totals previously reported	0.00	0.00	0.00	--	--	--
Totals to date	183.40	0.00	183.40	183.40	--	183.40

FOR GOVERNMENT USE ONLY

Checked by Scott W Hagerty
Entered by
Approved by Scott W Hagerty
Amount approved for payment One half of 183.40 = 91.70
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

FILE COPY
SURNAME:

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

500

NOV 17 1952

Mr. [illegible] King
Executive Officer, Depart[illegible]
[illegible]
2[illegible] [illegible] Building
Denver 2, [illegible]

Re: Henry [illegible] Ehrlinger, Contracts and Applications

Dear Mr. King:

According to our records, we had the following contracts with Henry [illegible] Ehrlinger of which all, with the exception of Contract DMA-[illegible], have been terminated:

		Date of Termination
DMA-2[illegible]	Contract [illegible], Admin[illegible] Uranium Mining [illegible] Development Co.	Nov. 30, 1951
DMA-43[illegible]	Contract No. DMA-[illegible] Lead Cash Mine Mines, Inc.	Not Terminated
DMA-47[illegible]	Contract No. DMA-[illegible] Uranium Mining [illegible] Development Co.	Oct. 31, 1951
DMA-11[illegible]	Contract No. DMA-[illegible] Agent Creek Mining [illegible]	Oct. 31, 1951

We would appreciate receiving a report on the present status of Contract No. DMA-[illegible], as we have received no progress reports since May, and your recommendations as to whether it should be terminated and a certificate of development issued.

The following applications of Henry [illegible] Ehrlinger have been held in abeyance pending his trial for fraud.

DMA-2[illegible] Uranium Mining and Development Co.
DMA-17[illegible] Colorado Gold Mine, Inc.

These applications are still in the active file. We believe that the dockets pertaining to these two applications should be closed and removed from the active file, but we would appreciate your recommendations before making such a step.

Sincerely yours,

Frank E. Johnson

Chairman, Operating Committee

S.H.
11-17-52

Approved:

J. H. Hedges
Member, Bureau of Mines

E. L. McKnight
Member, Geological Survey

HFKeller/bw
(written 11/13/52)
Copy to:
Docket (6)
Adm R. File
Op. Comm.
H. F. Keller (7)
Mr. Bishop
Mr. McKnight
Chron.

1180

500

224 New Customhouse
Denver 2, Colorado

October 30, 1952

Dma-1180

Memorandum

To: Paul Zinner, Chief of Minerals Branch, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Judgment and Order of Probation, Henry P. Ehrlinger

Enclosed for your information are two copies of Judgment and Order of Probation in the matter of Henry P. Ehrlinger, Defendant.

W. H. King

Enclosures (2)

COPY

Judgment and Order of Probation (Revised 2-17-49) Cr. Form No. 101-A

UNITED STATES DISTRICT COURT
FOR THE

DISTRICT OF COLORADO

United States of America

v. No. 13191

Henry P. Ehrlinger,
Defendant

On this 22 nd day of October, 1952, came the attorney for the government and the defendant appeared in person, and[1] by counsel

It Is Adjudged that the defendant has been convicted upon his plea of[2] guilty on 9/15/52

of the offense of making false statements in a matter within the jurisdiction of a Department or Agency of the U. S., 18 USC 1001

as charged in the indictment

and the court having asked the defendant whether he has anything to say why judgment should not be pronounced, and no sufficient cause to the contrary being shown or appearing to the court,

It Is Adjudged that the defendant is guilty as charged and convicted.

It Is Adjudged that the defendant pay to the United States of America a fine of Two Thousand Dollars ($2,000.00), and that he stand committed to a common jail until payment of said fine or until he is otherwise discharged as provided by law; and it is further ordered that the defendant be granted a stay of execution for a period of ten (10) days from October 22, 1952;

It is further adjudged that imposition of sentence is hereby suspended as to imprisonment, and the defendant is placed on probation for a period of three (3) years from and after this date on the indictment herein.

It is Further Ordered that during the period of probation the defendant shall conduct himself as a law-abiding, industrious citizen and observe such conditions of probation as the Court may prescribe. Otherwise the defendant may be brought before the court for a violation of the court's orders.

It is Further Ordered that the clerk deliver two certified copies of this judgment and order be delivered to the probation officer of this court, one of which shall be delivered to the defendant by the probation officer.

_____
United States District Judge.

_____
Clerk.

A True Copy Certified this_____day of _____,19____

(Signed)_____ (By)_____
Clerk. Deputy Clerk.

FILE COPY
SURNAME:
800

Chambers
Miller

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

Bmen 1180
Dmen 473
AUG 8 1952

Mr. J. H. East, Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Re: Exploration Project Contract Idm-E66
Cement Creek Leasing Company
and
Exploration Project Contract Idm-E38
Bonita Mining & Developing, Inc.

Dear Mr. East:

Reference is made to your communication of August 1, 1952, in which you state that Mr. Chambers indicated the desirability of depositing checks received from Henry P. Ehrlinger in the amounts of $91.70 and $256.75 on Contracts Idm-E66 and Idm-E38, respectively.

It is a regulation of the General Accounting Office and the Treasury Department that deposits should be made within twenty-four hours of their receipt. In the case, however, where checks are needed for evidence in a court trial the regulation is waived. It might be well for your own protection to have the U. S. District Attorney give you a written request to hold such checks, since some States have limitations on clearing checks of all kinds including cashiers' checks.

Sincerely yours,

8/8/52

G. O. Mittendorf (fw)

Acting Administrator

JIChambers/wb
August 7, 1952

Copy to: Docket File
Admr. Reading File
Administrator
Mr. Keller
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

August 1, 1952

Memorandum

To: C. O. Mittendorf

From: Regional Director, Region IV

Subject: Contract Idm-E66, Cement Creek Leasing Co.
Contract I-DMA-E38, Bonita Mining & Developing, Inc.

Mr. Jay L. Chambers indicated the desirability of the cashiers' checks drawn on the Guaranty Trust Company of New York secured from Henry P. Ehrlinger in the amounts of $91.70 and $256.75 on Contracts Idm-E66 and I-DMA-E38.

Mr. Christensen, Chief of the Administrative Division, discussed this matter with U. S. District Attorney Charles S. Vigil this morning, and the District Attorney advised against depositing these checks before the case of Mr. Ehrlinger is tried, as he wishes them to be held in the file and made available to him during the prosecution.

J. H. East, Jr.

Copy to: Director J. J. Forbes
Jay L. Chambers
W. H. King

File.
MK

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

August 1, 1952

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA

From: Regional Director, Region IV

Subject: Docket No. dma-1180X, Cement Creek Leasing Co., Exploration Contract Idm-E66 and
Docket No. DMA-473, Bonita Mining & Developing, Inc., Exploration Contract I-DMA-E38

Referring to your letter dated July 14, addressed to W. H. King, Executive Officer, regarding the two checks held in my office on Docket No. DMA-1180X and DMA-473: These two cashier checks are being held in this office for the pending trial for Mr. Henry P. Ehrlinger. It is my understanding that the District Attorney wishes the original of these checks for evidence. The schedule of collection requested in your letter will be forwarded you as soon as the checks are released by the District Attorney.

J. H. East, Jr.

FILE COPY
SURNAME:

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

Alley
Ladd
Chambers

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

JUL 14 1952

Re: Docket No. DMA-1180X
Cement Creek Leasing Company
Exploration Contract Idm-E66
and
Docket No. DMA-473
Bonita Mining & Developing, Inc.
Exploration Contract I-DMA-E38

Dear Mr. King:

Reference is made to Exploration Project Contract Idm-E66, Docket DMA-1180X, Cement Creek Leasing Company, which was rescinded by agreement between the operator and the Government on July 31, 1951.

Mr. Henry P. Ehrlinger, Manager of the Cement Creek Leasing Company, had erroneously submitted a Form MF-104 for the month of July which was paid in the amount of $91.70. At the request of the Government the company refunded this amount. Since this office has no copy of the Schedule of Collections covering this refund it will be appreciated if you will forward a copy in accordance with DMEA Circular No. 19, dated April 17, 1952.

In this connection, this office would like to receive, also, a copy of the Schedule of Collections covering the refund of $256.75 made by Bonita Mining and Developing, Inc., Docket No. DMA-473, Exploration Contract I-DMA-E38, which contract was terminated on October 31, 1951.

Sincerely yours,

(Signed) J. L. Chambers

7/14

Jay L. Chambers
Chief, Contract Administration
and Audit Division

AMAlley/ama
July 14, 1952

copy to: Admr. Reading File
Mails and Files
Mr. Chambers

FILE COPY
SURNAME:

Ellis
F. Johnson

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

NOV 5 1951

Mr. Henry P. Ehrlinger, Mgr.
Cement Creek Leasing Co.
Box 166
Silverton, Colorado

Re: Docket No. DMA-1180X
Exploration Project Contract
Idm-166
Rescinded October 31, 1951

Dear Mr. Ehrlinger:

Enclosed is your copy of the Agreement to Rescind the Exploration Project Contract between yourself and the Government of the United States.

Sincerely yours,

(signed) FRANK E. JOHNSON (fw)

Acting Director
Production Expansion Division

871115

Enclosure-1

EWEllis/jem
10-30-51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf, Olund
Mr. Ellis
Docket
Field Team, Reg. IV

FILE COPY
SURNAME:

400
FEJohnson

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

NOV 5 1951

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

Re: Docket No. DMA-1180X
Cement Creek Leasing Co.
Exploration Contract Idm-E66
Rescinded October 31, 1951

Dear Mr. East:

Enclosed for your files is a signed copy of the Agreement to Rescind Exploration Project Contract Idm-E66. A copy for the Regional Finance Officer will be forwarded through the Washington Finance Office.

Sincerely yours,

(signed) FRANK E. JOHNSON (fw)

Acting Director
Production Expansion Division

87 11/5

Enclosure-1
Typed 11/2/51
FEJohnson/fw
cc: Reports & Records
Admr. Reading File
Region IV
PED file
Mr. Ellis
Docket

FILE COPY
SURNAME:
Ellis
F. E. Johnson

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

NOV 5 1951

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

Re: Docket No. DMA-11[illegible]
Cement Creek Leasing Co.
Exploration Project Contract
Idm-166
Rescinded October 31, 1951

Gentlemen:

Enclosed is the original of an Agreement to Rescind the Exploration Project Contract between the operator named in the above reference and the Government of the United States.

Sincerely yours,

(signed) FRANK E. JOHNSON (fw)

Acting Director
Production Expansion Division

87 11/5

Enclosure-1

E.Ellis/jem
10-31-51

cc to: Adm. Reading File
Reports & Records
Region IV, (2)
Mr. Mittendorf, Olund
Mr. Ellis
Docket

FILE COPY
SURNAME:

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

400

NOV 2 [redacted]

Memorandum

TO: Chief, Finance Section

FROM: Acting Director,
Production Expansion Division

SUBJECT: Docket No. DMA-1180X
Cement Creek Leasing Co.
Exploration Contract Idm-E66
Rescinded October 31, 1951

Please forward to the Regional Finance Office the attached copy of the Agreement to Rescind Exploration Project Contract Idm-E66.

(signed) FRANK E. JOHNSON (fw)

FRANK E. JOHNSON
8 7 11 15

Attachment-1

FEJohnson/fw
Typed 11/2/51
cc: Reports & Records
Admr. Reading File
Region IV
PED
Mr. Ellis
Docket

FILE COPY
SURNAME:

Hofflund

140

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

October 26, 1951

a.e.e

Memorandum

To: Acting Administrator

From: General Counsel

Subject: DMA Contract Idm-E66 (Cement Creek Leasing Company)

Attached is the original and five copies of a proposed agreement to rescind the subject contract which has been executed by the operator and which is in order for execution by you.

Your files now contain documents indicating the reason for this action. After execution by you, copies should be distributed to all those holding copies of Contract Idm-E66.

J. L. Hofflund

J. L. Hofflund
General Counsel

gr. stripped in R. + P.

Attachment

CJKoontz/bjl

Copy to: Repts. & Records
J.L. Hofflund
C. J. Koontz
Chron.

OFFICE OF THE DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

October 2, 1951

Air Mail

Memorandum

To: Regional Director, Region IV, Denver

From: Director

Subject: Contract Idm-E 66, Cement Creek Leasing Company, Silverton, Colorado, dated July 19, 1951

Reference is made to your memorandum of September 25, regarding the termination of Contract No. Idm-E 66 with the Cement Creek Leasing Company.

A copy of your letter has been forwarded to Mr. Frank Johnson of the Loan Branch, Defense Minerals Administration, and no doubt he will advise you regarding closing out the contract.

The Cashier's Check No. 152966 drawn on the First National Bank of Durango and payable to the Treasurer of the United States, should be listed on Standard Form No. 1044-Revised (Schedule of Collections) and submitted to your regional disbursing officer. A specimen of this type of schedule of collections is attached for your information.

THOS. H. MILLER

Acting
Director

Attachment

Copy to: Mr. Frank Johnson, DMA, Room 4637 (with copy Mr. East's memo)

Termination agreement prepared by Reg'l Dir. and forwarded to Mr. East.
10/31/51

FILE COPY
SURNAME:

140

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

October 1, 1951

a.r.c.

Mr. J. F. Fast, Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver 2, Colorado

My dear Mr. Fast:

Reference is made to your memorandum of September 25 with regard to exploration project contract Idm-766 with the Cement Creek Leasing Company.

Enclosed is a form of agreement to rescind this contract which you are requested to present to the operator for execution. An original and five copies should be signed by the operator and returned to this office for execution on behalf of the Government.

The Finance Division will write you with regard to the disposition of the operator's check in the amount of $91.70.

Sincerely yours,

J. L. Hofflund

J. L. Hofflund
General Counsel

Enclosures 6
CJKoontz/bjl

Copy to: Repts. & Records
C. J. Koontz
J. L. Hofflund
C. O. Mittendorf
Budget & Finance Branch

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.
SEP 28 9 03 AM '51

OFFICE OF
REGIONAL DIRECTOR

REGION IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

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

September 26, 1951

Air Mail

Memorandum

To: C. O. Mittendorf

Dma - 1180

From: Regional Director, Region IV

Subject: Henry P. Ehrlinger

You have received a copy of my letter to the Director regarding Henry P. Ehrlinger and the Cement Creek Leasing Company, Contract Idm-E66. You will note that Mr. Ehrlinger has made restitution by a Cashier's check. I am now informed that he has been paid for work that was not done on the Emma-Oregon-Galena contract and that he is sending us a certified check for this case. You will receive full information regarding this later. ?

It is my understanding that he has two additional applications in your office that have not been processed. In view of his record with the Cement Creek Leasing Company and the Emma-Oregon-Galena contracts, it is my recommendation that we investigate thoroughly before granting any new exploration loans in which he would be connected.

J. H. East, Jr.

J. H. East, Jr.

Copy to: Director's Reading File
DMA File

OFFICIAL FILE COPY

To	Init.	Date
400	a EC	9-28
210		

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Files

OFFICE OF
REGIONAL DIRECTOR

REGION IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

September 25, 1951

Air Mail

Ans. 10/2/51

Memorandum

To: Dr. James Boyd

From: Regional Director, Region IV

Subject: Contract Idm-E66, Cement Creek Leasing Company, Silverton, Colorado, dated July 19, 1951

The Cement Creek Leasing Company by Henry P. Ehrlinger holds an exploration project, Contract Idm-E66, in the amount of $4,850., of which the Government's participation is $2,425. The property is located near Silverton, Colorado.

Mr. Ehrlinger, who signed himself manager, submitted Form MF-104 for payment August 1 in the amount of $183.40. A voucher was approved for payment for the Government's portion of this sum in the amount of $91.70.

Scott Hasen on September 7 contacted Mr. Ehrlinger at Silverton and was shown a copy of Form MF-104 which he submitted to the Colorado Branch for payment for the month of August. Scott Hasen accompanied by R. R. McLellan made an examination of the property checking on the work done as evidenced by Form MF-104. The engineers found that no work had been done. Apparently Mr. Ehrlinger certified his Form MF-104 without checking to see that the work had actually been done or he did not expect the engineers to inspect the work performed. Mr. Ehrlinger cashed the Government check.

On September 20, Mr. Ehrlinger forwarded us a Cashier's check in the amount of $91.70 drawn to the order of the Treasurer of United States. The check was issued by the First National Bank of Durango and it is Number 152966.

Mr. Ehrlinger in his letter dated September 20 states:

> "We wish to close out this Contract and as we stated in our original application we would reimburse the Government for any and all contributions made for this work. Since we do not intend to carry this on any further we are tendering our check in the sum of $91.70 for the funds that have been contributed by the Government on this project."

SEP 28 9 21 AM '51
DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.

Noted
J.M.B.
9/29/51.

Will you kindly advise us regarding the closing out of this contract and the disposition of the check for $91.70 and what steps should be taken in this matter.

We are holding the check and the complete file on this matter pending further instructions.

J. H. Eastman

J. H. East, Jr.

JHEast:fhm

Copy to: Administrator, Defense Minerals Administration
J. L. Hofflund, Washington, D. C.
P. T. Allaman, Denver, Colo.
W. M. Traver, Jr., Denver Federal Center
DMA Files

SWH/dd

Building 20, Denver Federal Center

W. M. Traver, Jr. August 15, 1951

Scott W. Hanna, Jr.

DMA-1180X, Contract Idm-E66, Cement Creek Leasing Company, Otto Properties, Progress Report, Form MF-104.

Mr. R. C. Dorsey and myself contacted Mr. Kirlinger, operator of the Otto property, and were informed that actual work did not begin on reopening the tunnels until August 1. The work accomplished during July and shown on the work report submitted by the applicant consisted of survey work re-establishing corners on the claims involved in the contract and cutting timber for use on the tunnel rehabilitation. The timber was seen in the field where it was cut. Accordingly, the progress report submitted for July 1951 is approved for payment as submitted.

Scott W. Hanna, Jr.,
Mining Engineer

cc 4
PTAllsman
DMA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

FILE COPY
Surname:

Ellis
Olund
Mittendorf
Stuffed 7/23
BGA

JUL 26 1951

My dear Congressman Aspinall:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with the Cement Creek Leasing Company, operating in your state for the exploration of possible sources of zinc and lead.

The contract provides that the Government will participate in the expense of this work up to 50% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

(sgd) R. D. Searles

Acting Secretary of the Interior

Honorable Wayne N. Aspinall
House of Representatives
Washington 25, D. C.

(Same letter also sent to Senators Hon Edwin C. Johnson and Hon Eugene D. Millikin)
EWEllis/GMcC
cc: Files
Secretary's Reading File
Administrator's Reading File
Reports & Records - DMA
Messrs. Mittendorf-Olund - DMA
Mr. Ellis - DMA

FILE COPY
SURNAME:

Ellis
Olund
Mittendorf

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

July 20, 1951

Mr. Frank McAtee, Jr.
Contract Service Section
General Accounting Office
4th Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA-1180X
Exploration Project Contract
Idm-266
Cement Creek Leasing Company
Box 186
Silverton, Colorado

Dear Mr. McAtee:

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

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

JPF. 7/23

Enclosure

EWEllis/GMcC
cc: Files
Admin. Reading File
Reports and Records
Messrs. Mittendorf-Olund
Lyon
Billings
J. H. East, Jr., Region IV
E. W. Ellis

FILE COPY
SURNAME:

Mittendorf

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

a. E. C.

July 20, 1951

Mr. J. H. East, Jr.
Executive Officer, Region IV
Defense Minerals Administration
221 New Customhouse Building
Denver 2, Colorado

Re: Docket DMA-1180X
Cement Creek Leasing Co.
Silverton, Colorado

Dear Mr. East:

Enclosed for the use of your office is a copy of the contract covering the subject exploration project, which has been signed for the Cement Creek Leasing Company and for the Defense Minerals Administration.

A copy for the Regional Finance Officer will be forwarded directly by the Washington Finance Division, together with accounting instructions.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

JB 7/23

Enclosure-1

COMittendorf/fw

cc to: Admr. Reading File
Mr. Lyon
Mr. Billings
Field Team, Reg.IV
Miss Terry, Wash. Finance Of.
Mr. Mittendorf, Mr. Olund
Mr. Ellis
FILES

FILE COPY
SURNAME:

Ellis
Olund
Mittendorf

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

July 20, 1951

AIR MAIL

Mr. Henry P. Ehrlinger, Manager
Cement Creek Leasing Company
Box 186
Silverton, Colorado

Re: Docket No. DMA-1180X

Dear Mr. Ehrlinger:

Enclosed find executed Exploration Contract No. Idm-266, dated July 19, 1951, with attached exhibits and map; also a set of monthly progress reports (MF-104). This report is to be submitted monthly in quadruplicate to the DMA field representative in your area where additional copies may be obtained.

Any questions appertaining to this project should be referred to Mr. J. H. East, Jr., Executive Officer, DMA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado. Please notify Mr. East when you begin work on this project.

A press release dated May 14, 1951 on "Questions and Answers on the Minerals Program" is also enclosed for your information.

Sincerely yours,

7/23

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures

EWEllis/GMcC
cc: Files
Messrs. Mittendorf-Olund
Lyon
Billings
Ellis
J. H. East, Jr. Region IV
Miss Terry
Reports and Records
Contract Service Sec. GAO
Field Finance Sec.

FILE COPY
SURNAME:

Koontz

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

July 17, 1951

Memorandum

Confidential

To: Chief, Production Expansion Division

From: General Counsel

Subject: Cement Creek Leasing Company--Docket No. DMA-1180X

This office has reviewed the proposed contract in the above case and finds it to be in satisfactory form for execution and dating.

Your file in this case is returned.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

~~JLHof~~
C. J. Koontz/em
Copy to: L. F. Strobel
C. J. Koontz
J. L. Hofflund
Files
chron.

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

224 New Customhouse
Denver 2, Colorado

July 6, 1951

Memorandum

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

From: Executive Officer, DMA Field Team, Region IV

Subject: Exploration Project Contract, DMA Docket 1180X,
Cement Creek Leasing Company, San Juan County, Colorado

Attached hereto in sextuplicate are signed Exploration Project Contract DMA 1180X, with the necessary exhibits.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 12 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

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

June 21, 1951

Mr. Henry P. Ehrlinger, Mgr.
Cement Creek Leasing Company
Box 186
Silverton, Colorado

Re: Docket No. DMA-1180X

Dear Mr. Ehrlinger:

We have been endeavoring to process your application for Exploration Project aid at the Otte Mine in Eureka Mining District, San Juan County, Colorado. Certain exhibits, such as a map where the work is to be done, as required in the Exploration Project Contract (Form MF-200), are lacking. Therefore, in order to save time, we are enclosing six of each of the following forms:

MF-200 - Exploration Project Contract
MF-202 - Landlord's Subordination Agreement

All forms must be submitted in six (6) completed copies and returned to this office for processing. If properly filled out and accepted, the date (first line of the Exploration Project Contract) will be inserted in this office and then be submitted to the Administrator of Defense Minerals Administration for his signature. Your copy will be returned to you. Kindly note that the Exploration Project Contract is not to be retyped. It is to be filled out as is and signed. However, if there is not sufficient room in the space allotted for Item 2, operator's property rights, you may attach a printed paragraph over such space.

In addition to filling out the enclosed forms we wish to especially draw to your attention the following:

(a) Attach a claim map to each Contract showing the location of the proposed exploratory work.

(b) Be sure to attach Exhibits A, B, C, D and E mentioned in Form MF-200, to each of the six copies of said form. Exhibit A should include a breakdown of the proposed expenditures.

If you have need of assistance in complying with the requirements of these forms, it is suggested you contact:

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

Properly filled out forms and exhibits will materially aid in expediting the work.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures (12)

EWEllis/ecl

cc to: Messrs. Mittendorf - Olund
Strobel
Lyon
Herres
J. H. East, Jr.
Ellis
F I L E S

FILE COPY
SURNAME:

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

June 8, 1951

Memorandum - concerning Item 22 of Form MP-103, Application for Aid for an Exploration Project (DPA 1950).

Re: Docket DMA-1180X

Subject: General geologic basis for exploration covering DMA Docket No. 1180X, Cement Creek Leasing Co.

Reference is made to a memorandum of May 4, 1951, covering the following DMA dockets: DMA-22, Pride of Bonita; DMA-280, Minnehaha; DMA-434, Lead Carbonate; and DMA-487, Silver Bay Mines, Inc.

This former memorandum covers all the general geologic features that apply to DMA-1180X, a series of mining properties lying at the north end of the Bonita fault zone. This fault was described and illustrated on figures 1 and 2 of the former memorandum. The location of the Adelaide A, Henry M. Teller, and Grand View claims is shown on the attached copy of a generalized and reduced-scale geologic map (attached to memo accompanying Docket DMA-1279). According to the applicant, the work proposed in this application will be done on the Adelaide A and Henry M. Teller claims, on which are located adit tunnels near the canyon floor. The vein on the Adelaide A is fairly well exposed, but that of the Teller and Grand View is pretty much concealed by slide rock. The dumps show lead-zinc ore typical of this area.

In view of the relation of these veins to the footwall of the Bonita fault zone, as explained in the previous memorandum, the veins are thought to be favorable situated geologically for exploration. The course of the veins is shown approximately in red on the attached map. It is believed that the proposed opening of the tunnels and sampling of the veins at a cost of $4,850.00, 50% Government participation, is therefore justified.

This property and the surrounding country was mapped geologically on a scale of 1 inch to 1000 feet by the undersigned during the summer of 1950.

W. S. Burbank
Geologist GS

Memo to
Chief, Production
Expansion Division

Al Brokaw for
J. McKnight
Herres
Note

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-1180

Commodity Zinc-lead-copper

Total Amount $4,850.00

Govt. Participation 50%

1. Name and Address of Applicant Cement Creek Leasing Company, Box 186, Silverton, Colorado

2. Location of Property Otte property, Sections 9, 15 and 16, T. 42 N., R. 7 W., N.M.P.M., Silverton, San Juan County, Colorado.

3. Mineral or metal Zinc-lead-copper. 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 Good (see attached report by W.S. Burbank of the U.S. Geological Survey).

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? Yes

Does the lease have sufficient time to run to cover a future productive period? Yes

*Question numbers are those of MF-103

7. Are subordination agreements necessary? Yes.

a) MF-201?

✓ b) MF-202 Required.

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, ample.
(question 14 plus general knowledge of availability)

c) Accessibility (question 12) County Highway from Silverton, Colo.; 10 miles.

d) Water (question 13) Ample supply for all purposes.

e) Power (question 13) Gasoline or diesel power. Electric power at Gold King 1 mile away.

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? (No) (geologic map of area attached to W.S. Burbank's report accompanying Docket DMA-12791)

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? No 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? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft. General repairs to Cabin for Shelter and Storage.

c) Is a field check needed? No

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

a) Is it applicable? Yes

b) Sufficient data? No. If so, attach a draft. Not detailed. Amount involved small.

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

14. Exhibit E (question 23-c)

a) Is it applicable? Yes

b) Sufficient data? Yes

c) Reasonable? Yes

d) Field check needed? No

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 questions?

Reviewed by: Erwin J. Lyons, U.S.G.S.
G. A. Apell, USBM

Date 6/8/51

FILE COPY
SURNAME:

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

May 23, 1951

Mr. Henry P. Ehrlinger
Cement Creek Leasing Company
Box 186
Silverton, Colorado

Subject: DMA-1180X
Re: Exploration Loan -
Otte Property

My dear Mr. Ehrlinger:

Receipt is acknowledged of your application and attachments of May 10, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1180X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on May 17, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1180X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:mab
cc: Strobel
File
H erres
Lyon