Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED OCT 2 1961		
DATE	INITIALS	CODE
		800

September 27, 1961

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: Docket No. EMRA 1702X (Uranium)
Contract No. Idm-861
Cherokee Mines
(Copper King mine)
Larimer County, Colorado
FINAL INSPECTION

The final inspection on the captioned property was made September 27, 1961. The property was found to have been abandoned and all of the surface plant has been removed. There is no evidence of stockpiled ore on the surface.

Mr. T. H. Sackett, President of Cherokee Mines was contacted in Fort Collins. He informed me that the Cherokee Mines Corporation is about to be dissolved. There has been no production on this property since the date of the first Royalty Audit Certificate which was dated September 13, 1955.

Our royalty card checks with the AEC production records and I believe that the Government has received the proper amount of royalty due on this contract.

The new address of Mr. T. H. Sackett, President of Cherokee Mines is 716 Cherokee Drive, Fort Collins, Colorado.

Original signed by

Hugh M. Conners

For Certificate of Deposit No. 49, dated October 18, 1955, giving royalty repayment of $28.83, see E-39.

ROYALTY
AUDIT REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED

SEP 1 6 1955

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of Uraninite ore for the period July 16, 1951 to August 30, 1955, by

Cherokee Mines
(T. H. Sackett, President and Manager)
231 South Grant Street
Fort Collins, Colorado

produced from the Blackhawk No. 1, Mining Lode in the Prairie Divide Mining District, Larimer County, approximately 45 miles northwest of Fort Collins, Colorado, under the terms of Contract Idm-561, Docket No. DMA-1702X.

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

The audit established the total net sales of Uraninite ore for the period to be $27,613.54, including all applicable bonuses, premiums and allowances. Royalty due the United States Government at the contract rate of 5% is $1,380.68. The royalty paid and balance due are as follows:

Total Royalties Due	$1,380.68
Total Royalties Received	1,351.85
Balance Due	$ 28.83

Donald T. Finch

Donald T. Finch, Auditor.

September 13, 1955

FIRST ROYALTY AUDIT REPORT

I INTRODUCTION

On August 30, 1955, an audit of royalty payments received, covering the period July 16, 1951 to August 30, 1955 was made of the production records and ore sales accounts pertaining to Contract Idm-E61, Docket DMA-1702X with the

Cherokee Mines
(T. H. Sackett, President and Manager)
231 South Grant Street
Fort Collins, Colorado

produced from the Blackhawk No. 1 Mining Lode in the Prairie Divide Mining District, Larimer County, approximately 45 miles northwest of Fort Collins, Colorado.

The Operator's records of production and sales were examined at the office of Mr. W. H. Cram, Secretary at 122 South College Avenue, Fort Collins, Colorado. Mr. Cram was consulted during the course of the audit and his cooperation facilitated the work.

II GENERAL INFORMATION

The Operator is a common law trust. The trust agreement is filed at the Court House, Larimer County, Colorado, under File No. 640746.

The exploration contract is dated July 16, 1951, and as amended, provided for total exploration costs of $24,000.00, with participation by the Government of $21,600.00. A final audit report by T. H. Brading, DMEA Auditor, dated December 15, 1952, reflects accepted costs of $23,612.41 and participation by the Government of $21,251.~~69~~ 17.

A Certificate of Discovery was issued on February 18, 1953.

Mining operations ceased in July, 1953, and the last reported sale of ore was to Colorado Plateau Uranium Ore Project operated by the American Smelting and Refining Company at Martindale, Utah, as evidenced by Liquidation Settlement No. 4165, dated August 3, 1953.

Copies of all but one settlement sheet had been furnished the Executive Officer, DMEA Field Team, Region III.

The Operator's production and sales records are informal and consist of memorandum work sheets and copies of liquidation settlement sheets issued by purchasers of ore.

Semi-annual inspections of the property have been made by U.S.B.M. Engineers since completion of the exploration operations.

Considerable pre-audit analysis was performed by the Auditor at the DMEA office, Denver, Colorado.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to determining the accuracy and propriety of royalty payments received by the Finance Officer, which were applicable to production and sales of ores during the period July 16, 1951 through August 30, 1955, and a determination that all indicated sales or ores subject to repayment royalties under the Exploration Contract and Amendments, for which settlement sheets have been released, have been properly accounted for.

The extent of the Audit and Findings follow:

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

In lieu of a conference with the Examining Engineer, a review was made of Engineer's Semi-annual Reports and of the "Check Sheet of Examining Engineer." In addition the matter was discussed with the Executive Officer, DMEA Field Team, Region III.

This review disclosed that the Operator did not stockpile ores subject to DMEA royalties and did not commingle production subject to DMEA royalties with exempt production. Assay controls were in accordance with AEC provisions and are considered adequate. Production was sold to AEC authorized ore buyers. Audit data was reconciled with the data reported in the Engineer's Semi-annual Report for period ending December 31, 1954, with the exception of the first shipment by the Operator, consisting of 5.229 dry tons of hand-sorted ore which was received by the Vitro Chemical Company of Salt Lake City, Utah, on December 18, 1951. This exception will be discussed in greater detail later in this report.

B. Audit of Settlement Statements

During the audit itemized statements of production, sales and royalties were prepared from copies of ore settlement sheets. A condensed summary of these statements follows: -

A.E.C. LICENSE NO. P-1026	SALES TO VITRO CHEMICAL COMPANY 12/28/51 to 5/14/53	SALES TO A. S. & R. CO. 7/24/53 to 8/3/53	TOTAL
Wet Weight, Pounds	883,530	420,640	1,304,170
Dry Weight, Pounds	849,388	405,256	1,254,644
Dry Weight, Tons	424.694	202.628	627.322
Settlement Assays			
U_3O_8 (Average)	.3243	.2305	.2940
V_2O_5	Trace	-	Trace
Cu	Trace	-	Trace
Pounds U_3O_8	2,754.44	934.08	3,688.52
Base Payment U_3O_8	$9,640.54	$3,147.13	$12,787.67
Development Allowance @ 50¢	$1,377.23	$ 467.03	$ 1,844.26
Premiums U_3O_8			
Excess of 4 lbs. per Ton			
Pounds U_3O_8	1,055.65	161.73	1,217.38
Amount @ 75¢	$791.74	$121.30	$913.04
Excess of 10 lbs. per Ton			
Pounds U_3O_8	22.02	-	22.02
Amount @ 25¢	$5.49	-	$5.49
Haulage Allowance			
Per Wet Ton (Average)	$5.39	$1.50	$4.13
Wet Tons	441.765	210.320	652.085
Amount	$2,380.59	$315.49	$2,696.08
Freight Charges Deducted	$3,426.26	-	$3,426.26
Pounds V_2O_5	6.27	-	6.27
Amount V_2O_5 @ 31¢	$1.93	-	$1.93
Pounds of Cu	15.059	-	15.059
Amount Cu @ 24.2¢	$3.66	-	$3.66
Total Receiving Station Payment	$10,774.92	$4,050.95	$14,825.87
A.E.C. Production Bonus	$ 9,640.54	$3,147.13	$12,787.67
Total Value Subject to DMEA Royalty	$20,415.46	$7,198.08	$27,613.54
Average Value Per Ton	$ 48.07	$ 35.52	$ 44.02
DMEA Royalty Percentage	5%	5%	5%
DMEA Royalty Due	$ 1,020.78	$ 359.90	$ 1,380.68
DMEA Royalty Received			1,351.85
Balance DMEA Royalty Due			$ 28.83

The itemized detail of royalty due is filed as part of the audit working papers.

Discussion of the foregoing data and the degree of confirmation follows:

Gross Weight - (1,304,170 lbs.; 652.085 tons)

Gross weight represents the total weight shown on the ore settlement sheet. During the audit all weights were converted to tons for use in recomputing haulage allowances.

Dry Weight - (1,254,644 lbs.; 627.322 Tons)

All moisture percentages, as determined by the assay for each lot of ore, were applied during the audit to the total wet weights in pounds to determine the dry weight in pounds. All dry weights in pounds were converted during the audit to dry tons for use in determining the value per ton and the applicable percentage of DMEA royalty.

Settlement Assays U_3O_8

The settlement assays as shown on the condensed summary in this report are on an average basis. Only one shipment of ore reflected any commercial assays of Vanadium and Copper.

Pounds of U_3O_8; V_2O_5 and Cu

These items represent the total pounds of each compound as shown on each settlement sheet. These quantities were determined by applying the applicable assay grade to the dry pounds of ore. All computations for each lot and all totals for the period July 16, 1951 through August 30, 1955, were recomputed during the audit.

Payments for U_3O_8; V_2O_5 and Cu

All payments for U_3O_8 and V_2O_5 were in accordance with prices as established by A.E.C. Payment for copper was 24.2¢ per lb.

All extensions for the above payments during the period July 16, 1951 through August 30, 1955, were recomputed during the audit.

Development Allowance

Development allowance was at the A.E.C. prescribed rate of 50¢ per lb. of U_3O_8. All computations of development allowances for the period under review were recomputed during the audit.

Premiums

Excess of 4 lbs. U_3O_8 per ton

Payments for this premium were at the A.E.C. prescribed rate of 75¢ per excess pound. All computations involved in the payments of this premium for the period July 16, 1951 through August 30, 1955, were recomputed during the audit.

Excess of 10 lbs. U_3O_8 per ton

There was only one small lot which was of sufficiently high grade to secure this premium. All computations involved in determining the amount of this class of premium were recomputed during the audit.

Haulage Allowance

Haulage allowance paid by the purchasers was on the basis of wet ton miles. These allowances ranged from $1.50 to $6.00 per wet ton. There was one liquidation settlement with Vitro Chemical Company which did not show any haulage allowance or freight charges. Inquiry of Mr. Cram, Secretary for the Operator indicated this lot was sold on an F.O.B. the mine basis. All computations for haulage allowance for the period July 16, 1951 through August 30, 1955, were recomputed during the audit.

Freight Charges Paid and Deducted by the Purchaser

Settlement sheets for the Operator's lots 2 through 9 reflected deductions for freight charges paid and deducted by the Vitro Chemical Company of Salt Lake City, Utah. The total of these freight charges, which are allowable deductions, was compiled during the audit. These freight charges totaled $3,426.26 and were necessary because the production was "Off Plateau."

Total Receiving Station Payments

The computation of all total receiving station payments during the period July 16, 1951 through August 30, 1955, was confirmed during the audit.

Production Bonus

Production bonus totalling $12,787.67 applicable to all sales of ores for the period July 16, 1951 through August 30, 1955 were computed in accordance with A.E.C. regulations during the audit. The Operator had not reported $259.88 of production bonus applicable to Vitro Chemical Company's Liquidation Settlement No. 97 dated December 18, 1951. See additional comments on this item under Section C, "Audit of Operator's Records," and also Exhibit I of this report.

Total Value Subject to DMEA Royalty

The total value of ore sales subject to DMEA royalty during the period under review was confirmed during the audit.

DMEA Royalties Due

DMEA royalty due for the period July 16, 1951 through August 30, 1955, is at the rate of 5% of total value of production sold of $27,613.54, or $1,380.68.

DMEA Royalties Received

On August 29, 1955, the Auditor confirmed that the DMEA Finance Officer's records reflected royalties received for this contract of $1,351.85.

Balance of DMEA Royalties Due

Analysis of the balance of DMEA royalties due is as follows:

Royalty due on Liquidation Settlement Number 97 of Vitro Chemical Company dated December 28, 1951	$32.00
Less: Overpayment of royalties due on Operator's Lots 1 through 13	3.17
Balance of DMEA Royalties Due	$28.83

C. Audit of Operator's Records

At the beginning of the on-site audit Mr. Cram, Secretary of the Operator, produced a liquidation settlement sheet which he stated had not been reported to the Executive Officer, DMEA Field Team, Region III. He further stated he was under the impression this statement represented one truckload of hand-sorted ore that was produced before the effective date of the contract.

Examination of the liquidation sheet showed it was dated December 28, 1951, and that the ore was received by the Vitro Chemical Company on December 18, 1951. When Mr. Cram realized the dating of the liquidation, he stated that he agreed that apparently DMEA was entitled to royalty on the shipment but that Mr. Sackett, President of the Operator, would know definitely. He then advised that Mr. Sackett was out of town. Mr. Cram was advised the audit report would include the production as being subject to royalty. The matter was discussed with the Executive Officer of the DMEA Field Team, Region III, who concurred with the auditor that this production was subject to DMEA royalty.

The operator had only one copy of the liquidation statement, and so the data on the statement is summarized as Exhibit I attached to this report. The Operator did not submit any summary statements of other production, but the Operator's copies of liquidation sheets were checked in detail to the Auditor's working papers which had been prepared from copies of liquidation settlement sheets on file with the Executive Officer, DMEA Field Team, Region III.

D. Reconciliation of Production with A.E.C. Records

Correspondence by the Auditor with the Operations Office of the Atomic Energy Commission confirmed that sales of U_3O_8 during the period under review totalled 3,688.52 lbs. It also confirmed that on August 29, 1955, the available balance of U_3O_8 eligible for production bonus amounted to (10,000 lbs. - 3,688.52 lbs.) 6,311.48 lbs. All of the foregoing data agrees with the audit compilations.

IV CONCLUSIONS

The audit has confirmed the accuracy and propriety of the royalty payments received by the Finance Officer, which are applicable to ore sales during the period July 16, 1951 through August 30, 1955, except as otherwise noted in the preceding section of this report. It has also determined that all indicated sales of ores during the subject period, with the exception of Liquidation Settlement Sheet No. 97 of Vitro Chemical Company, have been properly accounted for.

Donald T. Finch

September 13, 1955

Donald T. Finch, Auditor

EXHIBIT I

SUMMARY OF VITRO CHEMICAL COMPANY LIQUIDATION SETTLEMENT SHEET NO. 97

A.E.C. LICENSE NO. R-1026

Cherokee Mines, Contract Idm-E61

Date of Settlement Sheet:		December 28, 1951
Date Ore Received		December 18, 1951
Wet Weight, Pounds		10,690 lbs.
Dry Weight, Pounds		10,458 lbs.
Dry Weight, Tons		5.229 Tons
Settlement Assay:		
U_3O_8		.71
V_2O_5		.06
Cu 1.36 Less 1% Co		.36
Pounds U_3O_8		74.25
Base Payment U_3O_8		$259.88
Development Allowance		$ 37.13
Premiums:		
Excess 4 lbs. per Ton	$40.00	
Excess 10 " " "	5.49	$ 45.49
Payment V_2O_5		$ 1.93
Payment Cu		$ 3.66
Haulage Allowance		$ 32.07
Total Receiving Station Payment		$380.16
Add: A.E.C. Bonus Computed by Auditor		259.88
Total Value Subject to DMEA Royalty		$640.04
DMEA Royalty Due @ 5%		$ 32.00

Check Sheet of Examining Engineer

Operator's Name Cherokee Mines

Address 231 South Grant

Fort Collins, Colorado

RECEIVED SEP 16 1955

Exploration Contract No. Idm-E61 Docket No. DMA-1702

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

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

Date 9/13/55

R. L. Bolmer
Mining Engineer

82448

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

RECEIVED
SEP 16 1955

224 New Customhouse
Denver 2, Colorado

September 13, 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Royalty Audit - Cherokee Mines
Contract Idm-E61, Docket No. DMA-1702X

Dear Mr. Talbert:

Enclosed are three copies of audit certificate and two copies of first royalty audit report for the subject company.

For your information the following excerpt from the "Semi-annual Report of Certified Project" for the period ended December 31, 1954, is reproduced below:

> "Remarks: Production from the discovery began upon the completion of the exploration project and was continuous until July, 1953, at which time the Operator considered the deposit depleted and suspended all operations. The property since has been leased to the Prairie Divide Mining Company for the express purpose of operating a radon gas health mine."

Sincerely yours,

Donald T. Finch

Donald T. Finch, Auditor

Encls.

SEP 19 1955

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

Re: Contract No. Idm-261
Docket No. DMA-1702X
Cherokee Mines

Dear Mr. Finch:

The First Royalty Audit Certificate and Report covering the referenced project is acceptable and distribution is authorized after effecting the following corrections:

(1) In the first paragraph of both the Certificate and the Report change the address to 231 South Grant Street; and

(2) In the fourth paragraph of the Report change Government participation to $21,251.17.

These changes have been made in the Washington copies.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/ama
September 19, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

For Schedule of Collections No. DMA-C-52, dated November 10, 1953, giving royalty repayment of $569.00, see E-4.

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

Original to Docket

22½ New Customhouse
Denver 2, Colorado

November 6, 1953

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty - Contract Idm-E61 (Uranium), Docket No. DMEA 1702X, Cherokee Mines

We have received a check in the amount of $569.00 from the Cherokee Mines in payment of royalty on bonuses received to date. The amount of bonus payments received by the Operator is $12,527.79. The royalty due is 5% of this amount or $626.38. The operator had overpaid this office in the amount of $57.38. The check in the amount of $569.00 is for the difference between the royalty due and the amount of overpayment.

We have checked these figures and have found them to be correct. We are enclosing a copy of the transmittal letter from the operator.

W. H. King

W. H. King

Enclosure

COPY

Cherokee Mines
122 So. College Avenue
Fort Collins, Colorado
October 27, 1953

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

Re: Docket #DMEA-1702X
Contract Idm-E61

Gentlemen:

We have your letter of September 21, 1953 regarding the DMEA Royalities. According to our records we have received $12,527.79 in bonuses and at 5% the amount due is $626.38. From this we have deducted the amount of $57.38 which we had overpaid. Thus we are enclosing our check in the amount of $569.00.

Very truly yours,

Cherokee Mines

By: (Signed) Wilford F. Evans
Secretary

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

224 New Customhouse
Denver 2, Colorado

October 20, 1953

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty Payments

Reference is made to your letter dated October 14, 1953, regarding a discrepancy of $35.03 pertaining to your cumulative totals as of September 30, 1953, and the cumulative totals reported by the Bureau of Mines. This discrepancy is in payments made by the Cherokee Mines, Contract Idm-E61, Docket DMEA 1702. We received check No. 3226 in the amount of $35.03 from Vitro Chemical Company in payment of royalty on Cherokee Mines, Lot 10. The Atomic Energy Commission disputed the validity of this payment and requested payment in full from Vitro Chemical Company. The company accordingly paid the Atomic Energy Commission for the full amount of the shipment.

We later received royalty from the operator covering shipment of Lot 10 as represented by a settlement sheet from the Colorado Plateau Uranium Ore Project, American Smelting and Refining Company, Ore Purchasing Agent for the United States Atomic Energy Commission. We then reimbursed Vitro Chemical Company in the amount of $35.03. We are enclosing a copy of a letter dated July 10, 1953, from Harold E. Haight, Office Manager, Vitro Chemical Company, which will help to explain this situation.

Regarding the copies of schedules of collections covering royalty payments being sent to the Budget and Finance Branch, Bureau of Mines, we have referred this matter to our Fiscal Office.

John F. Shaw
John F. Shaw for
W. H. King

Enclosure

VITRO CHEMICAL COMPANY
600 West 33rd South
Salt Lake City 15, Utah

July 10, 1953

Mr. W. H: King
Executive Officer DMEA
224 New Customhouse
Denver, Colorado

Dear Mr. King:

On June 10 we sent you our check No. 3226 for $35.05 which represented royalty portion of Cherokee Mines Lot 10. At the same time we issued our check No. 3225 for $665.48 to the Atomic Energy Commission at Grand Junction, Colorado, to complete payment for the ore. However, July 6 our check No. 3225 was returned to us by Mr. K. L. Burson, Acting Director Finance Division, U. S. Atomic Energy Commission, who informed us that we should not make royalty deductions as we were buying the ore directly from the A.E.C.

We will, therefore, appreciate your eigher returning our check No. 3226 or reimbursing us by the same amount, inasmuch as we have today issued our check No. 3383 for the full amount of $700.51 to the A.E.C. at Grand Junction.

Yours very truly,

VITRO CHEMICAL COMPANY

/s/ Harold D. Haight

Harold D. Haight
Office Manager

HDH:MD

cc- Mr. K. L. Burson

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

SCHEDULE OF COLLECTIONS

Schedule No. ~~DMA-R4-C-23~~

Sheet No. 1

(14-23-040)

Department of the Interior (Department or Establishment) — Defense Minerals Exploration Administration (Bureau or Office)

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

Period September, 1953 (Month or quarter ended) D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
9/21/53		Cherokee Mines, Check No. 523 drawn on The First National Bank in Ft. Collins, Fort Collins, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-E61, Cherokee Mines	$38.22	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	$38.22	

Received ....., subject to collection. Forwarded September 22, 1953

(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

E-61

For Schedule of Collections No. DMA-R4-C-17, dated August 24, 1953, giving royalty repayment of $53.59, see E-6.

For Schedule of Collections No. DMA-54-C-4, dated July 8, 1953, giving royalty repayment of $35.03, see E-33.

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

DMA

Schedule No. 53-C-71

SCHEDULE OF COLLECTIONS

Sheet No. 1

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 June, 1953 (Month or quarter ended) D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
5/29/53		Vitro Chemical Company Check No. 3057, drawn on Walker Bank & Trust Company, Salt Lake City Utah.	Repayment under the Mineral Exploration Program, Contract No. Idm-E61 Cherokee Mines	$56.67	14X4401 Revolving Fund Defense Production Act, Interior
5/29/53		Combined Metals Reduction Company, Check No. D-1874, drawn on Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, ~~XXXXXXXX~~ Contract No. Idm-E4 Chief Consolidated Mining Company	739.71	" " "
5/29/53		Combined Metals Reduction Company, Check No. D-1907, drawn on Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. Idm-E4 Chief Consolidated Mining Company.	171.31	" " "
5/29/53		American Smelting & Refining Co., (El Paso Smelting Works) Check No. 29966, drawn on The State National Bank El Paso, Texas	Repayment under the Mineral Exploration Program, Contract No. Idm-E345, Ira L. Moseley	18.88	" " "
5/29/53		American Smelting & Refining Co. (El Paso Smelting Works) Check No. 29985drawn on The State National Bank El Paso, Texas	Repayment under the Mineral Exploration Program, Contract No. Idm-E345 Ira L. Moseley	14.25	" " "
			Total,	1000.82	

Received ....., subject to collection. Forwarded June 2, 1953

(Disbursing clerk or accountable officer)

By .....

By Naomi E. Stokes (Name)

Title Naomi E. Stokes
Authorized Certifying Officer

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

U. S. GOVERNMENT PRINTING OFFICE 10—1790

For Schedule of Collections No. DMA-53-C-61, dated May 5, 1953, giving royalty repayment of $78.54, see E-6.

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

SCHEDULE OF COLLECTIONS

Schedule No. DMA-53-C-51

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 April, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
4/1/53		Vitro Chemical Company, Check No. 2811 drawn on the Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-61, Cherokee Mines	79.42	14X4401 Revolving Fund Defense Production Act, Inte rior
4/1/53		Vitro Chemical Company Check No. 2812 drawn on the Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-61, Cherokee Mines	55.96	"
4/1/53		Combined Metals Reduction Co., Check No. D 992 drawn on the Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-4, Chief Consolidated Mining Co.	165.94	"
4/1/53		East Ridge Company, Check No. 265 drawn on the Farmers & Merchants National Bank of Los Angeles, Los Angeles, California	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-39, East Ridge Company	39.80	"
4/1/53		The Shenandoah-Dives Mining Company, Check No. 23815 drawn on the First National Bank, Durango, Colorado	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-29, U. S. Metals Corp.	54.41	"
			Total,	395.53	

Received ....., subject to collection. Forwarded April 2, 1953

(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. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-53-C-46

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 March 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
3/9/53		Vitro Chemical Company, Salt Lake City, Utah Check # 2610 drawn on Walker Bank & Trust Co. Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-61, Cherokee Mines	63.73	14X4401 Revolving Fund Defense Production Act, Interior
3/9/53		Vitro Chemical Company Salt Lake City, Utah Check # 2609 drawn on Walker Bank & Trust Co. Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-61, Cherokee Mines	111.41	"
3/9/53		United States Smelting Refining and Mining Company, Salt Lake City, Utah, Check # 93633 drawn on Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E-340, United Mining Development Co.	20.71	"
			Total,	195.85	

Received C.E. Evans, subject to collection. Forwarded March 10, 1953

RDO.
(Disbursing clerk or accountable officer)

By Naomi E. Stokes (Name)

By

Title Authorized Certifying Off

Certificate of Deposit No. 1482 dated 3/11/53

U. S. GOVERNMENT PRINTING OFFICE 10—1790

For Schedule of Collections No. DMA-C-41, dated January 28, 1953, giving royalty repayment of $84.09 and $6767, see E-6.

For Schedule of Collections DMA-C-26, dated October 28, 1952, giving royalty repayment of $93.55, see E-54.

FINAL
AUDIT REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

AUDIT CERTIFICATE

I have examined the records and transactions of:

Cherokee Mines Company
Fort Collins, Colorado

pertaining to Exploration Project Contract No. I-DMA-E61, Docket No. 1702X for the period of September 1, 1951 to August 31, 1952.

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

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

Total Cost as billed by Contractor		$24,115.79
Exceptions per audit report	$245.93	
Liquidation Settlement	277.77	
	$523.70	
Less Reinstatements	20.32	503.38
Total Accepted Cost		$23,612.41

The contract calls for a 90 percent participation of exploration by the United States Government. Therefore, payment to the contractor in the amount of Twenty one Thousand, two hundred fifty-one dollars and 17/100

-$21,251.17-

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

December 15, 1952

T. H. Brading
Auditor

I. INTRODUCTION

On December 8 and 9, a final audit (covering the period of September 1, 1951 to August 31, 1952) was made of the records and accounts of operations pertaining to Contract I-DMA-E61, Docket No. DMA 1702X with the:

Cherokee Mines Co.
Fort Collins, Colorado

covering a project of exploration for uranium. The following listed amendments to the contract were approved by Executive Officer, Region IV:

Number	Date	Effective
#1	9-24-51	7-16-51
#2	11-9-51	Not shown, therefore effective 11-9-51
#3	2-5-52	1-16-52
#4	2-25-52	7-16-51
#5	3-11-52	7-16-51
#6	4-22-52	3-8-52
#7	7-22-52	7-1-52
#8	9-16-52	8-22-52

The accounting records under this contract are located in the office of the secretary of the company, 128 So. College Avenue, Ft. Collins, Colorado, and the mine is located about 45 miles north and west of Ft. Collins, the Prairie Divide Mine District, Laramie County, Colorado.

During the course of the audit, the follow ng officers of the company were consulted as required:

Mr. T. H. Sackett, President & Manager
Mr. W. H. Cram, Secretary

II. GENERAL INFORMATION ON RECORDS

The accounting records of the company consisted of a ledger in which disbursements and payroll were maintained in memorandum form, invoices which were segregated by months in envelopes, cancelled checks together with check stubs, and a time book showing hours worked by individual miners. The records were not in good contition. The Monthly MF-104 reports were prepared from the memorandum information in the ledger. Therefore, audit involved in general, a check of invoices, and payroll against the records maintained. All costs, except for accruals for taxes, compensation insurance etc., were recorded on a cash basis.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher for the month of August, 1952. The extent of the audit and findings under each of the "Items of Cost" follow:

1. Independent Contracts:

   Not applicable to this contract.

2. Labor and Supervision:

All charges under this item were verified by checking Monthly totals as maintained under "Payroll Section" of the ledger. In order to verify the labor time, rates and charges on a test basis, the labor costs for the months of September through December 1951, and July and August 1952, were checked from "Foreman's Daily Time Book,"

through the bi-weekly payroll record in the memo ledger, totals computated and inspection of cancelled checks made. The audit disclosed that the operator had made errors in carrying totals forward several times, with the result an understatement of $1.11 was eventually made on the charge for labor. This amount is reinstated and the total charge of $14,023.78 is properly chargeable and allowable under the terms of the contract.

General supervision in the amount of $2,700.00 represents the amount paid to the President and General Manager for part-time services, and is a proper and allowable charge under the terms of the contract.

3. Operating Material and Supplies:

All charges under subject category were verified by examination of vendors' invoices for propriety of items charged, spot check of checks in payment of these invoices was made and totals traced to proper memorandum accounts each month. The Finance Officer made a disallowance of $1.00 representing overcharge on an invoice for lumber. During the audit, a disallowance of $10.20 was made for the same reason, or a total of $11.20 disallowed.

A total charge of $1,141.00 was made for gasoline used in engines at the mine. Claim for refund of taxes charged was filed with the State and a refund in the amount of $215.52 received. Accordingly, this amount is disallowed. Charges for Miscellaneous Supplies were found to consist of the cost of small tools, drill steel, oil for compressors and engines and miscellaneous hardware, nails, etc. The totals properly allowable and chargeable under the terms of the contract, giving effect to disallowances as outlined hereinbefore under this category were:

Timber	$ 506.85
Explosives	641.57
Pipe	13.62
Gasoline	925.48
Miscellaneous Supplies	1358.98
	$3446.50

4. Operating Equipment (Rental)

All charges for rental of operating equipment were checked to the records in the ledger at the rates specified in the contract. No record of usage was maintained; however, the time as charged was in line with that authorized in the contract.

Amounts as shown on the MF-104 for rental of operating equipment are as follows:

Hoist-$124.80 per month-11 months+	$1468.81*
Jack Hammer $45.90 per month -7 months	317.70**
Total	$1786.51

*Fractional charge made for first month
**No charge for sales tax made first four months

Both these items were on a lease rental basis as follows:

Vulcan Single Drum Hoist		$2120.00
2/3 of rent to apply on purchase price:		
Payments to date	$1468.81	
Less: Insurance & Sales Tax	55.81	
Net Rent	$1413.00	
2/3 of Rent		942.00
Balance		$1178.00

Considering the fact that the hoist mentioned above was a reconditioned hoist when purchased, and has had hard usage for a year, it is the opinion of the examining engineer that the recoverable value would very probably not be in excess and possibly less than the balance due. Therefore, any Government equity in the hoist should be waived. Mr. W. H. King, Executive Officer, concurs in this opinion.

Joy L-47 Rock Drill		$427.50
90% of rent to apply on purchase price.		
Total Payments to Date	$317.70	
Less Sales Tax	2.70	
Net Rent Paid	$315.00	
90% of $315.00		283.50
Balance Paid By Company		$144.00

The company has elected to complete the payment on this piece of equipment. Therefore, the Government has an equity of 90% of $283.50 or $255.15 in the equipment which cost $427.50, or 59.68%.

Bids were received as follows:

		59.68%
Harry L. Sinclair	$145.00	$86.54
Gurwell Anderson	147.50	88.03

Cherokee Mines bid $109.75 for the Government's 90% equity. Inasmuch as the bid from the company was high, it was accepted. The amount of $121.94 or 100% of the Government equity is deducted from the rental paid and the costs properly chargeable to the project are:

Hoist		$1468.81
Jack Hammer		
	$317.70	
Less Bid	$121.94	195.76
		$1664.57

Invoices and cancelled checks covering purchases of operating equipment were examined. Purchase of the pump was authorized by Amendment No. 1 and purchase of the blower by Amendment No. 7. The purchase price of this equipment is shown below:

Gardener Denver Pump	$187.00
Buffalo Blower, Engine	251.19
Total	$438.19

Bids on this equipment were as follows:

Description	Cost	Sinclair Co.	Gurwell Anderson	Cherokee Mines
G. D. Pump	$187.00	$ 28.50	$ 25.00	$ 30.83
Blower	251.19	120.00	125.00	125.00
Total	$438.19	$148.50	$150.00	$155.83

As the bid received from the company was high, it was accepted.

The costs properly chargeable to the project as disclosed by the audit were:

Description	Cost	Liquidation Allowance	Net
G. D. Pump	$187.00	$30.83	$156.17
Blower	251.19	125.00	126.19
	$438.19	$155.83	$282.36

7. Miscellaneous

Repairs to Equipment

The allocation of these charges were:

Hoist	$135.33
Pump	49.64
Drill	33.92
Compressor	52.20
	$271.09

Invoices covering charges were examined and test check of cancelled checks was made. The charges shown above are considered to be allowable and proper under the contract.

All charges for payroll taxes and workmen's compensation insurance were checked by computation at the rates shown by the company's files to be in effect. These rates were:

F.I.C.A.----------1.5%
Workmen's Compensation Insurance--2.95%

The Finance Officer had disallowed $19.21 for F.I.C.A. for the month of July because of improper documentation. Since the charge was legitimate, it was reinstated during the audit.

Salary for bookkeeper in the amount of $50.00 per month effective the date of the contract, was approved by Amendment No. 4.

IV. CONCLUSIONS AND RECOMMENDATIONS

The audit has disclosed that all costs, as charged to this project, with the exceptions of the disallowances itemized under item (3) Operating Material and Supplies, and liquidation allowances under item (4) Operating Equipment, of the preceding sections of this report, are reasonable and proper under the terms of the contract and amendments numbered one to eight. The adjustments between "Items of Costs" as shown on the August MF-104, recommended disallowances, reinstatements, liquidation settlements, and approved amounts are summarized as follows:

	Totals MF-104 8/1952	Corrections	Disallowances	Liquidation	Reinstatements	Allowed by Audit
(2) Labor & Supervision:						
Labor	$14022.67	$14022.67			$ 1.11	$14023.78
Supervision	2700.00	2700.00				2700.00
(3) Operating Mat. & Supplies:						
Timber	518.05	518.05	$ 11.20			506.85
Explosives	641.57	641.57				641.57
Pipe	13.62	13.62				13.62
Gasoline	1141.00	1141.00	215.52			925.48
Miscl. Supp.	1358.98	1358.98				1358.98
(4) Operating Equip.						
Rental	1728.00	1786.51		121.94		1664.57
Purchase	425.36	438.19		155.83		282.36
(7) Miscellaneous:						
Repairs to Equipment	271.09	271.09				271.09
Payroll Taxes	211.64	210.41	19.21		19.21	210.41
Workmen's Comp. Ins.	412.47	413.70				413.70
Tax-Hoist Jack Hammer	71.34	----				
(8) Bookkeeping	600.00	600.00				600.00
	$24115.79	$24115.79	$245.93	$277.77	$20.32	$23612.41

At the conclusion of the audit, the findings were discussed with the secretary, Mr. W. H. Cram.

T. H. Brading, Auditor

December 15, 1952

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 2702 X Contract No. I-DMA E 61
Operator's Name Cherokee Mines Minerals Uranium
Address 122 So. College Ave. Fort Collins, Colo.
Contract Amount, $ Government Participation: 50% Amount, $ 24,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1089.60	12933.07	14022.67			
Supervision	225.00	2475.00	2700.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	90.45	427.60	518.05			
Explosives	53.04	588.53	641.57			
Pipe		13.62	13.62			
Track	648 51 uc		1141 00 uc	uc		
Gasoline	~~715.06~~	492.49	~~1207.55~~			
Misc Supplies	7.51	1351.47	1358.98			
(4) Operating Equipment:						
Rental	165.00	1563.00	1728.00			
Purchase		425.36	425.36			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	20.78	250.31	271.09			
Sampling and Analysis						
Payroll Taxes FICA	16.35	195.29	211.64			
Liability Insurance WC	32.00	380.47	412.47			
Helst. J. Mar Tax	5.70	65.64	71.34			
Bookkeeping	50.00	550.00	600.00			
(8) Contingencies (specify):						
				2,403.94	21,711.85	24,115.79
	2403 94 uc		24115 29	uc -483.17		*-483.17
TOTALS	~~2470.49~~	21711.85	~~24182.34~~		** -20.21	**-20.21
				1,920.77	21,691.64	23,612.41

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

Date Sept 5, 1952 Payee Cherokee Mines

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1728.70

Signature [signature]
(Authorized Certifying Officer)

Date 1/22/53 Voucher No. DMA 53-84
(See other side)

** Previous Disallowance
(Instructions on reverse)

* Total disallowances per DMEA Auditor 503.49
Reinstated " " " 20.32
483.17

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-61 in accordance with the terms of the contract.

Signature R. P. Bolmer Title Mining Engineer Date Sept. 11, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date JAN 20 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195[illegible] Docket No. DMEA [illegible] Contract No. I-[illegible]
Operator's Name Cerrosco [illegible] Minerals Uranium
Address 1[illegible] So. College Ave. Fort Collins, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
[illegible]	[illegible]	[illegible]	10	[illegible]	[illegible]	[illegible]	110	none
Drifting	[illegible]	[illegible]	10	[illegible]	[illegible]	[illegible]	[illegible]	none
Crosscutting	[illegible]			[illegible]	[illegible]	[illegible]		none
Raising	ft			1[illegible]02.15	[illegible]	15.05		none
Shafts	[illegible]			[illegible].02	2	1[illegible].51		none
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	ft			[illegible]				
Equipment rehabilitation								
TOTAL DISTRIBUTED COSTS		[illegible]						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				[illegible]				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				2415.79				
TOTAL COSTS		[illegible]						

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

Date [illegible]ember [illegible], 195[illegible] Operator Cerrosco [illegible]

Per [signature] Title Secretary

REMARKS: The resolution [illegible] that [illegible] 's share in the amount of [illegible].51 has been allocated to each operation as it was actually used.

Drifting	[illegible].27
Raising	31.20
Shafts	[illegible].1
Equipment	[illegible].43

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

January 21, 1953

Progress
Report - August 1952
Final

Cherokee Mines
231 So. Grant Street
Fort Collins, Colorado

	2,403.94
	483.17
	1,920.77

Audit disallowances	$225.72	
Liquidation (Property Equity)	277.77	
	503.49	
Reinstated	20.32	
		$483.17

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

Very sincerely yours,

R. W. Stokes
Vice President

R-W-S & P Form No. 4

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

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

New Customhouse
Denver 2, Colorado

January 22, 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Final Form MF-104, DMA Docket 1702X, Contract Idm-861, (Uranium) Cherokee Mines, Larimer County, Colorado

Enclosed are two copies of the Operator's Final Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of August, 1952 pertaining to DMA Docket 1702X, Contract Idm-861, Cherokee Mines. Also enclosed are the Operator's bid in the disposal of jointly owned property purchased under the contract, and Government's acceptance of the bid.

Forms were processed for payment in conformance with the final Audit Report by the Contract Administrative and Audit Division dated December 15, 1952.

Copies of Engineer's Final Report, Geologists's Final Report, and Operator's Final Report will be transmitted at a later date after all have been submitted.

W. H. King
W. H. King

Enclosures

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

[illegible] Customhouse
Denver 2, Colorado

January 20, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 1708X, Contract Idm-261, (Uranium) Cherokee Mines, Larimer County, Colorado - Operator's Monthly Progress Report for the period of August, 1952

Enclosed are the original and four copies of Form MF-104 and 104A, Narrative Report, and Engineer's Report for the above period. In addition, there is attached to each MF-104 Report a copy of the Operator's bid in the settlement of the Government's equity in jointly owned property, and a copy of the Government's acceptance of the Operator's bid.

This report constitutes the final payment under the contract in accordance with the Final Audit Certificate and Report by the Contract Administration and Audit Division dated December 15, 1952.

Payment is recommended as follows:

Amount Claimed this Report -		$2,403.94
Audit Reinstatement of prior disallowances -		20.32
Adjusted Total -		$2,424.26
Audit disallowances ($245.93 less $20.21 deducted in July) -	$225.72	
Liquidations (Property equities) -	277.77	
		$503.49
Readjusted Total -		$1,920.77
Less 10%		192.07
Payment 90% Government Participation -		$1,728.70
Total payments authorized by the Audit Certificate -		$21,251.17
Total prior payments -		19,522.47
Balance Due -		$ 1,728.70

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

W. H. King
W. H. King

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

224 New Customhouse
Denver 2, Colorado

November 7, 1952

Mr. T. N. Sackett, President
Cherokee Mines, Inc.
231 South Grant St.
Fort Collins, Colorado

Re: Docket DMA-1702X
Contract I-DMA-261

Dear Mr. Sackett:

Consistant with the authority delegated this office, under Order No. 2684 from the Office of the Secretary, Department of the Interior, we hereby accept your bid, dated October 28, 1952, in the amount of $250.00 for the Government's equity in equipment purchased under Contract I-DMA-261.

Reimbursement to the Government will be effected by deducting the amount from amounts due you as the final payment for work performed under the DMA Contract.

Very truly yours,

John F. Shaw

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

Cherokee Mines
122 So. College Ave.
Fort Collins, Colo.
October 28, 1952

Mr. W. H. King
Executive Officer DMEA Field Team
Region IV 224 New Custom House
Denver, 2, Colo.

Re: Equipment purchased
Contract # I-DMA E61

Dear Mr. King:

We are enclosing bids requested by your office on the equipment which was purchased under the above mentioned contract. We have also figured what we consider your equity in this equipment based on these bids and on the amount paid by your office.

1- Joy Model L-47 rock drill. High bid from Gurwell Anderson Co. $147.50. Your office paid 8 out of 9½ payments or 82.67% of the cost. Then you paid 90% of this figure or a net per cent of 74.41% so we figure your equity is 74.41% of the highest bid. This figure would be $109.75.

1- Gardner-Denver Boiler feed pump. High bid $28.50 by Harry L. (Hardrock) Sinclair Co. Since you paid 90% of this cost your equity would be 90% of $28.50 or $25.65.

1-Buffalo #22 volumn fan with one Model COM-IB7 Oman Air Cooled Gasoline engine. High bid $125.00 by Gurwell-Anderson. Since you paid 90% of the cost your equity would be 90% of $225.00 or $112.50.

We figure the total of these equities to be $248.15. We would like to bid $250.00 for your equity in this equipment. If this offer is accepted by your office we send your our check in this amount or if you wish you may deduct this figure from our final payment.

We feel that the amount we offer is in line. If you do not agree on these figures will you please notify us so that we can discuss any differences.

Very truly yours,

Cherokee Mines

By: Wilferd F. Evans

C
O
P
Y

THE GURWELL ANDERSON CO.

Loveland Box 216

In Account With

Cheroke Mines

We bid $125.00 on the Blower you have for sale. And $25.00 for the boiler Feed Pump.

The Gurwell Anderson Co.

By Merle Anderson

C
O
P
Y

THE GURWELL ANDERSON CO.

Loveland Box 216

In Account With

Cherooke Park Mines

We the Gurwell Anderson Co. Bid $147.50 for the Jack Hammer that you have for sale.

By Merle Anderson Partner

[illegible] STREET

PHONE TAbor 7[illegible]

HARRY L. (HARDROCK) SINCLAIR COMPANY

DESIGNER, BUILDER AND LESSOR OF

AIR COMPRESSOR ASSEMBLIES AND MINING APPLIANCES

DENVER 5, COLORADO

October 21, 1952

Cherokee Mines,
c/o Mr. T. M. Sackett, President,
231 South Grant St.,
Fort Collins, Colorado.

Gentlemen:

Agreeable with your request we wish to submit our bid on various pieces of machinery you have for sale.

1 - Gardner-Denver boiler feed pump - 3"- - - -$28.50

1 - Joy model L-47 rock drill - - - - - - - - - $145.00

1 - Buffalo #22 volumn Fan with one Model
COM-157 Omen Air Cooled Gasoline engine - $120.00

Assuring you that we appreciate this opportunity of biding on this equipment, we remain

Yours very truly,

HARRY L. (HARDROCK) SINCLAIR CO.

By_____
F. Vanmatter - Manager

FV/rf

RE~~GIONAL DIRECTOR~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

~~241 NEW CUSTOMHOUSE~~
~~DENVER 2, COLORADO~~

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
September 26, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMA 1702X, Contract I-DMA-E61 (Uranium), Cherokee Mines, Inc., Larimer County, Colorado - Progress report for August 1952

Please find enclosed five copies of the above progress report, forms MF-104 (revised) and MF-104A, with required documentation, and seven copies of R. L. Palmer's memorandum covering inspection of the underground progress and accounts.

The contractor states he carried a transit survey down the shaft to the various levels. We should be provided with resulting maps.

The total lease has been exhausted and, in my opinion, a discovery can be certified. It is recommended that reports by the participating agencies and the contractor be prepared, the accounts adjusted, and the project terminated.

Disallowance of $115.79 as overage on the contract is correct and deducted from the total $2,403.94 claimed by the contractor leaves $2,288.15. Payment of $2,059.33, or 90 percent of the balance, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/hew

cc 6
AHKoschmann
E61
DMA 1702X

RE[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

[redacted]
[redacted]

Room 137, Building 20
Denver Federal Center
Denver 14, Colorado
September 26, 1952

Memorandum

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

From: R. L. Balmer

Subject: DMA 1702X, Contract I-DMA-861 (Uranium), Cherokee Mines, Inc., Larimer County, Colorado - Progress report for August 1952

Progress under the subject contract was inspected September 4, 1952, with W. M. Traver, Jr., and the Atomic Energy Commission project geologist, L. E. Smith. During August, the 135-foot sublevel was advanced easterly a total of 18 feet to a point 28 feet east of the raise. Two narrow fissures were followed in this section of the drift. About 20 feet from the raise, the fissures penetrate a lense of massive pyrite containing biotite and minor amounts of lead, zinc, and copper minerals. The fissure paralleling the north wall of the drift contains radioactive material over a section 20 to 25 feet from the raise. Beyond here, this structure apparently passes outside the drift into the north rib. The drilling of several holes into the north wall in an attempt to determine the extent of radioactivity easterly along this structure was suggested to the crew.

The fissure along the south rib of the sublevel is barren of radioactivity. The sulfide minerals diminish about 23 feet from the raise. The south fissure passes through the sulfide lense but remains barren. On the date of inspection, the breast at 33 feet from the raise exposed the south fissure but showed no radioactivity.

A drill hole into the south wall of the sublevel about 7 feet from the raise indicated radioactive material at an 8-foot depth. A 10-foot crosscut was driven in August to investigate this showing.

The raise was timbered this period and a manway and a small storage pocket were established. A chute was built below the raise on the 150-foot level. An air slusher also was installed on the sublevel during August.

The work performed this period is in conformance with the contract and is as reported on form MF-104A. A charge of $648.51 for gasoline and motor oil used between February 1 and July 17, 1952, is claimed this period. On the form MF-104A, this amount has not been included in the "costs this month" column but has been prorated to the various operations under "costs to date".

The supply and service charges claimed this period are considered necessary and do not appear excessive. The costs claimed are documented properly and individually are approved. The costs claimed this period, however, will increase the costs approved previously to $24,115.79, or $115.79 in excess of the $2,400.00 limit on the project set by the contract. Only $2,288.15 of the claim this period can be approved. Payment of 90 percent of the approved total, or $2,059.33, is recommended.

R. L. McLellan
for

R. L. Balmer
Mining Engineer

RLB/bam

cc 6
AHKoschmann
E61
DMA 1702X

August Report of Progress 1952 Cherokee Mines
Docket 1702 LDM E61. Fort Collins, Colo.

In accordance plans approved by the various Bureau of Mines and USGS geologists as being the best preceedure for exploring the ore possibilities of our mine we proceeded to drift eastward on the structure on the 135 feet level in the sub-level which was started during July. One round was shot directly ahead and then as an eight foot test hole drilled to the right showed very strong radio activity at about seven feet we drove two rounds in that direction. We found a very good lead which appeared would intersect the main drift in a few rounds. The test hole refered to is shown in the accompanying sketch at"c" andthe vein found is shown at "D".

We then returned to the other drift and drove two more rounds, each of which showed some spots which indicated on the counter. By this time the mucking problem was beginning to need attention. We placed timbers in the raise and built a plank dividing wall to provide an ore bin and a ladderway. We then shot out a space on the west side of the raise to make room to place our scraper hoist. Some very high grade ore was taken out of this space. The hoist was then installed and drifting was resumed.

It then became apparent that we would have to provide better ventilation in the sub-level and we drilled a hole from the hoist space thru the pillar to the main shaft. This solved our problem and we began drifting on ahead.

Each of the last two rounds have shown increasing numbers of active areas and we feel that before long we will be in some very good ore. The face of the drift at present shows at least four seams of uranium bearing material. The seam on the extreme left side of the drift is very strong.

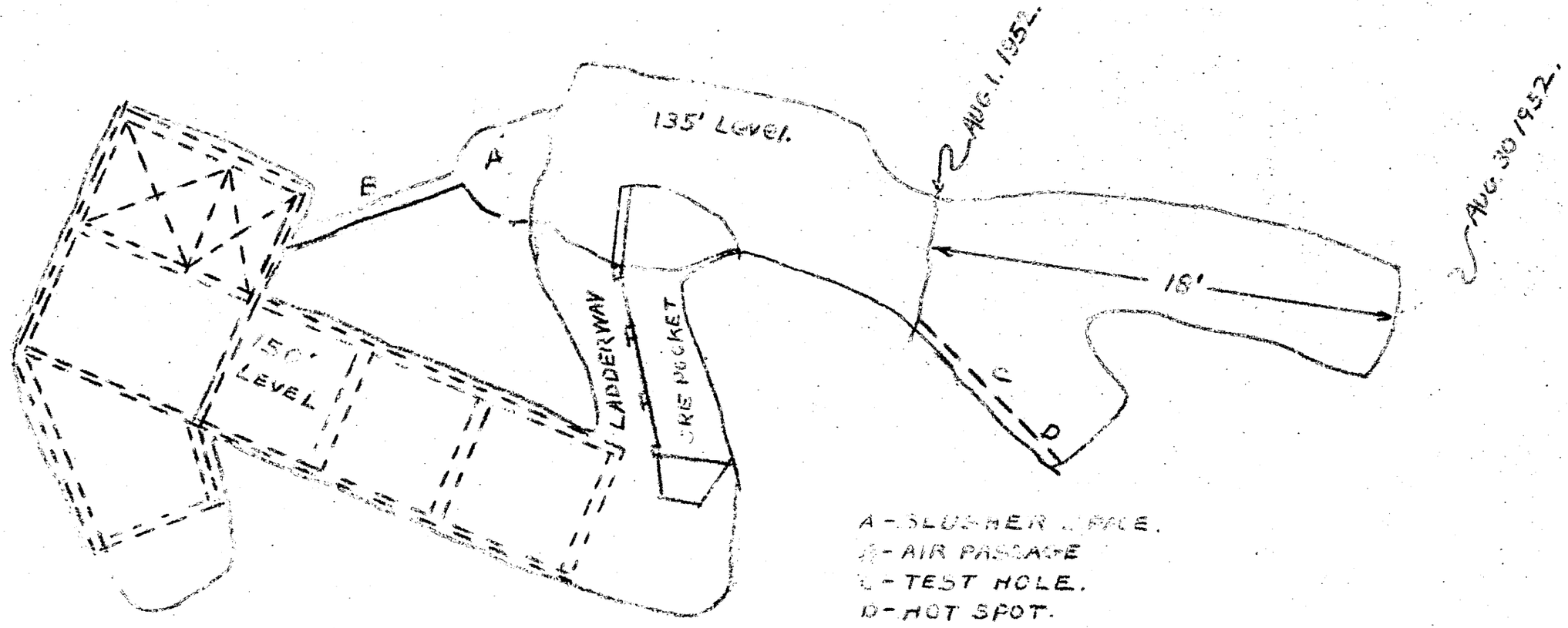
The ground is standing up very good and no timber is necessary and the slusher installation is working well. It is apparent that conditions are now favorable for faster advancement and we should make a great deal more showing than has been possible heretofore.

In addition to the above developements the USGS has started a core drilling program which is now well under way. It is our hope that this core drilling program will disclose to us the location of our ore bearing areas and thereby facilitate our search for ore. Had this program been started several months sooner it might have eliminated some of the trial and error work we have had to do in the past month or more.

During August I made a careful transit survey of the developement on the 150 and 135 feet levels and the accompanying sketch shows the position of the various points shown in their proper relative positions. The strike of the structure now shows to be in the same direction and almost vertically below the structure as it was found on the 60 foot level.

T H Sackett

T. H. Sackett, Pres. & Mgr.
Cherokee Mines
231 S. Grant St.
Fort Collins, Colo.



135' LEVEL BLACK HAWK MINE (COPPER KING) AUG 30 1952.

Cherokee Mines August 1952

Date	Invoice	Amount	(2) Labor Supervision	(3) OM&S	(4) Oper Equipment	(7) Misc
8-31	August Payroll	1089 60	1089.60			
8-31	T.H. Sackett	225 00	225 00			
8-31	Wilford Cram	50 00				50 00 Bookkeep
8-31	FICA	16 35				16 35 Emp Share
8-9	K.L.Sinclair	124 80			120 00 Rent	4 80 Ins Tax
8-17	Constructors Equip Co.	45 90			45 00 Rent	90 Tax
8-18	Warren Riddell	53 04		53 04 Explosives		
7-31	Hendrie Bolthoff	14 28				14 28 repair P.
8-9	Hendrie Bolthoff	6 50				6 50 repair P
8-18	Michaels Osborn	7 51		7 51 Other	~~XXXXXXXX~~	
8-19	J.W.Fitzgerald	90 45		90 45 Timber	~~XXXXXXXXX~~	
8-14	Red's Place	~~715 06~~ 648 51 vr.		~~715 06~~ 648 51 vr Gasoline	~~XXXXXXXXXXX~~	
8-31	Workmens Comp	32 00				32 00 @ 295
		~~2470 49~~ 2403 94 vr		~~866 06~~ 799 51 vr	165 00	124 83

By: Wilford Cram
Secretary

Cherokee Mines Payroll August 1952

Name	Class	1-2	4 -9	11-16	Reg	over time	Rate R.T.	Rate O.T.	Total	Fica	W.Tax	Net
L. Gueswel	Miner	88*	888888*	888888*								
		18-23	23-30									
		888888	888888*		168	40	1.75	2.625	399.00	5.99	36.20	356.81
F. Gueswel	Miner	88*	888888*	888888*								
		888888*	888888*	888888*	168	40	1.75	2.625	399.00	5.99	36.20	356.81
H. C.Gueswel		88*	88888	888888*								
		888888*	888888*		168	32	1.35	2.025	291.60	4.37	25.00	262.23
									1089.60	16.35	96.40	975.85
T. H. Sackett	Part Time Supervisor			8-1-52 to 8-31-52					225.00			
Wilford Cram	Bookkeeper			8-1-52 to 8-31-52					50.00			

* Indicates time and a half for over 40 hrs per week

By: Wilford Cram
Secretary

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

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

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

Month of July, 195 2 Docket No. DMEA 1702X Contract No. I-DMA E 61
Operator's Name Cherokee Mines Minerals Uranium
Address 122 So. College Ave. Fort Collins, Colo.
Contract Amount, $ Government Participation: 90 % Amount, $ 24,000.

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1279.60	11653.47	12933.07			
Supervision	225.00	2250.00	2475.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	70.22	357.38	427.60	69.22		426.60
Explosives	-	588.53	588.53			
Pipe	13.62	-	13.62			
Track						
Gasoline		492.49	492.49			
Mics Supplies	266.29	1085.18	1351.47			
(4) Operating Equipment:						
Rental	165.00	1398.00	1563.00			
Purchase	238.36	187.00	425.36			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	28.23	222.08	250.31			
Sampling and Analysis						
Payroll Taxes FICA	19.21	176.08	195.29	00		176.08
Liability Insurance WC	37.00	343.47	380.47			
Hoist, J. Emr Tax	18.53	47.11	65.64			
Bookkeeping	50.00	500.00	550.00			
(8) Contingencies (specify):						
TOTALS	2411.06	19300.79	21711.85	2,390.85	19,300.79	21,691.64

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

Date Aug 6, 1952 Payee Cherokee Mines

Per Wyford Cram Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2151.77

Signature [illegible]
(Authorized Certifying Officer)

Date 9/22/52 Vou. No. DMA 53-85

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-61 in accordance with the terms of the contract.

Signature R. J. Bolmer $2,169.95 Title Mining Engineer Date August 8, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature _____ Title _____ Date _____

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 1702X Contract No. I-DMA E61
Operator's Name Cherokee Mines Minerals Uranium
Address 122 So. College Ave. Fort Collins, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft	1448.47	15	2821.41	35	80.61	118	None
Crosscutting	ft	-	-	760.70	10	76.07	?	None
~~Raising~~	~~ft~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~
Shafts	ft	none	none	13013.34	87	149.58	91	None
~~Winze~~ XXXX Shaft Stas	ea	none	none	3536.59	2	1768.29	2	none
~~Raising~~ XXXXXXXX Raising	ft	724.23	17	724.23	17	42.60	15	none
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation *	ft			430.22	14	30.73	14	None
TOTAL DISTRIBUTED COSTS		2172.71		21286.49				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		238.36		425.36				517.00**
Initial Rehabilitation and Repairs								none
New Buildings, Improvements, etc.								none
								24000.00
TOTAL COSTS		2411.07		21711.85				

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

Date Aug 6, 1952 Operator Cherokee Mines

Per [signature] Title Secretary

REMARKS: * Widen to 2 compartment shaft and timber 14 ft winze before sinking commenced.

** Blower 270.00
Ore Car 60.00
Pump 187.00

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

Administrative Audit Difference Statement

Date: September 18, 1952
Payee's
Reference: Progress Report
July 1952

Cherokee Mines
231 South Grant Street
Fort Collins, Colorado

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

Amount claimed $2,411.06

Difference $ 20.21

Amount Approved $2,390.85

The reason for the difference was due to:

Overpayment on Fitzgerald invoice	$ 1.00
F.I.C.A. (can be reclaimed if supported by the quarterly statement from Collector of Internal Revenue)	19.21
	$20.21

Any reclaim for deductions made above must be supported by the ORIGINAL OF THIS FORM.

Very sincerely yours,

N. E. Stokes
Audit Section

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 New Customhouse
Denver 2, Colorado

August 25, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1702X, Contract Idm-E61 (Uranium) Cherokee Mines, Larimer County, Colorado - Operator's Monthly Progress Report for the period of July, 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $2169.95, which is 90 percent of the total of $2411.06.

John F. Shaw for
W. H. King

Enclosures

JWT:oe

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Room 137, Building 20
Denver Federal Center
Denver 14, Colorado
August 18, 1952

Mining Division
Date Rec'd.
AUG 18 1952
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMA 1702X, Contract I-DMA-E61 (Uranium), Cherokee Mines, Inc., Larimer County, Colorado - Progress Report for July 1952

Please find enclosed four copies of the above progress report, forms MF-104 (revised) and MF-104A, with narrative, payroll, cost distribution, and one copy only of certified invoices, and seven copies of R. L. Bolmer's memorandum report covering inspection of the underground progress and accounts.

We now believe the data on the MF-104A form are correct, or essentially so, although Bolmer mentions a difference between DMEA and the contractor's cumulative amounts approved. This probably needs clarification.

Operations, as mentioned before in progress report memorandums and again stressed here, have been far from satisfactory with respect to performance and cost accomplishment. Our inspector estimates present funds may carry the project through mid-September, or the expiration date. At that time, he will recommend termination to the Field Team and, unless the situation changes radically by then, it will receive my endorsement.

Payment of $2,169.95, or 90 percent of the total $2,411.06 claimed by the contractor, is approved.

W. M. Traver Jr.
W. M. Traver, Jr.

enclosures

WMT/amh

cc 4
AHKoschmann
E61
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Room 137, Building 20
Denver Federal Center
Denver 14, Colorado
August 15, 1952

Memorandum

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

From: R. L. Bolmer

Subject: DMA 1703X, Contract I-DMA-B61 (Uranium), Cherokee Mines, Inc., Larimer County, Colorado - Progress report for July 1952

Progress under the subject contract was inspected August 4, 1952, with T. H. Sackett, manager. During July, the 130-foot level was advanced 5 feet to a point 19 feet east of the Blackhawk shaft. From this point on the 130-foot level, a raise was driven for a distance of 17 feet. A sublevel, east from the top of the raise, was advanced 10 feet.

Strong radioactive material was encountered in the upper section of the raise on the shaft side; however, this weakened considerably as the sublevel was extended eastward. On the date of inspection, the face of the sublevel was not radioactive and 8-foot test holes drilled into the foot and hanging walls disclosed nothing. Had the next round been barren also, the operator's instructions were to stop the sublevel and explore the ore limits west of the shaft. The next round, however, did disclose weak radioactivity.

Geologic evidence, based on maps and sections just recently made available to DMEA, tend to favor exploration east of the shaft and indicate that any extension of the ore shoot west of the shaft will be very limited and of no consequence. The weak vein structure opened on the sublevel can be projected to the mineralized vein exposed in the shaft and on the 60-foot level. It has been agreed, therefore, for the operator to extend the sublevel easterly as long as the structure continues and remains radioactive. Should the structure become barren of radioactivity over two successive rounds, the operator is to stop work here and, if the funds permit, explore the eastern extent of the shoot by a drift on the 100-foot level.

It is apparent now that this ore shoot is quite limited, being confined laterally to a section about 50 feet in length east from the shaft and vertically between the 60- and 130-foot depths. It is possible that the ore shoot rakes steeply from east to west. Attempts

to explore the lower edge of such a raking body with the sublevel, which now appears to be located at the lowest elevation of the body east of the shaft, may be impractical. Should a decided rake to the body develop, more practical lateral exploration would be accomplished by drifting east on a higher level.

The work performed this period, for which claim is made, is in conformance with the contract and is as reported on form MF-104A. The operator has revised his distributed costs, costs to date, and units to date on form MF-104A in conformance with instructions. The units-to-date column is now correct according to my measurements. The 35 feet of drifting includes 6 feet on the 100-foot level, 19 feet on the 150-foot level, and 10 feet on the sublevel. The 10 feet of crosscutting reported are on the 150-foot level. The 87 feet of shaft reported represent sinking the 8-1/2- by 5-foot cross-sectional Blackhawk shaft from a 74- to a 161-foot depth. The 17 feet of raising reported were driven from the 150-foot level. Two shaft stations, each approximately 8-1/2 by 5-1/2 by 10 feet, were established at the 100- and 150-foot levels. The 14 feet of underground rehabilitation reported represent the widening and timbering of a 14-foot winze below the 60-foot level, from the bottom of which shaft sinking was begun.

On form MF-104, the total previously reported has been corrected to $19,300.79. Our records, including June 1952 upon which we have not received confirmation, show $19,301.90 as being approved. W. F. Cram, secretary of Cherokee Mines, Inc., informs me that his record of the amount approved for December 1951 is $1,765.70. Our records show the amount approved for that period to be $1,766.81, a difference of $1.11. Cram has used his figures in the MF-104 forms this period.

It is noted that $2,888.15 remains unexpended from the contract amount of $24,000.00. This amount should carry the project until September 16, 1952, the expiration date set by the contract for completion of the work. The extent of the ore shoot discovered through this exploration program should be fairly well defined by the time the funds are exhausted. The close of the project will leave the small ore body developed sufficiently for the operator to commence mining it, provided he is financially able to do so and can receive from the Atomic Energy Commission sufficient bonus on transportation and grade of the ore produced. Other similar ore bodies may exist on the property. The Atomic Energy Commission's drilling program, scheduled to start here soon, may reveal their general location.

Unit costs of the work performed at this project are about 100 percent higher than those normally experienced for comparable work at other mining operations. The higher costs are partly due to the project's isolation from mining centers and experienced mining personnel; however, the project primarily has suffered from the lack of full-time, on-the-job supervision. Under the present circumstances, I recommend that the project

be closed when the allotted funds are expended. I would not recommend further expenditure by the DMEA for additional exploration of this ore body or for other ore bodies on the property.

Supply and service charges claimed this period are considered necessary and do not appear excessive. All charges on form MF-104, except that for Workmen's Compensation, are supported by the required documentation. The amount claimed for Workmen's Compensation, however, is correct per the standard rate of $2.95/$100.00 of the reported payroll.

Project costs this period in the amount of $2,411.06 are approved. Payment of 90 percent of this amount, or $2,169.95, is recommended.

R. L. Bolmer

R. L. Bolmer
Mining Engineer

RLB/amh

cc 6
AHKoschmann
E61
DMEA Chron.

July 1952 Report of Progress

Docket 1702 IDM E61

Cherokee Mines- Fort Collins
Colorado.

After consulting with geologists of the U.S.G.S. and the AEC we determined to drive to the Eastward from the shaft a few rounds and then raise to a point at which we knew ore must exist as shown by developements in the shaft. The geoligical examination was made at a time when the breast of the drift to the East was 14 feet from the shaft. We drove one more round to clear the timbers which had been put in the drift and then started a raise which was planned to pass not closer than eight feet to the shaft. The raise was inclined to pick up the ore at about the 130 foot level.

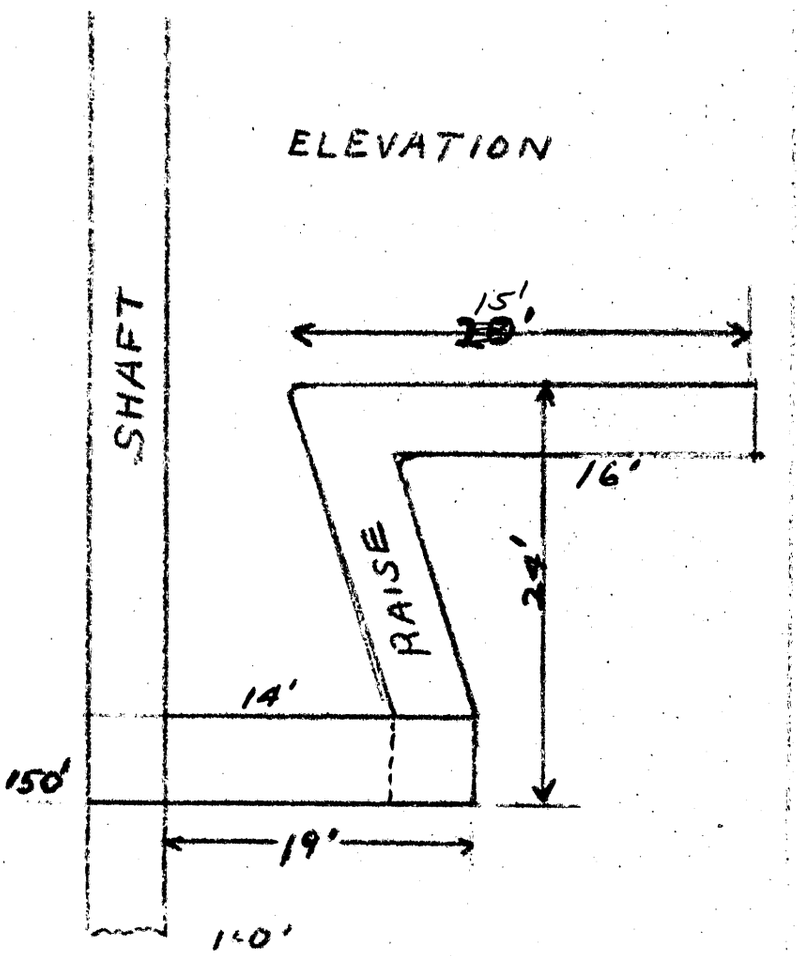
Sign s of radio activity began to show up at about 132 feet. We raised to a hight of 24 feet from the 150 foot level. Several feet of pretty fair ore showed up on the shaft side of the raise. It was not so strong on the East side. We then started a drift to the east and some radio activity showed as we went along but we are now 20 feet from the shaft side of the raise on the sub level and the radio activity is quite low. We are now feeling ahead with drill holes and our plans will depend upon the showing in these holes.

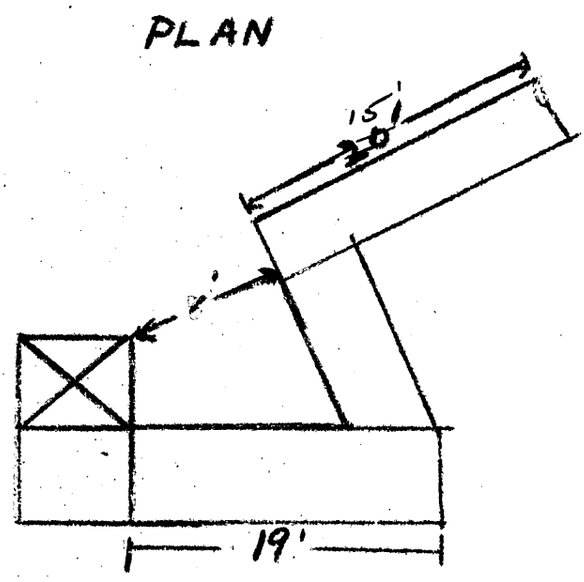
We are also drving test holes to the south west in the shaft to check the possibilities to the westerly side of the shaft.

The sketches below show the progress reported above.

T.H. Sackett

T. H. Sackett, Mgr.
Cherokee Mines
231 S. Grant St.
Fort Collins, Colo.





Cherokee Mines July 1952

Date	Invoice	Amount	(2)Labor & Supervision	(3) OM&S	(4) Oper Equip	(7) Misc	
7-31	July Payroll	1279 60	1279 60				
7-31	T. H. Sackett	225.00	225 00	Supervision			
7-31	Wilford Cram	50 00				50 00	Bookkeeper
7-31	FICA Tax	19 21				19 21	Emp Share
7-9	H. L. Sinclair	124 80			120 00	Rent	
						4 80	Ins & Tax
7-17	Constructors Equip Col	45 90			45 90	Rent	90 Tax
-15	H&B Co.	440 39		189 20	Other		
					238 26	Purchased	
						12 83	Tax
8-1	Ft. Collins Sheet Metal	13 62		13 62	Pipe		
7-21	J. Pearce	28 23				28 23	Repairs
7-10	H.L. Sinclair	29 99		29 99	Other		
7-31	Schneidmillers	3 54		3 54	Other		
7-22	Fitzgerald	70 22		70 22	Timber		
7-31	Michaels & O	43 56		43 56	Other		
7-31	Workmens Comp	37 00				37 00	@ 2.95/$100.
		2411 06	1504 60	350 13	403 36	152.97	

By: W. Gerald Olson
Secretary

Cherokee Mines Payroll July 1952

Name	Class	1 - 5	7-12	14-19	Reg Time	Over Time	Rate R.T.	Rate O.T.	Total	FICA	W.Tax	Net
L.Gueswel	Miner	** 88888	* 888888	* 888888			1.75	2.625	413 00	6.20	37.60	369 20
		21-26 * 888888	28-31 8888		176	40						
F. Gueswel	Miner	** 88888	* 888888	* 888888								
		* 888888	888888		176	40	1.75	2.625	413 00	6.20	37.60	369.20
H.C.Gueswel	Miner	** 88888	* 888888	* 888888								
		* 888888	8888		176	40	1.35	2.025	318.60	4.78	25.10	288.72
J.Brookhart	Miner	** 88888	* 888888		64	24	1.35	2.025	135.00	2.03	4.60	128.37
									1279.60	19.21	104.90	1155.49
T. H. Sackett	Part time	Supervisor 7-1-52 to 7-31-52							225.00			
Wilford Cram	Bookkeeper	7-1-52 to 7-31-52							50 00			

* Indicates time and a half for over 40 hrs per week

By: [signature]
Secretary

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
AUG 28 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952 Docket No. DMEA 1702 X Contract No. E61
Operator's Name Cherokee Mines Minerals
Address 122 So. College Ave. Fort Collins, Colo.
Contract Amount, $ 24,000. Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1148.70	10511.45	11660.15			
Supervision	225.00	2025.00	2250.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	60.78	296.60	357.38			
Explosives	53.06	535.47	588.53			
Pipe						
Track						
Gasoline		492.49	492.49			
Misc Supplies	48.59	1014.77	1063.36			
(4) Operating Equipment:						
Rental	165.00	1233.00	1398.00			
Purchase		208.82	208.82			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	19.62	202.46	222.08			
Sampling and Analysis						
Payroll Taxes FICA	17.23	158.85	176.08			
Liability Insurance WC	32.00	311.47	343.47			
Hoist + J. HAMMER	5.70	41.41	47.11			
Bookkeeping	50.00	450.00	500.00			
(8) Contingencies (specify):						
TOTALS	1825.68	17481.79	19307.47	1,825.68	17,481.79	19,307.47

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 6, 1952 *Payee Cherokee Mines

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1643.11

Signature [signature]
(Authorized Certifying Officer)

Date 8/18/52 Vou. No. DMA-53-23
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMA-E61 in accordance with the terms of the contract.

Signature Robert L. Bolmer $1,643.11 Title Mining Engineer Date July 23, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: $1643.11

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 28 1952

Month of June 1952 Docket No. DMEA 1702 X Contract No. E 61
Operator's Name Cherokee Mines Minerals
Address 122 So. College Ave. Fort Collins, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	1 ft	1825.68	23	5096.95	30	170	150	
Crosscutting	1 ft			788.88				
Raising								
Shafts	1 ft			12991.42	160	81.19	165	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation				430.22				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				19307.47				

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

Date July 6, 1952 Operator Cherokee Mines

Per Wilfrid Olsen Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

August 5, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1702X, Contract I-DMA-761 (Uranium), Cherokee Mines, Larimer County, Colorado - Operator's Monthly Progress Report for the period of June 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,643.11, which is 90 percent of the total of $1,825.68.

W. H. King

W. H. King

Enclosures

WHD:jp

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
July 25, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMA 1702X, Contract I-DMA-861, Cherokee Mines, Larimer County, Colorado - Progress report for June 1952

Please find enclosed five copies of the above progress report on the new forms MF-104 (revised) and MF-104A, with narrative and other required documentation, and seven copies of R. L. Bolmer's memorandum report covering inspection of the underground progress and accounts.

We are passing the cumulative and current units on form MF-104A for June, although they are obviously wrong, in order to save returning them to the contractor for a second revision. For the July accounts the inspector will again go over the requirements with the Cherokee Mines accountant and arrange to have that report prepared correctly.

Payment of $1,643.11, or 90 percent of the total $1,825.68 claimed by the contractor, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/dd

cc 4
AEKoselmann
861
DMA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 24, 1952

Memorandum

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

From: R. L. Bolmer

Subject: DMA 1702X (Uranium), Contract I-DMA-E61, Cherokee Mines, Larimer County, Colorado - Progress report for June 1952

Progress under the subject contract was inspected July 1, 1952, with T. H. Sackett, Manager, and T. H. Kuhn, U. S. Geological Survey. The progress as reported in Sackett's narrative essentially is correct. A 10-foot crosscut was driven south from the 150-foot level station of the Blackhawk shaft. The uraninite vein, anticipated within this distance, was not encountered. A fracture zone was cut at the projected position of the vein but it was not mineralized. Permission was given the contractor to raise on this structure. Accordingly, he extended the level station easterly before raising to provide for a shaft pillar. This level had been extended 14 feet east of the shaft at the close of the period. The ground off the shaft at this level is fractured badly and is heavy; timbering was required.

An amendment to the subject contract has been recommended which will permit (1) an extension of the 150-foot level easterly to a point approximately 18 feet from the shaft, (2) a raise from this point on the exposed structure for approximately 15 feet or until ore is encountered, and (3) a sublevel drift easterly from the top of this raise for 100 feet or to the limits of mineralization (see attached sketch). An amendment also was recommended to permit the contractor to purchase and install ventilating equipment.

The work performed this period, for which claim is made, is in conformance with the contract or with pending amendments thereto. The work this period, a 10-foot crosscut and a 14-foot extension of the level, is reported on form MF-104A as 23 feet of drifting. The "Units to Date" and "Units Authorized by Contract" also are reported incorrectly on this form. This matter will be discussed with the contractor during the next inspection so that the July MF-104A can be corrected.

The supply and service charges this period are considered necessary and do not appear excessive. All charges on form MP-104 are supported by the required documentation.

Project costs this period are approved in the amount of $1,825.68. Payment of 90 percent of this amount, or $1,643.11, is recommended.

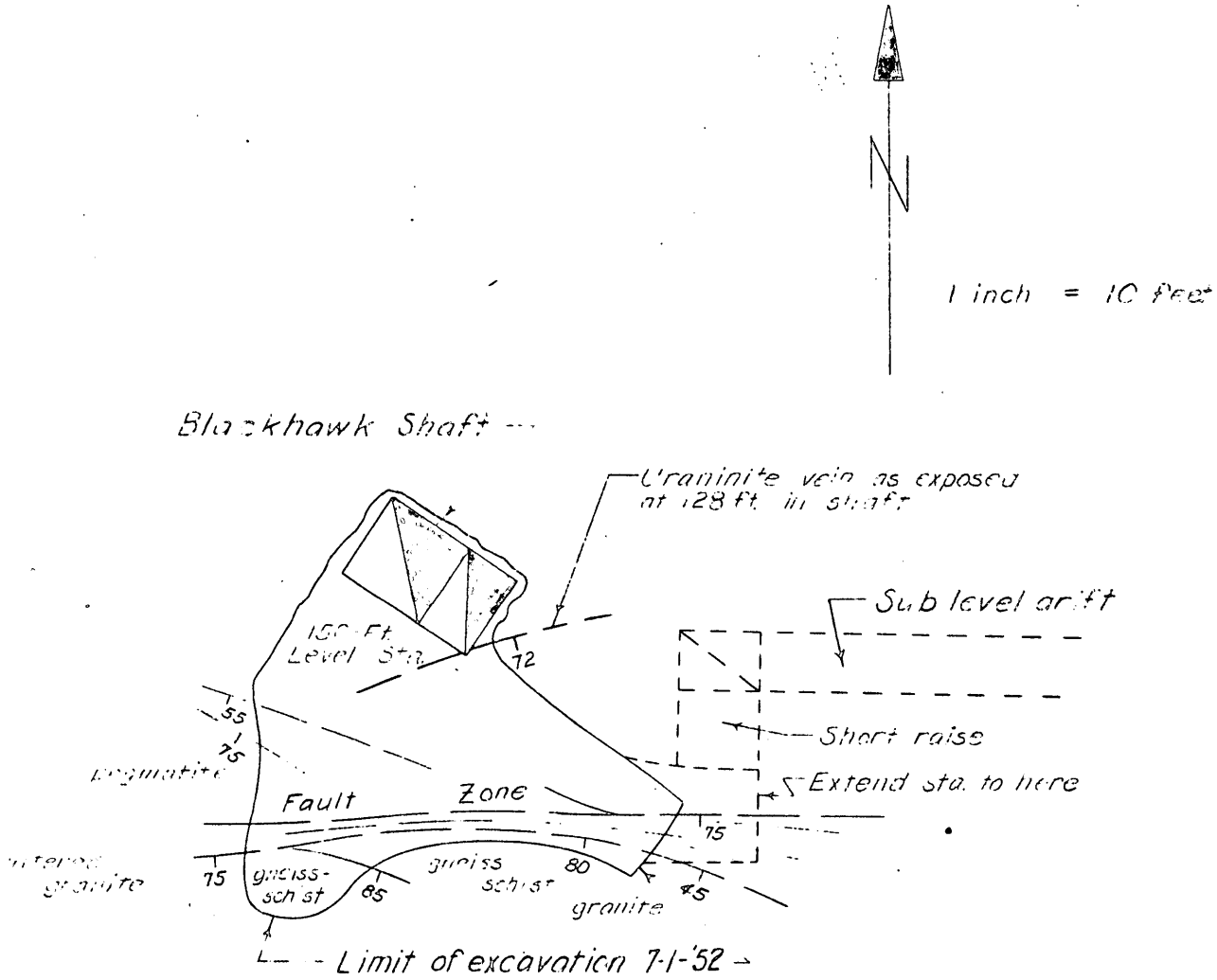
R. L. Bolmer

R. L. Bolmer
Mining Engineer

Attachment

RLB/bem

cc: 6
AHKoschmann
E61
DMEA Chron.



Plan at the 150-ft level, Blackhawk Shaft
Showing present (——) and proposed (- - -) work.

CHEROKEE MINES, INC.
Larimer Co., Colo.
DMA 1762 Y
Contract Dim E-61

June 1952 Report of Progress.

Docket
1702 IDM- E 61

Cherokee Mines
Fort Collins, Colo.

As all indications at higher levels indicated that the vein which had dipped out of the shaft at the 135 feet level would be picked up at the nearest point on the 150 foot level by drifting in a south easterly direction, we started a drift in that direction about the first of the month. When no vein was found after two rounds we drove several eight foot drill holes ahead in an attempt to locate the vein. These drill holes did not pick up any evidence of the vein.

We then drove several more long holes in the shaft immediately below the point at which the vein left the shaft. These indicated that the vein did not go below the 135 foot level, at least near the shaft. It was then decided to drive ~~a drift~~ a drift easterly parrallel to the axis of the shaft a few rounds and then raise to the level at which the last evidence of ore occurred in the shaft. It appears that we should pick up the ore in about twelve feet vertically above the back of the drift.

By the first of July we had driven three rounds easterly from the shaft a distance of about 14 feet. Very badly fractured and soft ground was encountered and it was necessary to carry the timbering right up to the breast for two rounds. It appears that the ground is becomming more solid at the present breast and we hope it will not require timbering so close to the work.

The air is beginning to show signs of requiring ventilation by blowing and we are trying to line up a blower and tubing.

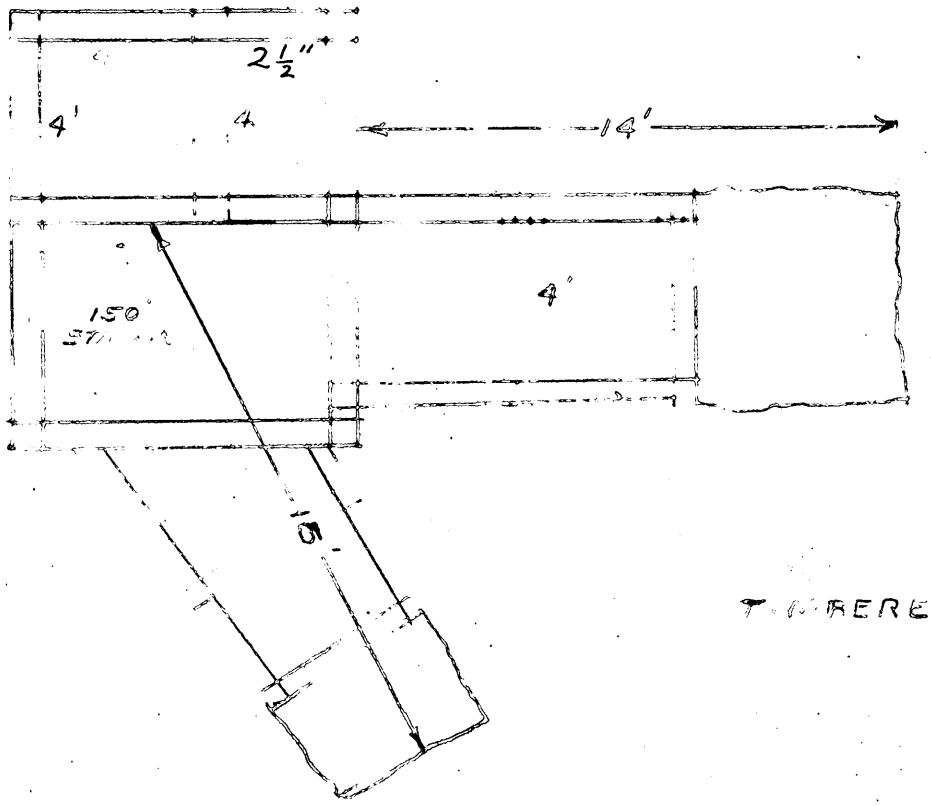
Cherokee Mines,
T. H. Sackett
T. H. Sackett, Mgr.

PLAN VIEW OF SHAFT LEVEL

BLACKHAWK NO I

CHEROKEE MINES

JULY 1 1952



TIMBERED AS SHOWN

CHEROKEE MINES PAY ROLL JUNE 52

NAME	LABOR CLASS	2 TO 7	9 TO 14	16 TO 21	23 TO 28	30	HRS TOTAL REG TIME	HRS TOTAL O.TIME	RATE REG T.	RATE O.T.	TOTAL	FICA	W.TAX	NET
LOUIE QUESWEL	MINER	888888*	888888*	08888	888888*	8	168	24	1.75	2.625	357.00	5.36	26.20	324.24
FRANK QUESWEL	MINER	888888*	888888*	08888	888888*	8	168	24	1.75	2.625	357.00	5.36	26.20	324.24
LESTER HESS	MINER	909					18	—	1.35	2.025	24.30	.35	—	23.96
H.C. QUESWEL	MINER	888888	888888	08888	888888*	8	168	24	1.35	2.025	275.40	4.13	10.80	260.47
JACK BROOKHART				08888	888888	8	88	8	1.35	2.025	135.00	2.03	4.60	128.37
											1148.20	17.23		
T.H. SACKETT	PART TIME SUPERVISOR			6/1/52 TO 6/30/52							225.00	—	—	225.00
WILFORD GRAM	BOOKKEEPER			6/1/52 TO 6/30/52							50.00	—	—	50.00

* INDICATES TIME AND A HALF FOR OVER 40 HRS PER WEEK

CHEROKEI

INVOICE	AMT.	2. LABOR & SUPERVISION	3. OPERATING MATERIALS & SUPPLIES	4 OPERATING EQUIPMENT	7 MISCELLANEOUS	8 CONTINGENCIES
MICHAELS & OSBORNE HARDWARE Co.	6/20/52	1473	1473 (OTHER)			
MATSON LUMBER & Hdwe Co.	6/6/52	734	734 (OTHER)			
Schneidmillers	6/9/52	650			650 (Repairs to Equip)	
H.L. Sinclair Co	6/24/52	2652	2652 (OTHER)			
WARREN Riddell	6/12/52	5306	5306 (Explosives)			
H.L. Sinclair Co	6/7/52	12490		12000	490 Hoist Ins & Tax.	
CARL DeWitt	6/13/52	6078	6078 (LUMBER)			
Constructors Equip Co	6/17/52	4590		4500	90 Jack Hammer Sales Tax.	
JUNE PAYROLL	6/30/52	114870	114870 (LABOR)			
FICA (Employers SHARE)	6/30/52	1723			1723 (FICA TAX)	
TH SACKETT	6/30/52	22500	22500 (SUPERVISION)			
WILFORD CRAM	6/30/52	5000			5000 (Bookkeeping)	
H & B		1312	~~1312 OTHER~~		1312 REPAIRS TO EQUIP.	
STATE COMPENSATION FUND	6/30/52	3200			3200 (Workmens Compensation.)	

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 61

Name of Operator Cherokee Mines
Docket No. DMA 1702 X
Total Contract Amount $ 24,000.
Government Participation: 90 % Amount $
Distribution of Expenditures for Month of May 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

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

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

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

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

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

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By [signature]
(Signature of Authorized Official)

June 4, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		208.82	208.82		208.82	208.82
(b) Rented[2]	165.00	1068.00	1233.00	165.00	1,068.00	1,233.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Mining Division
Region IV

June 20, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1702X, Contract Idm-E61 (Uranium), Cherokee Mines, Larimer County, Colorado - Operator's Monthly Progress Report for the period of May 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,726.92, which is 90 percent of the total of $1,918.80.

W. H. King

Enclosures

W. H. King

JWT:jp
cc Secty. to Operating Committee (2)
WMTraver
Contract
Chron
WHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

June 16, 1952

Mining Division
Data Bank
JUN 17 1952
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Acting Chief, Mining Division, Region IV

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

Subject: DSA 1702X, Contract I-DSA-261, Cherokee Mines, Larimer County, Colorado - Progress report for May 1952.

Please find enclosed five copies of the above progress report, Form MP-104, with narrative and payroll, and seven copies of R. L. Bolmer's memorandum report covering inspection of accounts and underground progress.

Payment is approved of $1,726.92, or 90 percent of the total $1,918.80 claimed by the contractor.

W. M. Traver, Jr.

W. M. Traver, Jr.

DD/bam

cc: 4
AEKoeckmann
261
DSA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

June 16, 1952

Memorandum

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

From: R. L. Bolmer

Subject: BMA 1702X, Contract I-BMA-261, Cherokee Mines, Larimer County, Colorado - Progress report for May 1952.

Progress during May 1952 under the above contract was inspected June 11, 1952, by Bureau of Mines engineers. The progress as reported in T. H. Sackett's narrative is correct and complete. The flow of water into the shaft has slackened and further delays from this source are not anticipated. On the date of inspection, crosscutting on the 150-foot level had progressed about 15 feet from the shaft without encountering the vein. The crosscut, however, is not headed directly towards the vein. The next round or two will be pulled more towards the left and headed directly for the vein. Two vertical faults near the present breast may have had some effect on the projected position of the vein on this level.

The project accounts were checked in Fort Collins with Wilford Oram, secretary. The following comments are made regarding the charges itemized in the May MF-104 forms:

Item 2 (b), Operating equipment rented, $165.00, consists of $120.00 for rental of a hoist and $45.00 for rental of a jackhammer.

Item 4, Labor, $1,334.10 is the correct gross wages as itemized on the attached copy of the payroll. Overtime payment was paid employees working on the five Saturdays in May and also on May 30, Memorial Day.

Item 5, Supervision, $275.00, includes part time supervision at $225.00 per month and bookkeeping at $50.00 per month.

Item 6, Supplies, (c) Repair parts, $32.45, is the correct price of several repair parts for the operator's Gardner-Denver compressor. (d) Other, $48.44, includes $22.41 for small hardware items obtained from several suppliers and $26.03 for minor repair parts and repair supplies for a Gardner-Denver pump. Part of the latter amount could have been more correctly distributed under (c) Repair parts. The above supplies were substantiated by invoice.

Item 9 (c), Workmen's compensation, $39.00, is the amount paid based on gross payroll. The amount, $4.80, is insurance paid with rental of a hoist.

Item 11, Other, $20.01, is the employer's share of social security payments based on gross payroll.

Project costs for the month of May, in the total amount of $1,918.80, are approved. It is recommended that Cherokee Mines be reimbursed for 90 percent of this amount, or $1,726.92.

R. L. Bolmer

R. L. Bolmer
Mining Engineer

RLB/bam

cc: B
AHKoschmann
B61
DMEA Chron.

May 1952 Report of Progress.

Docket
1702IDM-E61

Cherokee Mines
Fort Collins, Colo.

During the May we were hampered a great deal by the increased flow of water into our shaft as a result of the melting of the heavy snows near our mine and the men were forced to work in a continuous heavy drip of water. However we were able to complete the last bench in the shaft which we concluded to deepen one more round of shots in order to provide more water capacity in the sump. One half of the bottom of the shaft is now about at the 168 foot level and the rest is 160 feet. the timbering was completed to one set below the 150 foot level and the station at that point was shot out and timbered. A bulk head has been built over the sump and on the last day of May part of a round was drilled in the southerly wall of the station to start drifting to the vein.

Because working conditions will be better now that we are ready to start drifting we think that our progress will be much greater than it has been during the period of sinking. Because of the increasing dip of the formation in the last fifteen or twenty feet we cannot estimate the distance we will have to drift before we cut the vein. The station extends about eight feet into the wall and does not show any evidence of the vein at the breast. We have lagged the roof of the station because it was badly fractured and could have been a hazard.

Samples of the air were taken at the sixty and one hundred foot levels by the State Department of Public Health and their reports to us show rather high content of radon. At the 100 foot level the sample showed 1881 micromicrocuries of radion and at the 60 foot level there were 1622 micromicrocuries of radon per liter. They consider that this is very high under the conditions and Mr. Holiday states that it will be necessary to make frequent checks as the work continues. They plan to make another test about the first of July. We were told that better ventilation would be necessary as we drove away from the shaft to remove the gas.

Cherokee Mines

By H Sackett
Mgr.

Cherokee Mines

Payroll May 1952

Name	Class	Reg Time	Overtime	Rate	Total	SS	W. T.
Louie Gueswel	Miner	216	24	$1.75	420.00	6.30	39.40
Frank Gueswel	Miner	216	24	1.75	420.00	6.30	39.40
Lester Hess	Miner	216	24	1.35	324.00	4.87	31.40
H. C. Gueswel	Miner	114	12	1.35	170.10	2.55	9.40

By: [illegible]
Secretary

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1334.10	9177.35	10511.45	1,334.10	9,177.35	10,511.45
5. Supervision	275.00	2200.00	2475.00	275.00	2,200.00	2,475.00
6. Supplies						
(a) Timber	-	296.60	296.60		296.60	296.60
(b) Explosives	-	535.47	535.47		535.47	535.47
(c) Repair Parts	32.45	170.01	202.46	32.45	170.01	202.46
(d) Other	48.44	966.33	1014.77	48.44	966.33	1,014.77
7. Power		492.49	492.49		492.49	492.49
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	39.00	272.47	311.47	39.00	272.47	311.47
SS Hoist	4.80	36.61	41.41	4.80	36.61	41.41
10. Contract Work						
11. Other (specify)						
SS	20.01	138.84	158.85	20.01	138.84	158.85
Total	1918.80			1,918.80	15,562.99	17,481.79
Deletions						
Adjusted totals						
Totals previously reported		15562.99	~~XXXXXX~~	15,562.99		
Totals to date			17481.70	17,481.79		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by R. L. Palmer
Amount approved for payment $1726.92 $1726.92
Remarks

16—64068-3

Schedule DMA 53-1
July 1, 1952
1726.92

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2670.53	307.33	153.01	139.90	3271.27	1 ft	-	-	-	150
Crosscutting	642.73	146.15			788.88	1 ft				
Raising										
Shafts	9242.97	992.50	787.40	1968.14	12991.52	1 ft		160.		165
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	430.22				430.22					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	12986.45	1446.62	940.41	2108.31	17481.79					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

Colorado Branch

Date Rec'd
MAY 7 1952
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 61

Name of Operator Cherokee Mines
Docket No. DMA 1702X
Total Contract Amount $ 24,000.
Government Participation: 90 % Amount, $
Distribution of Expenditures for Month of April 1952

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 6 1952

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By [signature]
(Signature of Authorized Official)

May 5, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		208.82			208.82	208.82
(b) Rented[2]	165.00	903.00	1068.00	165.00	903.00	1068.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1237.60	7939.75	9177.35	1237.60	7939.75	9177.35
5. Supervision	275.00	1925.00	2200.00	275.00	1925.00	2200.00
6. Supplies						
(a) Timber	166.67	129.93	296.60	166.67	129.93	296.60
(b) Explosives	171.77	363.70	535.47	171.77	363.70	535.47
(c) Repair Parts	9.24	160.77	170.01	9.24	160.77	170.01
(d) Other	31.16	934.11	966.33	31.16	934.17	(965.33)
7. Power	--	492.49	492.49		492.49	492.49
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	36.00	236.47	272.47	36.00	236.47	272.47
SS	18.56	120.28	138.84	18.56	120.28	138.84
10. Contract Work						
11. Other (specify)						
					31.81	31.81
Total	2116.80			2111.00		
Deletions	-2111.00					
Adjusted totals						
Totals previously reported		13446.19			13446.19	
Totals to date			15562.99			15557.19

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by R. L. Bolmer Wm T. [illegible]
Amount approved for payment $1,899.90 $1,899.90 $1,899.90
Remarks

38

16—64068-3

Schedule DMA 52-54
May 26, 1952
1899.90

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts	1512.60	169.80		424.40	2116.80					
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1512.60	169.80		424.40	2116.80					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August, 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 61
Idm-E

Colorado Branch

Date Rec'd
APR 10 1952
BUREAU OF MINES
Denver, Colorado

Name of Operator: Cherokee Mines
Docket No. DMA: 1702 X
Total Contract Amount $: 15,000.00
Government Participation: 90 % Amount $
Distribution of Expenditures for Month of: March 1952

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1952

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By Alfred H. Coram
(Signature of Authorized Official)

April 8, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		208.82	208.82		208.82	208.82
(b) Rented[2]	165.00	738.00	903.00	165.00	738.00	903.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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

Administrative Audit Difference Statement

Date: April 22, 1952
Payee's
Reference: Progress Report
March 1952

Cherokee Mines, Inc.
231 South Grant St.
Fort Collins, Colorado

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

Amount claimed $ 2,098.50

Difference $ -176.53

Amount Approved $ 1,921.97

The reason for the difference was due to:

Deduction of stoper repairs - not allowable under the contract	$176.43
Error in addition of component parts of item 6 (c)	.10
Total deductions.....	$176.53

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1214.70	6725.05	7939.75	1214.70	6725.05	7939.75
5. Supervision	275.00	1650.00	1925.00	275.00	1650.00	1925.00
6. Supplies						
(a) Timber	37.87	92.06	129.93	37.87	92.06	129.93
(b) Explosives	--	363.70	363.70	---	363.70	363.70
(c) Repair Parts	304.87	32.33	337.20	128.34	32.33	160.67
(d) Other	41.05	893.12	934.17	41.05	893.12	934.17
7. Power		492.49	492.49		492.49	492.49
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	37.00	199.47	236.47	37.00	199.47	236.47
Hoist	4.80	27.01	31.81	4.80	27.01	31.81
10. Contract Work						
11. Other (specify)						
S S	18.21	102.07	120.28	18.21	102.07	120.28
Total	~~21066.2~~ 20985.0			~~1923.97~~ -176.53		
Deletions						
Adjusted totals				1921.97	11,524.12	13,446.09
Totals previously reported		11524.12		11,524.12		
Totals to date			~~13630.27~~ 13622.62	13,446.09		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Russell R. McLellan SWH for WMT
Amount approved for payment 1626.67 1626.67 1729.97
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts	1489.70	169.80		439.00	2098.50	1 ft.	11	64	75	76
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1489.70	169.80		439.00	2098.50					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 61

Name of Operator Cherokee Mines
Docket No. DMA 1702 X
Total Contract Amount $ 15,000.
Government Participation: 90 % Amount, $
Distribution of Expenditures for Month of February 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 - 1952

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

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

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

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

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

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By W. Gord Heram
(Signature of Authorized Official)

March 4, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		208.82	208.82		208.82	208.82
(b) Rented[2]	165.00	573.00	738.00	165.00	573.00	738.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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

Administrative Audit Difference Statement

Date: March 24, 1952
Payee's
Reference: Progress Report
~~MN~~ February 1952

Cherokee Mines, Inc.
231 South Grant Street
Fort Collins, Colorado

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

Amount claimed $ 2,077.08

Difference $ - 60.29

Amount Approved $ 2,016.79
201.67

The reason for the difference was due to:

44 hours of labor of miners @ $1.35 per hour disallowed inasmuch as contract provides for four miners only $59.40

Social Security on $59.40..... .89

Total..... $60.29

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

Very sincerely yours,

E. E. Stokes
Audit Section

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

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1225.80	5558.65	6784.45	1166.40	5558.65	6725.05
5. Supervision	275.00	1375.00	1650.00	275.00	1375.00	1650.00
6. Supplies						
(a) Timber	13.85	78.21	92.06	13.85	78.21	92.06
(b) Explosives	26.27	337.43	363.70	26.27	337.43	363.70
(c) Repair Parts	--	32.33	32.33	---	32.33	32.33
(d) Other	85.80	807.32	893.12	85.80	807.32	893.12
7. Power	226.19	266.30	492.49	226.19	266.30	492.49
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	36.00	163.47	199.47	36.00	163.47	199.47
Hoist Ins.	4.80	22.21	27.01	4.80	22.21	27.01
10. Contract Work						
11. Other (specify)						
S. S.	18.37	84.59	102.96	17.48	84.59	102.07
Total	2077.08	9507.33	11584.41	2016.79	9507.33	11,524.12
Deletions				60.29		
Adjusted totals				2016.79		
Totals previously reported		9507.33	11584.41	9507.33		
Totals to date			11584.41	11,524.12		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Russell R. McLellan
Amount approved for payment $1869.37
Remarks

WMD W.H.R.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts	1500.80	169.80		406.48	2077.08					
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1500.80	169.80		406.48	2077.08					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 61

Name of Operator Cherokee Mines
Docket No. DMA 1702 X.
Total Contract Amount $ 15,000
Government Participation: 90 % Amount $
Distribution of Expenditures for Month of Supplemental report

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

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

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

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

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

MAR 2 1952

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By [signature]
(Signature of Authorized Official)

March 4, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	13.50			13.50		
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total	13.50			13.50		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W. M. Graves, Jr. WLP
Amount approved for payment $12.15 $12.15
Remarks

16—64068-3

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

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 61

Name of Operator Cherokee Mines
Docket No. DMA 1702 X
Total Contract Amount $ 15,000
Government Participation: 90 % Amount, $
Distribution of Expenditures for Month of January 1952

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

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

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

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

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

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By W. Gerald Cram
(Signature of Authorized Official)

February 4, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		208.82	208.82		208.82	208.82
(b) Rented[2]	120.00	453.00	573.00	120.00	453.00	573.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Sched 52-25-9

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

Administrative Audit Difference Statement

Date: February 25, 1952
Payee's
Reference: Progress Report
January 1952

Cherokee Mines, Inc.
231 South Grant Street
Fort Collins, Colorado

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

Amount claimed $ 1,847.23

Difference $ - 13.50

Amount Approved $ 1,833.73

The reason for the difference was due to:

$XXX

$5.40 reclaim is again disallowed pending receipt of reclaim and original copy of Administrative Audit Difference Statement. $5.40

Overtime paid to Curtis Lindsey disallowed pending clarification of method of computation, inasmuch as overtime paid to Louis Gueswel, Grank Gueswel and Lester Hess has been computed at the rate of $1.35 per hour whereas Lindsey's overtime was paid at the rate of $2.025 per hour. $8.10

Total.....$13.50

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] Inc reclaim 5.4%	1139.40	4432.75	5572.15	1125.90	4432.75	5558.65
5. Supervision & Hoisting	275.00	1100.00	1375.00	275.00	1100.00	1375.00
6. Supplies						
(a) Timber	15.71	62.50	78.21	15.71	62.50	78.21
(b) Explosives	115.52	221.91	337.43	115.52	221.91	337.43
(c) Repair Parts	19.65	12.68	32.33	19.65	12.68	32.33
(d) Other	107.14	700.18	807.32	107.14	700.18	807.32
7. Power		266.30	266.30		266.30	266.30
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	33.00	130.47	163.47	33.00	130.47	163.47
Hoist	4.80	17.41	22.21	4.80	17.41	22.21
10. Contract Work						
11. Other (specify)						
SS	17.01	67.58	84.59	17.01	67.58	84.59
Total	1847.23			----	7673.60	9507.33
Deletions				13.50		
Adjusted totals				1833.73		
Totals previously reported		7673.60	~~XXXXXX~~	7673.60		
Totals to date			9520.83	9507.33		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Russell R. McLellan
Amount approved for payment $1657.65
Remarks

WLD W.H.K.
~~1657.65~~ $1657.65

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts	1414.40	124.80		308.03	1847.23	1 ft	20	33	53	76
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1414.40	124.80		308.03	1847.23					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 61

Name of Operator Cherokee Mines
Docket No. DMA 1702X
Total Contract Amount $ 15,000
Government Participation: 90 % Amount, $
Distribution of Expenditures for Month of December 1951

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

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

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

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

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

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By [signature]
(Signature of Authorized Official)

January 5, 1952
(Date)

Secretary
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		208.82	208.82	—	208.82	208.82
(b) Rented[2]	120.00	330.00	~~453.00~~ 450.00	120.00	330.00	450.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Send DMA 52-19

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

Administrative Audit Difference Statement

Date: January 23, 1952
Payee's
Reference: Progress Report
December 1951

Cherokee Mines, Inc.
231 South Grant Street
Fort Collins, Colorado

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

Amount claimed $ 1,773.05

Difference $ - 6.24

Amount Approved $ 1,766.81

The reason for the difference was due to:

Social Security erroneously transcribed to Form 104 as 16.93 whereas payroll shows 16.09 deducted. $ .84

Overclaim of wages for Lester Hess, 4 hours @ $1.35 5.40

Total..... $ 6.24

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

Very sincerely yours,

M. E. Stokes
Audit Section

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

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1068.90	3369.25	4438.15	1063.50	3369.25	4432.75
5. Supervision	275.00	825.00	1100.00	275.00	825.00	1100.00
6. Supplies						
(a) Timber	62.50	--	62.50	62.50	—	62.50
(b) Explosives	25.50	196.41	221.91	25.50	196.41	221.91
(c) Repair Parts	12.68	--	12.68	12.68	—	12.68
(d) Other	44.04	656.14	700.18	44.04	656.14	700.18
7. Power Gasoline	111.70	154.60	266.30	111.70	154.60	266.30
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	31.00	99.47	130.47	31.00	99.47	130.47
Hoist	4.80	12.61	17.41	4.80	12.61	17.41
10. Contract Work						
11. Other (specify)						
S.S	16.93	51.49	68.42	16.09	51.49	67.58
Total	1773.05			~~1766~~	5903.79	7670.60
Deletions				6.24		
Adjusted totals		5903.79	7676.84	1766.81		
Totals previously reported		~~5906.79~~	~~7679.84~~	5903.79		
Totals to date			7679.84	7670.60		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hagen
Amount approved for payment
Remarks

W. H. K.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	233.73	21.72	52.65		308.10	1 ft	12	7	19	as necessary
Crosscutting	642.73	59.69	146.15		848.57	1 ft	4	-	4	as necessary
Raising									33	
Shafts	467.44	43.39	105.55		616.38	1 ft	6	27		76
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1343.90	124.80	304.35		1773.05					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

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-121

GENERAL ACCOUNTING OFFICE PREAUDIT		PAID BY
Certified for payment in the sum of $_____	U. S. Dept. of Interior, Defense Minerals Administration, 224 New Customhouse (Department, bureau, or establishment)	
Comptroller General of the United States	Voucher prepared at Denver, Colorado 12/28/51 (Give place and date)	
By_____	THE UNITED STATES, Dr.,	(For use of Paying Office)
	To Cherokee Mines, Inc.	
	Address 231 South Grant Street, Fort Collins, Colorado	
	Payee's Account No. I-DMA-E-61	

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	November 1951	Certified "Operator's Monthly Progress Report" and Supplemental for the Mineral Exploration Program:				2,064.	46

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 2,064.46

(Payee must NOT use this space)
Differences _____
Account verified; correct for 2064.46
(Signature or initials) _____

Contract No. I-DMA-E-61 Date 7/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

DEC 28 1951

W. H. K. MEMORANDUM

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

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior		2,064.46

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

Paid by { Check No. _____ dated _____, 19____, for $_____ / Cash, $_____, on _____, 19____, } on Treasurer of the United States in favor of payee named above.

Payee _____ (Sign original only)

Per _____

Title _____

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

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

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

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

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

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

4. Without advertising in accordance with _____

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

_____

_____

_____

_____

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

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

U.S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

MF-104
(April 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

E-61

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.

Cherokee Mines
(Name of Company)

By [signature]
(Signature of Authorized Official)

December 1, 1951
(Date)

Secretary
(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—84068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Cherokee Mines
Project No. DMA 1072
Total contract amount $15,000.00
Government participation percent 90

Distribution of Expenditures for Month of November 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	1496.70	2477.56	3974.26	1496.70	2477.56	3974.26
Equipment purchase [1]		208.82	208.82		208.82	208.82
Equipment rental [2]	120.00	213.00	333.00	120.00	213.00	333.00
Buildings	-	-	-			
Explosives	25.50	170.91	196.41	25.50	170.91	196.41
Repair parts	-	-	-			
Other supplies	280.51	375.63	356.14	266.74	375.63	642.37
Power		154.60	154.60		154.60	154.60
Transportation	--	-	-			
Withholding taxes	80.10	88.40	168.50	80.10	88.40	168.50
Compensation insurance	39.60	60.47	99.47	39.60	60.47	100.07
Other insurance	112.61		112.61	12.61		12.61
Contract work	-	-	-			
Other (specify) S. S.	39.60	63.38	102.98	39.60	63.38	102.98
Total	2194.02			2080.85	3812.77	5893.62
Totals previously reported		3812.77		3812.77		
Totals to date			6006.79	5893.62		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scatter Hazen Jr. Sully W.S.K.
Amount approved for payment
Remarks

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

16—64068-1

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

Administrative Audit Difference Statement

Date: 12/21/51
Payee's
Reference: Progress Report
November 1951

Cherokee Mines, Inc.
231 South Grant Street
Fort Collins, Colorado

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

Amount claimed	$	2,194.62	
		- 113.77	*
Difference	$	2,080.85	
		+ 213.00	**
Amount Approved	$	2,293.85	

The reason for the difference was due to:

* Less error in Supply Account, Insurance premium disallowed	13.77
	100.00
	113.77

** Plus supplemental claim for hoist rental $ 213.00

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

Very sincerely yours,

N. E. Stokes

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

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF November 1951

Name of operator Cherokee Mines
Project No. DMA 1072
Total contract amount $15,000.00
Government participation percent 90

TYPE	NUMBER	MAN-SHIFTS Incl 29, 30, 31 Oct	RATE base 1.35 avg rate incl overtime	TOTAL SWB
Miners	4	114	$ 11.59	$ 1321.60
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager	1			225.00
Superintendent				
Engineers				
Geologists				
Bookkeeper	1			50.00
Foreman				
Clerks				
Stenographers				
Other				
TOTAL				1596.60

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Leath W Hagen Jr
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November 1951

Name of operator Cherokee Mines
Project No. DMA 1072
Total contract amount $15,000.00
Government participation, percent 90.00

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	827.70	116.31	153.01		1097.02	1 ft	7	-	7	As necessary
Crosscutting										
Raising										
Shafts	827.70	116.31	153.00		1097.02	1 ft	6	21	27	76
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1655.40	232.61	306.01		2194.02					

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

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W Hagen Jr
Remarks

MF-104
(April 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

E-61

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.

Cherokee Mines
(Name of Company)

By [signature]
(Signature of Authorized Official)

December 4, 1951
(Date)

Secretary
(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 Cherokee Mines
Project No. DMA 1072
Total contract amount $15,000.
Government participation percent 90

Distribution of Expenditures for Month of Supplemental Report

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						
Equipment purchase [1]						
Equipment rental [2]	213.00	none	213.00	213.00	none	213.00
Buildings						
Explosives						
Repair parts						
Other supplies						
Power						
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work						
Other (specify)						
Total	213.00			213.00		213.00
Totals previously reported						
Totals to date						

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scatta / Hagen p SUM
Amount approved for payment
Remarks

W.K.K.

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

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF .....

Name of operator .....
Project No. DMA .....
Total contract amount .....
Government participation percent .....

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				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
TOTAL				

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

FOR GOVERNMENT USE ONLY

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

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

Name of operator _____
Project No. DMA _____
Total contract amount _____
Government participation, percent _____

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										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

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

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

FOR GOVERNMENT USE ONLY

Checked by _____
Entered by _____
Approved by Scotta Hagen
Remarks _____

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-104

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

Voucher prepared at Denver, Colorado 11/29/51
(Give place and date)

THE UNITED STATES, Dr.,

To Cherokee Mines, Inc.
Address 231 South Grand Bay Street, Fort Collins, Colorado
Payee's Account No. I-DMA-E-61

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for [redacted]
sum of $_____
Comptroller General of the United States
By _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	October 1951	Brought forward from continuation sheet(s) Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				1519.88	
					Total	1,519.88	

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

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1519.88
(Signature or initials) _____

Contract No. I-DMA-E-61 Date 7/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

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

NOV 30 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		1,519.88

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

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

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

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

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

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

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

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

4. Without advertising in accordance with _____

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

_____

_____

_____

_____

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

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

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

MF-104
(April 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

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

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

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

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

CERTIFICATION

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

Cherokee Mines
(Name of Company)

By Wilford H. Cram
(Signature of Authorized Official)

November 5, 1951
(Date)

Secretary
(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: Cherokee Mines
Project No. DMA: 1072
Total contract amount: $15,000.00
Government participation percent: 90%

Distribution of Expenditures for Month of October 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	1271.88	1205.68	2477.56	1271.88	1205.68	2477.56
Equipment purchase [1]	-	208.82	208.82	—	208.82	208.82
Equipment rental see note	186.60	-	186.60	—	—	—
Buildings	-	-	-			
Explosives	97.92	72.99	170.91	97.92	72.99	170.91
Repair parts	-	-	-			
Other supplies	86.14	289.49	375.63	86.14	289.49	375.63
Power Gasoline	118.60	36.00	154.60	118.60	36.00	154.60
Transportation	-	-	-	-	-	-
Withholding taxes	48.90	39.50	88.40	48.90	39.50	88.40
Compensation insurance	31.38	29.09	60.47	31.38	29.09	60.47
Other insurance	-	-	-	-	-	-
Contract work	-	-	-	-	—	-
Other (specify) SS	33.94	29.44	63.38	33.94	29.44	63.38
Total	1875.36			1688.76	1911.01	3599.77
Totals previously reported		1911.01				
Totals to date			3786.37			

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W. M. Graver, Jr. WOM
Amount approved for payment 1599.88
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

2 months rental of hoist pending contract amendment applied for.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF October 1951

Name of operator: Cherokee Mines
Project No. DMA: 1072
Total contract amount: $15,000.00
Government participation percent: 90%

Type	Number	Man-Shifts	Rate	Total
Miners	4	92	$ 11.56	$ 1063.80
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters	1			225.00
Manager				
Superintendent				
Engineers				
Geologists	1			50.00
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				1338.80

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W.M. Graver, Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October 1951

Name of operator Cherokee Mines
Project No. DMA 1072
Total contract amount $15,000.00
Government participation, percent 90%

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	1386.10	186.60	302.66		1875.36	1 Ft.	14	7	21	76
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1386.10	186.60	302.66		1875.36		14	7	21	76

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

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by W.M. Graves, Jr.
Remarks

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-54

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

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

Voucher prepared at Denver, Colorado 10/18/51
(Give place and date)

THE UNITED STATES, Dr.,

To Cherokee Mines, Inc.

Address 231 South Grant Street, Fort Collins, Colorado

Payee's Account No. I-DMA-E-61

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)					
	September 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				1,719	.91

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,719.91

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1,719.91
(Signature or initials) _____

Contract No. I-DMA-E-61 Date 7/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

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

OCT 18 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		1,719.91

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

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

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

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

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

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

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

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with _____
5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

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

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

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

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.

Cherokee Mines
(Name of Company)

By W. Alford Cram
(Signature of Authorized Official)

October 9, 1951
(Date)

Secretary
(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 Cherokee Mines
Project No. DMA ~~1072~~ 1702
Total contract amount $15,000
Government participation percent 90%

Distribution of Expenditures for Month of September 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	1205.68	none	1205.68	1205.68		1205.68
Equipment purchase [1]	208.82	"	208.82	208.82		208.82
Equipment rental [2]	90.00	"	90.00	None		None
Buildings						
Explosives	72.99	"	72.99	72.99		72.99
Repair parts						
Other supplies	289.49		289.49	289.49		289.49
Power Basoline	36.00		36.00	36.00		36.00
Transportation						
Withholding taxes	39.50		39.50	39.50		39.50
Compensation insurance	29.09		29.09	29.09		29.09
Other insurance						
Contract work						
Other (specify) FSA (SS)	29.44		29.44	29.44		29.44
Total	2001.01		2001.01	1911.01		1911.01
Totals previously reported	none		none			
Totals to date	2001.01		2001.01			

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Cecil M. Mullins
Amount approved for payment 1491.01
Remarks Less $16.00 Equipment Rental

PPA

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

16—64068-1

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

Administrative Audit Difference Statement

Date: 10/16/51
Payee's
Reference: Progress Report
September 1951

Cherokee Mines, Inc.
231 South Grant Street
Fort Collins, Colorado

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

Amount claimed $ 2,001.01

Difference $ - 90.00

Amount Approved $ 1,911.01

The reason for the difference was due to:

The terms of the contract do not provide for the rental of a hoist.

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

Very sincerely yours,

H. E. Stokes
Audit Section

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

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF September 1951

Name of operator: Cherokee Mines
Project No. DMA: ~~1072~~ 1702
Total contract amount: $15,000.
Government participation percent: 90%

Type	Number	Man-Shifts	Rate	Total
Miners	4	84	$ 11.73	$ 984.90
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1			225.00
Engineers				
Geologists				
Bookkeeper	1			50.00
Foreman				
Clerks				
Stenographers				
Other				
Total	6	84		1259.90

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Wm. Mullan
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF September 1951

Name of operator: Cherokee Mines
Project No. DMA: ~~1072~~ 1702
Total contract amount: $15,000.
Government participation, percent: 90%

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	873.49	298.82	398.48			1 ft.	7	none	7	76
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	430.22				430.22					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1303.71	298.82	398.48				7	none	7	

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

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Leon Mallen
Remarks See Note Equipment Rental

OCT 5 1961

Mr. T. H. Sackett
President
Shenandoah Mines
716 Cherokee Drive
Fort Collins, Colorado

Re: EMA-1703X (Uranium)
Cherokee Mines
Copper King Mine
Larimer County, Colorado
Contract 14s-361

Dear Mr. Sackett:

By the terms of the subject Exploration Project Contract, as amended, and the classification of discovery or development, dated February 16, 1953, all minerals mined or produced from July 16, 1951, to July 16, 1961, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/gla
(8/7/61) 10/3/61
cc to: Director's Reading File
CAAA Division
Region III (2)
Docket
Code 500

Contract and Audit Division copy

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Cherokee Mines, (M. A. Sackett, President & Manager),
231 South Grant Street, Fort Collins, Colorado

Pursuant to the provision of Exploration Project Contract No. [illegible], dated July 16, 1951, (Docket No. [illegible]A-1702X), hereinafter called the "contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the mineral which is the subject of the exploration project, the Government considers and therefore certifies that a discovery or development has resulted from the work from which commercial production of ore may be made.

The Government's estimate of said discovery or development is particularly described and delimited as follows:

Uranium ore in the form of pitchblende occurs in veinlets in a steeply dipping fracture developed east and west through the deposits and host rocks on the land described in the contract. The pitchblende is also associated with metamorphic rocks containing graffites and in boxwork pyrite adjacent to the vein.

Dated: FEB 18 1953

THE UNITED STATES OF AMERICA

By O P Mittendorf
Administrator, Defense Minerals
Exploration Administration

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

FEB 2 0 1953

Mr. T. H. Sackett, President
Cherokee Mines
231 South Grant Street
Fort Collins, Colorado

Re: Docket No. DMA-1702X (Uranium)
Contract No. Idm-E61
Larimer County, Colorado

Dear Mr. Sackett:

Enclosed is a "Certification by the United States of America of a Discovery or Development under an Exploration Project Contract." This certification covers the discovery made under the above contract at the Copper King Mine.

By the terms of the Exploration Project Contract, as amended, and of the certification, all uranium and other valuable minerals produced from claims subject to the aforesaid contract, from July 16, 1951, the date of the contract, is subject to the Government's percentage royalty as set forth in the contract, as amended, until the sum of $21,251.17 is paid, or until July 16, 1961.

Payments should be made to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments received by you on account of ore are considered to be a part of the purchaseprice to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. King of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. King at six-month intervals that no production has been made, when that is the case.

EWEllis/gla 2-13-53

Sincerely yours,

C. O. Mittendorf
Administrator

cc to: Adm. Reading file
Howard I. Young, Deputy Adm., DMPA
Oper. Committee - Mr. Hedges - Mr. Thayer
Field Team, Region IV (2)
Docket
Mr. Ellis - Mr. Chambers - F. E. Johnson

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

Mr. Howard I. Young
Deputy Administrator
Defense Materials Procurement Agency
General Services Administration Building
Washington 25, D. C.

FEB 20 1953

Re: Docket No. [illegible]-1702 (Uranium)
Contract No. [illegible]-61
Cheroree Mines
Gilpin County, Colorado

Dear Mr. Young:

I am enclosing a copy of a "Certification of Discovery" and a copy of the Field Team's final report on the above referenced property.

The project contract was signed July 16, 1951, with Government participation to the extent of 90% in an exploration project estimated to cost [illegible], Government's share [illegible]. By an amendment dated March 11, 1952, the total amount of the contract was increased to [illegible] (90% Government participation [illegible]). Of the Government's share, [illegible] was expended.

The contract provided for sinking a presently existing 60-foot compartment shaft to the [illegible] and [illegible]-foot levels. At the [illegible]-foot level it was proposed to crosscut the short distance to the vein and drift a few rounds. At the [illegible]-foot level the contract provided for a station and sump, then a crosscut for the short distance to the vein and a short drift. Due to the nature of the ore body, it was decided that such work had not properly revealed the deposit. Consequently the contract was amended to permit the shaft to be deepened 15 feet below the [illegible]-foot level, then to extend the [illegible]-foot level easterly to a point approximately 18 feet from the shaft. From this heading, a 15-foot raise was to be driven to the structure and a 135-foot sub-level established. On this sub-level it was proposed to drift some 100 feet, or to the limitation of mineralization, whichever occurred first. Such work was performed satisfactorily.

According to the final report of the Field Team, the work accomplished consisted of 67 feet of shaft sinking, cutting two shaft stations, drifting and crosscutting 73 feet

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

Mr. Edward L. Young
Energy Administrator
Office of Materials Management
Federal Services Administration Building
Washington 25, D. C.

Re: Contract No. [illegible] (Premium)
Contract [illegible]
Interior Pipes
Mining Corp., Colorado

Dear Mr. Young:

I am enclosing a copy of a certification of recovery and a copy of the field team's final report on the above referenced property.

The project contract was signed July 1, 1951, with government participation to the extent of 50% in an exploration project estimated to cost $[illegible]. Government's share [illegible] by an amendment dated March 11, 1952, the total amount of the contract was increased to $[illegible] (50% Government participation $[illegible]). The Government's share, $[illegible] was expended.

The drill crew reached the planned a necessary exploring 60-foot cross-drift south to the 100 and 150-foot levels. At the 100-foot level it was proposed to crosscut to a short distance to the vein and drift a few rounds. At the 150-foot level the contract provided for a station and sump, then a crosscut for the 2 inch distance to the vein and a short drift. Due to the nature of the ore body, it was decided that such work had not properly revealed the deposit. Consequently the contract was amended to permit the drill to be deepened 15 feet below the 150-foot level, then to extend the 150-foot level westerly to a point a round about 15 feet from the shaft. From this new long a 150-foot raise was to be driven to the structure and a 150-foot sub-level established. In this sub-level it was proposed to drift some 100 feet, or to the limitation of the mineralization, whichever occurred first. Such work was carried out satisfactorily.

According to the final report of the field team, the work accomplished consisted of 97 feet of shaft sinking, cutting two shaft stations, drifting and crosscutting 75 feet

C. O. Mittendorf

Government Copy
Uranium

No. 8

AMENDMENT OF CONTRACT: No. Idm-E61

Contract Docket No. DMA 1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows, effective August 22, 1952:

> Referring to the Amendment dated February 5, 1952, which amended Article 3 of Exploration Project Contract Form MF-200, delete "14 months" where it appears in said Amendment and in lieu thereof substitute "16 months."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated September 16, 1952.

CHEROKEE MINES,
A Common Law Trust,
Trust Agreement filed
at the Court House in
Larimer County, Colo.,
under file #640746

By M. Sackett
President & General Manager

UNITED STATES OF AMERICA

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

COPY

Cherokee Mines
122 So. College Ave.
Fort Collins, Colo.
August 22, 1952

Mr. W. H. King
Executive Officer Field Team
Region 4
224 New Custom House
Denver 2, Colo.

Re: DMA 1702 X Contract I-DMA E61

Dear Mr. King:

We would like to request an extension in the time allowed under the above mentioned contract. Due to some unforseen difiaulties we have been unable to complete our work. We would like to have the contract extended until November 1, 1952. Please advise if you can grant this extension.

Very truly yours,

Cherokee Mines

By /s/ Wilford F. Cram

WC

No. 7

AMENDMENT OF CONTRACT: No. Idm-E61 GOVERNMENT'S COPY

Contract Docket No. DMA 1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows, effective July 1, 1952:

Referring to Exhibit "A" attached to Exploration Project Contract Form MF-200, as amended by Amendment No. 5, dated March 11, 1952, said Amendment is amended as follows:

1. Under Item 1, the paragraph beginning with the words: "Sink the shaft 15 feet below the 150-foot level," delete the paragraph in its entirety and in lieu thereof insert the following:

   Sink the shaft 15 feet below the 150-foot level, extend the 150-level easterly to a point approximately 18 feet from the shaft, raise from this point on the exposed structure approximately 15 feet, or until ore is encountered, sublevel drift easterly from the top of the raise 100 feet or to the limits of mineralization, whichever occurs first.

2. Under Item 2, under the title: "To be purchased:" add:

   1 Blower - $270.00

Referring to Exhibit "A" under the title Cost of Work, (h) "Cost of Material & Supplies" add:

12. 200 feet of 8 or 10 inch metal ventilation pipe and 100 feet of flexible ventilation tubing. Estimated cost - $250.00

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

Dated July 22, 1952.

JUL 28 1952

CHEROKEE MINES, A Common Law Trust,
Trust Agreement Filed at the Courthouse
in Larimer County, Colorado, under
File Number 640746,

By H Sackett, Pres

UNITED STATES OF AMERICA

By W. H. Kang
Executive Officer - DMRA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 7, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

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

Subject: DMA 1702X (Uranium), Contract Idm-E61, Cherokee Mines, Inc., Larimer County, Colorado - Amendment providing for ventilating equipment and a change in the exploration program.

Please find enclosed the original and five copies of R. L. Bolmer's recommendations on the above subject submitted in accordance with your memorandum of June 25, 1952.

I am in agreement with Bolmer's recommendations. Under the existing circumstances it may be necessary and would probably be as satisfactory to use flexible ventilation tube, and it is doubtful if it will be possible to rent a suitable blower. Costs, in any event, should be kept to a minimum.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/bam

cc: 5
E61
DMEA Chron.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 7, 1952

Memorandum

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

From: R. L. Bolmer

Subject: DMA 1702X (Uranium), Contract Idm-E61, Cherokee Mines, Inc., Larimer County, Colorado - Amendment providing for ventilating equipment and a change in the exploration program.

The final phase of exploration under the subject contract provided for crosscutting a short distance southeast on the 150-foot level of the Blackhawk shaft and drifting for 50 feet in each direction on the vein encountered. To date, crosscutting a reasonable distance southeast on this level has failed to disclose the uraninite vein. The contractor has requested permission to drift on the vein at about the 130-foot level, the lowest point at which the mineralized vein was observed in the shaft.

Rather than establish a new shaft station at the 130-foot depth, the contractor proposes, at the suggestion of Defense Minerals Exploration Administration representatives, extending the present 150-foot station a short distance east of the shaft, raising from here approximately 15 feet to the bottom of mineralization on the vein, and then drifting easterly on the vein.

The uraninite vein is exposed in the lower sections of the shaft to a depth of 130 feet. The vein strikes easterly and dips steeply southeasterly. On the higher levels, the vein cuts across the middle section

of the shaft; but, as had been anticipated, the vein passed outside the southeast corner of the shaft 130 feet below the surface. The vein, as observed during shaft sinking, was weakening when it left the shaft but the mineralization was assumed to continue to at least a depth of 150 feet.

The 150-foot level crosscut did cut a fault or shear zone 10 to 15 feet south of the shaft. This zone has a strike and dip similar to the vein exposed higher in the shaft and its distance from the shaft is about where the vein should be if it were projected to this level. The zone, however, does not contain uraninite at this location.

From the evidence of its attitude and position, the fault zone is concluded as being the same structure as contains uraninite higher in the shaft. Apparently mineralization on this structure dies out between 130- amd 150-foot depths.

The contractor's proposal to raise from the 150-foot level and then sublevel drift on the mineralized portion of the vein is more feasible than establishing a new shaft station at the 130-foot depth and drifting from there. The cost of a new station would be costlier and its nearness to the 150-foot station possibly would cause unusual difficulty. The fracture zone projects into that section of the shaft and the ground would be difficult to support, if it could be held at all.

In order to maintain a minimum 10-foot shaft pillar, the raise should be started 15 to 18 feet east of the shaft. The raise should be extended 5 to 8 feet into the ore zone in order for the sublevel to be driven on a recognizable structure. The ground surrounding the shaft on the 150-foot level is fractured badly but it appears to improve towards the east. The sublevel should not require excessive timbering. It will be kept as narrow as possible. Broken rock will be slushed into the raise,

drawn from a chute on the 150-foot level, and trammed to the shaft in a bucket and dolly.

To avoid undue delays, the contractor was given verbal permission to (1) extend the 150-foot level easterly to a point approximately 18 feet from the shaft, (2) raise from this point on the exposed structure approximately 15 feet or until ore is encountered, and (3) sublevel drift easterly from the top of the raise 100 feet or to the limits of mineralization, whichever occurs first (see attached sketch). It is anticipated that the funds remaining will not permit the completion of all this work; however, as much work will be performed as the funds remaining will permit and Defense Minerals Exploration Administration representatives approve.

It is not probable that the mineralized vein extends any distance west of the shaft at the lower depths. The proposed sublevel could not be extended in this direction without endangering the shaft or the 150-foot shaft station. Drifting west from the shaft, if approved, appears more feasible from the 100-foot level.

It is recommended that the subject contract be amended to permit the above revision in the program.

A recent public health survey at the mine indicated that radon gas was present in the shaft in concentrations approaching maximum recommended limits. Radon concentration is expected to increase as the vein is exposed by drifting. As a result of this survey, the State Mine Commissioner has instructed the contractor to provide mechanical ventilation. The contractor, in turn, has applied for an amendment to the contract to permit the purchase of the required blower and ventilation pipe.

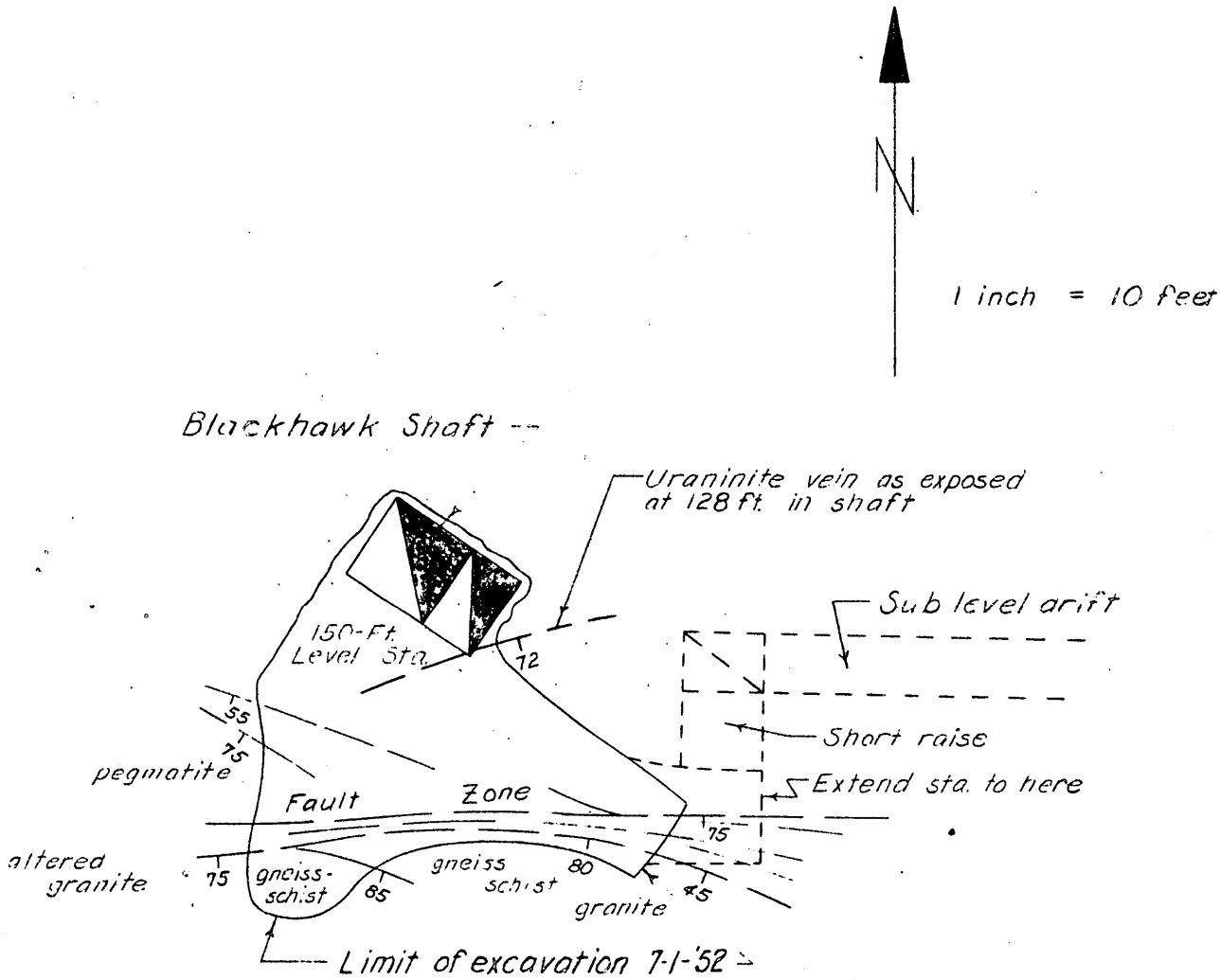
The need for ventilation is recognized and an amendment allowing the purchase of 200 feet of 8- to 10-inch metal ventilation pipe, 100 feet of flexible ventilation tubing, and the purchase or rental of a gasoline-powered centrifugal blower capable of delivering approximately 500 cubic feet of air per minute at the lower level is recommended. The operator has investigated to some extent the availability and cost of such equipment, but not thoroughly enough.

Metal pipe, new or used, is scarce and might not be available. Flexible tubing for the entire distance might have to be substituted. It would be preferred to rent a blower for the short period of exploration; however, the purchase of a used blower would be considered if the price and capacity were suitable. The amendment should be drawn up allowing the purchase or rental of such equipment but the details--price, type, condition, et cetera--should be approved beforehand by the Region IV Field Team.

R. L. Bolmer

R. L. Bolmer

bam



Plan of the 150-ft level, Blackhawk Shaft
Showing present (——) and proposed (- - -) work.

CHEROKEE MINES, INC.
Larimer Co., Colo.
DM4 1702 X
Contract: Ijm E-61

COPY

T. H. SACKETT
COUNTY SURVEYOR
Fort Collins, Colorado

Residence -231 South Grant Street
Phone 839-W

County Garage Office Building
Phone 505

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

Dear Mr. King:

In regard to our Exploration Contract Idm-E61 Docket DMA 1702X. In attempting to carry out the drifting program on the 150 foot level of our shaft, which we had anticipated would be along the vein we find that changes have occurred since the vein left the shaft at the 135 foot level. We do not find the uranium values have carried down in what appears to be the vein on the 150 foot level. We have decided that it would be best to drift Easterly from the station three or four rounds and then raise up to the level at which the ore is known to be. We would then begin drifting on the vein at that level making use of a slusher which we have to pull the muck to a chute in the raise. Mr. Kuhn of the USGS visited the mine Wednesday of this week and his conclusion was that this program would be advisable. In carrying out this program we will without doubt be forced to provide ventilation in the drift and raise by means of a blower and a combination of metal and canvas tubing.

We are therefore requesting that our contract be amended to provide for drifting Southeasterly from the 150 foot station about twelve feet and raising to the vein about fifteen feet or until the ore is again picked up and then drifting at that level the 100 feet provided for in our contract.

Also we are requesting an amendment permitting us to purchase the necessary 200 feet of metal air pipe to carry air from a blower to the foot of the shaft and then 100 feet of canvas or flexible air pipe to carry the air into the raise and drift also a blower to be driven by a gasoline motor on the surface. (We own a gas engine which can be used for power to drive the blower). We have been quoted a price of 205.00 on a new coppus blower and have information on a used fan at about $60.00. This may still be available. Metal tubing 8" in dia. is quoted to us at 75 to 80 cents per foot. Canvas tubing comes at about $1.00 per foot. Ten inch tubing has been recommended as being more efficient.

Yours very truly, ,

Cherokee Mines

/s/ T. H. Sackett Pres.
T. H. Sackett
231 S. Grant St.
Fort Collins, Colo.

No. 6
Government Copy

AMENDMENT OF CONTRACT: No. I-DMA-E61

Contract Docket No. DMA 1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows, effective March 1, 1952:

> Referring to Exhibit "A" attached to Exploration Project Contract Form MF-200 as amended by Amendment No. 1, dated September 24, 1951, in the paragraph of said Amendment beginning with "The schedule in Exhibit A", delete the figure $1.50 and in lieu thereof substitute the figure $1.75.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated April 22, 1952.

CHEROKEE MINES, A Common Law Trust, Trust Agreement filed at the Courthouse in Larimer County, Colorado under File No. 640746

By H. Sackett, Pres

UNITED STATES OF AMERICA

By J. H. Emmons
Executive Officer - DMEA

Mr Galiher

700

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

AIRMAIL

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

Re: Docket No. DMA-1702X
(Uranium)
Contract No. Idm-E61
Cherokee Mines,
Larimer County, Colorado

Dear Mr. East:

We are returning herewith three copies of Amendment No. 4 for attachment to your field and applicant's copies of the captioned contract. It is noted that the contract amount is increased by $10,000, or from $14,000 to $24,000, which increase is within your delegated authority. Accordingly, the additional funds will be provided for.

The last paragraph of subject amendment is somewhat amoiguous. It is suggested that you delete said clause from your copies and initial same. We will do likewise with the copies here upon receipt of word from you that the field copies have been corrected (by deletion of paragraph) and initialed by both parties.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures 3

EWEllis/gla 3-26-52
Copies to: Administrator's Reading File
Docket
Operating Committee
Messrs. Chambers, Rm. 2612
Ellis, Rm. 4060

Contracts & Audit

No. 4

AMENDMENT OF CONTRACT: No. Idm-E61

Contract Docket No. DMA 1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows, effective as of the date of said contract:

1. Referring to Exhibit "A" attached to Exploration Project Contract Form MF-200, delete the following: "At the 150-foot level establish a station and sump, then crosscut the short distance (unknown) to the vein and drift a few rounds each way along the vein. It will be necessary to timber the winze and probably the drifts."

   Insert in lieu thereof:

   Sink the shaft 15 feet below the 150-foot level, drive a crosscut on the 150-foot level to cut the vein, drift approximately 50 feet on the vein from each side of the shaft on the 150-foot level. The total drifting on the 150-foot level will be approximately 100 feet. The location of the proposed work is shown on the attached map.

2. Referring to Exhibit "A" under title Cost of Work (e) delete: "No equipment to be purchased." and insert:

   To be purchased:

350 feet of non-spinning hoist cable	$80.00
1 ore car	$60.00

   Also insert:

   To be rented:

   1 Jackhammer at $45.00 per month
   1 Jackleg at $20.00 per month

   The estimated cost of additional supplies, labor, supervision, and the additional items of equipment listed above is $10,000.

   Under title Cost of Work delete the following:

Total	$1,877.00
Grand Total	$14,000.00

3. Referring to Article 13 of the contract (a) delete the figure $12,600.00 and in lieu thereof substitute the figure $21,600.00; (b) delete the figure $14,000.00 and in lieu thereof substitute the figure $24,000.00.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form, as hereby amended.

Dated March 11, 1952.

CHEROKEE MINES, A Common Law Trust,
Trust Agreement filed at the Court-
house in Larimer County, Colorado,
under File Number 64C746.

By T H Sackett Pres

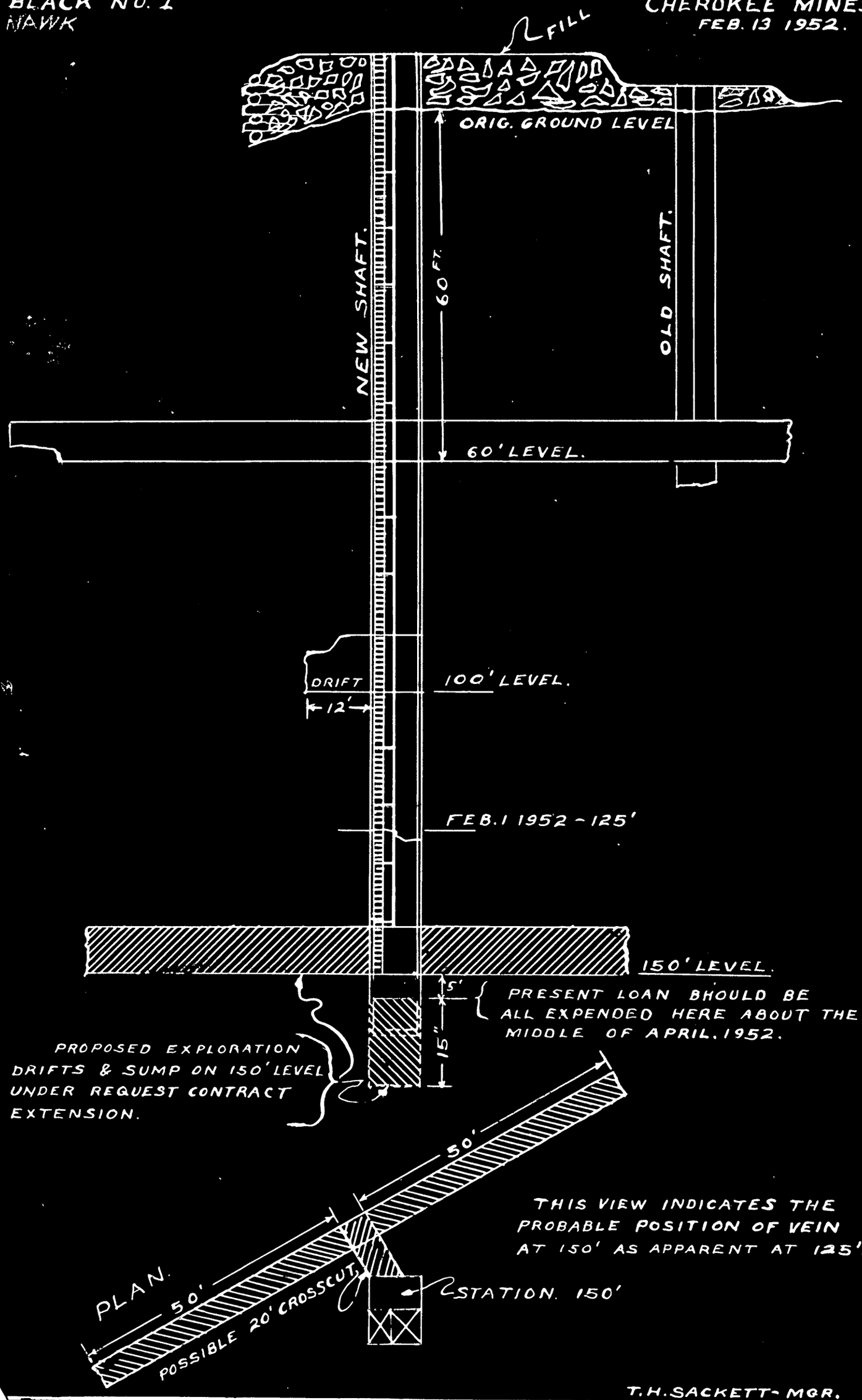
UNITED STATES OF AMERICA

By
Executive Officer - DMA

PLAT OF PRESE T & PROPOSED EXPLO ATION WORK

BLACK NO. 1
HAWK

CHEROKEE MINES.
FEB. 13 1952.



T.H. SACKETT - MGR.

AMENDMENT OF CONTRACT: No. Idm-E61

Contract Docket No. DMA 1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows, effective as of the date of said contract:

> Referring to Exhibit A attached to Exploration Project Contract Form MF-200, under title "Cost of Work", item "(a)" add the following:
>
> 1 Bookkeeper, $50.00 per month.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated February 25, 1952.

CHEROKEE MINES, A Common Law Trust, Trust Agreement filed at the Courthouse in Larimer County, Colorado, under File Number 640746.

By H Lackett, Pres

UNITED STATES OF AMERICA

By

Executive Officer - DMA

Contracts & Audit Copy

AMENDMENT OF CONTRACT: No. Idm-E61

Contract Docket No. DMA 1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows, effective January 16, 1952:

Referring to Article 3 of Form MF-200, "Exploration Project" after the following:

"all properly designed to bring the project to completion within a period of",

delete the following:

"6 months"

and insert the following:

"14 months".

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated February 5, [illegible], 1952.

jus

CHEROKEE MINES, A Common Law Trust, Trust Agreement filed at the Courthouse in Larimer County, Colo., under file #640746

By H Sackett, Pres.

UNITED STATES OF AMERICA

By J. H. Earl

Executive Officer, DMA

[illegible]
Defense Minerals Administration
[illegible]

FEB 11 1952

Mr Ellis received
2/13/52 (hb)

Contract Adm. & Audit Sec

AMENDMENT OF CONTRACT: No. I-DMA-E61

Contract Docket No. DMA-1702X, dated July 16, 1951, between the United States of America and Cherokee Mines is hereby amended as follows:

Referring to Exhibit "A" attached to Exploration Project Contract, Form MF-200, under the title "Cost of Work", paragraph (f), add the following:

"One Vulcan Iron Works single drum mine hoist driven by Hercules gasoline engine, to be rented at the rate of $120.00 per month. Two-thirds of the rental of this hoist will apply on the purchase price of $2,120.00."

"The amount of $213.00 which the operator paid for rental of an air hoist for use on the project from August 28, 1951, to November 9, 1951, is allowed. It is agreed that one-half of the said $213.00 will apply on the purchase of the above gasoline engine driven mine hoist if the option to purchase is exercised."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated November 9, 1951.

CHEROKEE MINES, A Common Law Trust, Trust Agreement filed at the Courthouse in Larimer County, Colorado, under file number 640746,

By H Sackett
President

UNITED STATES OF AMERICA

W.H.K.
Jwo

By J. H. Ewing Jr.
Executive Officer - DMA

AMENDMENT OF CONTRACT: No. I-DMA-E61

Contract Docket No. DMA-1702X, dated July 16, 1951, between the United States of America and Cherokee Mines, is hereby amended as follows, effective as of the date of said contract:

> The schedule in Exhibit A, attached to the contract form, under the title of Cost of Work, is amended to provide for a $1.50 per hour wage rate for miners and to provide for the purchase of a pump at a cost of $187.00 in place of rental of a pump at the rate of $80.00 per month.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated September 24, 1951.

CHEROKEE MINES

By H. Sackett, Pres.

UNITED STATES OF AMERICA

By [illegible]
Executive Officer - DMA

Cont. Serv. Sec.
Change Order
Noted
Initialed

10/17/51

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 27 9 25 AM '51

Docket No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E [illegible]

Date of Contract or Amendment: [illegible] March [illegible], 1952

Name and Address of Operator:

[illegible]
[illegible]
[illegible], Colo.

Amount of Government participation ____ $ [illegible]

Percent of Government participation [illegible] %

Region: IV State: Colorado

Minerals reference [illegible], Mining Contract Administration and Audit Division

(Name)

[illegible], Chief, Center of Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Feb. [illegible], 1952

13908

Docket No. 1702x

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following ~~contract~~ amendment to contract.

Contract No. Idm-E 61

Date of ~~Contract~~ Amendment: March 11, 1952

Name and Address of Operator: Cherokee Mines

231 South Grant Street

Fort Collins, Colorado

Amount of Government participation $ 21,600.00

Percent of Government participation % 50

Region: IV State: Colorado

This document establishes the obligation shown above and cancels the previous obligation of $12,600.00.

J.L. (Name) Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 3/17/52

13908

MF-200
(June 1951)

Indexed
No. Card
Card
Reviewed
9/14/51

Docket No. DMA 1702X
Commodity Uranium
Idm-E61

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 16th 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] Cherokee Mines, (T.H. Sackett, President & Manager)
231 South Grant Street
Fort Collins, 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 Larimer described as follows: [3] The Blackhawk No. 1 Mining Lode in the Prairie Divide Mining District in the W ½ of Sec. 8, T. 10 N. R. 72 W. of the 6th P.M.

AUG 8 1951
RECEIVED
CONTRACT SERV. SEC.

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:

No liens or encumbrances

(*b*) ~~That he is sole owner, in possession and entitled to possession, and the subordination agreement of the holder is attached~~

3. *Exploration project.* The Operator, within 10 days from the date of this contract shall commence work on a project of exploration for [5] Uranium; 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] 6 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. Any 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 currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. 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.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

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

Supplement No. Amend 1 dated 9-24-51 Attached 10-16-51

16—64066-2

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, and 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.* 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 is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The 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, analytical work, accounting, 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 this 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, taxes, or any other indirect costs not expressly allowed by these provisions, 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. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,600.00, which is 90 percent of the agreed estimated total cost of this project, $14,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator 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.

15. *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 for each additional 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 mineral deposit 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.

16. *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.

17. *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 sextuplicate the day and year first above written.

Cherokee Mines
(Operator)

By H. Sackett, Pres. & Gen. Mgr.

THE UNITED STATES OF AMERICA

By C. O. Mittendorf

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

U. S. GOVERNMENT PRINTING OFFICE 16—64[illegible]

EXHIBIT "A"

This exploratory work consists of sinking the present 14 foot winze on the 60 foot level of the Black Hawk No. 1 Claim to the 100 foot level and the 150 foot level. At the 100 foot level crosscut the short distance (unknown) to the vein and drift a few rounds each way along the vein. At the 150 foot level establish a station and sump then crosscut the short distance (unknown) to the vein and drift a few rounds each way along the vein. It will be necessary to timber the winze and probably the drifts.

Cost of Work

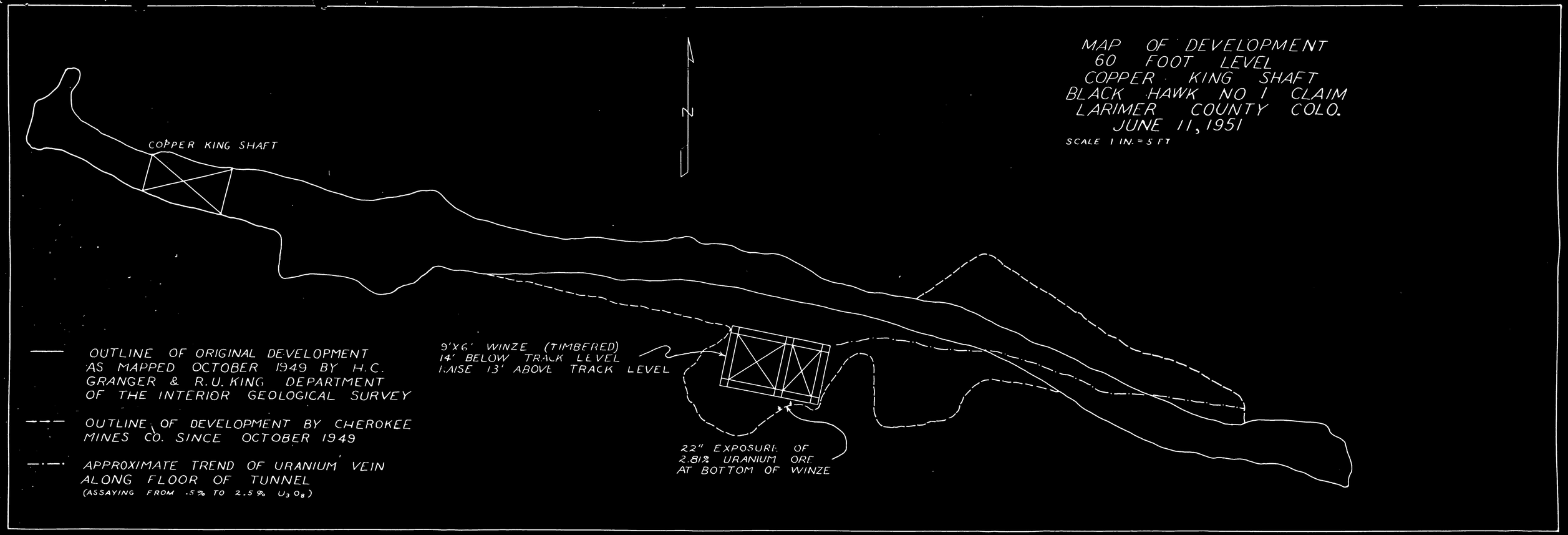
			Six Months
(a)	Labor - 4 miners @ $1.25/hr. $10.00/day - $1200.00/mo.		$7200.00
(b)	Supervisor - 1 man (part time) $225.00/mo.		1350.00
(c)	Repairs to existing facilities, structures, and buildings		100.00
(d)	Number of additional facilities, structures, and buildings necessary		——
(e)	No equipment to be purchased.		——
(f)	Air driven water pump to be rented @ $80.00/mo. (60% applying toward purchase).		480.00
(g)	No rental to be charged on operators equipment.		
(h)	Cost of Materials & Supplies		
	1. Explosives	$375.00	
	2. Carbide	60.00	
	3. Drill bits (new & regrind cost)	420.00	
	4. Drill Steel	150.00	
	5. Timber, planks, lagging, nails, lining boards	660.00	
	6. Hoist cable	30.00	
	7. Rails	40.00	
	8. 75 ft. 2 in. pipe	37.00	
	9. Hammer & engine oil	20.00	
	10. Pipe fittings & suction hose	35.00	
	11. Shovels, picks, blacksmith coal, etc.	50.00	
	TOTAL		$1877.00
(i)	Power (Gasoline engines.) 30 gals/day @ 20¢/gal		900.00
	Compensation insurance		150.00
	Social security 1½% of $8400.00		126.00
	Emergency & unexpected expense		1817.00
	GRAND TOTAL		$14000.00

Time Schedule

1st Month	- Sink and timber to 100 foot level & timber station.	$2000.00
2nd Month	- Drive drift to vein and along vein a few rounds to test same.	2000.00
3rd Month	- Sink to 125 feet and timber winze.	2000.00
4th Month	- Sink to 150 foot level and timber.	2000.00
5th Month	- Sink sump, construct station and drive to vein.	2000.00
6th Month	- Drift on vein on 100 and 150 foot levels to determine probable extent of deposit.	2000.00

Leaving $2000.00 if no unexpected immergency or expense occurs and if vein does not dip too much from the vertical.

AUG 6 1957


MAP OF DEVELOPMENT
60 FOOT LEVEL
COPPER KING SHAFT
BLACK HAWK NO 1 CLAIM
LARIMER COUNTY COLO.
JUNE 11, 1951
SCALE 1 IN. = 5 FT
N
COPPER KING SHAFT
9'X6' WINZE (TIMBERED)
14' BELOW TRACK LEVEL
RAISE 13' ABOVE TRACK LEVEL
22" EXPOSURE OF
2.81% URANIUM ORE
AT BOTTOM OF WINZE
OUTLINE OF ORIGINAL DEVELOPMENT
AS MAPPED OCTOBER 1949 BY H.C.
GRANGER & R.U. KING DEPARTMENT
OF THE INTERIOR GEOLOGICAL SURVEY
OUTLINE OF DEVELOPMENT BY CHEROKEE
MINES CO. SINCE OCTOBER 1949
APPROXIMATE TREND OF URANIUM VEIN
ALONG FLOOR OF TUNNEL
(ASSAYING FROM .5% TO 2.5% U_3O_8)