OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E509, Docket DMEA-2160 (lead-zinc), dated April 15, 1953, with

Mike Vinson and Fred Harris
Box 158
Breckenridge, Colorado

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Chatauqua Mine located in Summit County, Colorado, during the period July 23, 1959, through August 24, 1962.

In accordance with Amendment No. 1 and Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated May 5, 1955, indicated accepted costs under the exploration contract amounting to $16,128.00 with the Government's contribution on a 50 percent basis being $8,064.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through July 22, 1959, to be $37,121.97. The royalty account as of July 22, 1959, was:

Total Royalty Payable	$1,834.66
Total Royalty Paid	1,856.11
Overpayment of Royalty	$ 21.45

As of August 24, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$1,834.66
Total Royalty Paid	1,856.11
Overpayment of Royalty	$ 21.45

E. D. Talbert

E. D. Talbert, OME Auditor

September 5, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract, as amended, provides that the Operators or their successors in interest shall pay to the Government a percentage royalty on any minerals produced from the land thereunder. The land consists of the patented Chatauqua Lode claim and the unpatented Protection Lode Nos. 1, 2, and 3 claims located in sec. 3, T. 6 S., R. 76 W., 6th P. M., Snake River Mining District. The contract recites that the Operators are the owners of the claims subject to no liens or encumbrances; however, the files indicate that, at the time the contract was executed, the Operators were in possession by virtue of a lease with option to purchase from the Teller Basin Mining & Milling Company, 2809 Birch Street, Denver, Colorado.

Exploration work under the contract was discontinued during June 1954 and was terminated effective February 2, 1955, under the provisions of Amendment No. 1 to the contract. There was no production from the property during the exploration period.

By letter dated April 12, 1955, one of the Operator-Partners (Vinson) advised that the mine had been sold to Montezuma Uranium, Inc., 667 Ernest & Cramer Building, Denver, Colorado. Later in the same year, Montezuma Uranium, Inc., merged with Lisbon Valley Uranium Company, 501 Kittaridge Building, Denver, Colorado. On June 18, 1956, Lisbon Valley Uranium Company leased the property for four years to Acme Uranium Mines, Inc., Room 626, 818 17th Street Building, Denver, Colorado. By letter dated October 8, 1956, Lisbon Valley Uranium Company advised that it was assuming the royalty obligations under the contract from the date that it (i.e., Montezuma Uranium, Inc.) became owner of the property. The files indicate various suits and counter-suits among the several parties in possession with Acme Uranium Mines, Inc., being finally awarded the property.

From December 1955 through February 1958 an aggregate of 337.2110 SDT of ore and 222.3315 SDT of concentrates were shipped under the names of Lisbon Valley Uranium Company, Acme Uranium Mines, Inc., and Chatauqua Leasing Company. A prior Report of Royalty Review covers the aggregate of $37,121.97 in proceeds subject to royalty, which was paid by Lisbon Valley Uranium Company.

An inspection of the property on September 15, 1958, disclosed that the property was closed down at the end of 1957 and that no stockpiles of ore were on the surface. Inquiries by the Acting Field Officer, GME Region III, on or about August 19, 1960, and August

24, 1962, to the Colorado State Mine Inspector indicate that the property has remained inactive since 1957.

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

(1) The files indicate that the property has been inactive during the period covered by this review;

(2) All prior production subject to royalty under the contract has been reported; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado, pertaining to Contract Ibm-2509, Docket No. DMEA 2160 (Lead-Zinc) dated April 15, 1953, with

Idaho Valley Uranium Company, Assignee
Mike Vinson and Fred Harris
701 Kittredge Building
Denver 2, Colorado

for the purpose of determining the amount of royalties due the United States Government on the sales of lead-zinc ores and concentrates produced from property known as Chatauqua Mine, located in Summit County, Colorado, during the period April 15, 1953 to July 22, 1959.

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

My review established the total sales of lead-zinc ores and concentrates for this period to be $37,121.97, (See Summary attached). Royalty due the United States Government at the contract rates of 1½ to 5 percent is $1,834.66. The royalty paid and the balance due are as follows:

Total royalty due	$1,834.66
Total royalty paid	1,836.11
Royalty overpaid	

July 28, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 30 1959

DATE	INITIALS	CODE
7-30	gad	VVO
8		800

Donald T. Finch
Donald T. Finch
OME Auditor

STATUS OF PROJECT, DESCRIPTION OF REVIEW AND VALUE THEREOF

CONTRACT NO. IBM-2509 **DOCKET NO. DMSA 2160**

Fraude Certification was effected by paragraph E, Amendment No. I to the Exploration Contract and accordingly royalty is payable on all the production from the land described in paragraph 2 of the contract for a maximum period of 11 years from the date of the contract. A Report of Review in lieu of Final Cost Audit dated May 5, 1975, indicated accepted costs under the contract amounting to $16,128.00 with Government contribution on a 50 percent basis being $8,064.00.

The Field Team's Semi-Annual Reports of Certified Project for the period January 1, 1958 to December 31, 1958, indicate the property has been inactive since February 4, 1958.

Royalty payments applicable to all but a few of the earlier shipments were made direct to the Executive Officer of the Field Team, by the smelter purchasing the ore or concentrates.

My review included a tabulation and recomputation of all liquidation settlement sheets on file from the American Smelting and Refining Company for the period, a reconciliation of production with the Field Team's Semi-Annual Reports for the period July 1, 1955 to December 31, 1958, and a reconciliation of the total royalty receipts with the records of the GSS Finance Office, Denver, Colorado.

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

(a) All reported production was reconciled with the Field Team's Semi-Annual Reports of Certified Projects.

(b) Reported production was adequately supported by copies of liquidation settlement sheets which were examined during the review.

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

CONTRACT NO. [illegible]-2569 DOCKET NO. [illegible] 2169

LITTLE VALLEY URANIUM COMPANY
SUMMARY OF PRODUCTION [illegible] AND ROYALTY
For the Period April 15, 1955 to July 31, 1959

	Ore	Concentrates	Total
Gross Weight: Pounds	702,780	485,295	
Moisture Content: Pounds	27,358	40,632	
Dry Weight: Pounds	675,422	444,663	
Dry Weight: Tons	337.7110	222.3315	
Total Content of Concentrates			
Gold: Ounces		0.1629	
Silver: Ounces		12,628 .75	
Lead: Pounds		2,467,245	
Copper: Pounds		32,537	
Gross Value	[illegible]	[illegible]	[illegible]
Less: Allowable Deductions			
Smelter Treatment Charges	$ 3,314.28	$ 3,110.51	$ 6,424.79
Transportation and Federal Tax	1,807.07	1,454.47	3,261.54
Sulphide and Tax	77.00	96.52	173.52
Handling Charges		130.19	130.19
Sampling Charges	14.00	84.25	98.25
Engine Fees		89.50	89.50
Total Allowable Deductions	[illegible]	[illegible]	[illegible]
Net Smelter Value (Subject to Royalty)	[illegible]	[illegible]	[illegible]
Total Royalty Due	$ 265.51	$ 1,569.15	$ 1,834.66
Total Royalty Paid	286.96	1,569.15	1,856.11
Royalty Overpaid		0	

Royalty Overpaid

Feb. 26, 1957, A.S.AR. Co. Liquidation No. 4583	$ 14.98	
Mar. 13, 1957, A.S.AR. Co. Liquidation No. 4592	6.47	
Royalty Overpaid as above		$ 21.45

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Lisbon Valley Uranium Co., Assignee
Mike Vinson & Fred Harris
Address 501 Kittredge Building

Denver 2, Colorado

Exploration Contract No. Idm-E509 Docket No. DMEA 2160

Chatauqua Mine
Summit County, Colorado

			Check One Yes	Check One No
1.	(a)	Does the Operator stockpile ore subject to royalty repayment?		
	(b)	If so, is segregation and identification procedure adequate?		
2.	(a)	Does Operator commingle production subject to DMEA or OME royalties with exempt production?		
	(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?		
	(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?		
5.		Do you consider that the manner of disposing of production gives the Government its fair royalty returns?		
6.		Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?		
7.		Does the Operator buy from or sell to other Operators?		
8.		Comment on any item 2 (b) to 6 if answer is No.		

9. Remarks: Questions 1-7 Incl. not applicable. To the best of my knowledge, the property has been inactive for some time. The latest information available relative to project operations is that contained in the "Statement in Lieu of Semi-Annual Report" for the period July 1 - December 31, 1958.

July 21, 1959
Date

J. W. Townsend
Mining Engineer
J. W. Townsend
Executive Officer, OME
Field Team, Region III

Finance
~~[illegible]~~
Betty

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mike Vinson and Fred Harris,
A Partnership
Breckenridge, Colorado

pertaining to Exploration Project Contract No. Idm-E509, Docket No. DMEA 2160, including Amendment No. 1, for the months of June to October, 1953; January to March, 1954; and May to June, 1954, covering a project for the exploration of Lead - Zinc on property known as the Chatauqua Lode, located in Summit County, Colorado.

My review included an examination of the Monthly Reports (MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$16,128.00
Exceptions:		
By DMEA Finance Officer	$0.0	
Herewith	$0.0	0
Total Accepted Cost		$16,128.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Eight thousand, sixty-four and no/100ths Dollars

** $8,064.00 **

is considered valid and proper, provided 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.

May 5, 1955

T. H. Bradley, Auditor

Pocket copy

EXPLORATION PROJECT CONTRACT
MIKE VINSON AND FRED HARRIS
DOCKET NO. DMEA-2160

AMENDMENT NO. 1

It is agreed this 1st day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mike Vinson and Fred Harris, partners, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-2509 (Docket No. DMEA-2160), dated April 15, 1953, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning July 15, 1954, and ending not later than February 1, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is extended to August 15, 1955.

3. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) Effective February 2, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

(c) Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

(d) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

(e) The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the Contract, in the manner and amount provided in the Contract, certification of discovery or development being hereby waived.

(f) The maximum period for royalty payments and lien for the payment thereof, provided for in the Contract, is increased to eleven years.

(g) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

4. This agreement shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute under the provisions of the Contract.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O. M. Mitchell
Administrator, Defense Minerals Exploration Administration

MIKE VIRSON AND
FRED HARRIS

By Mike Virson
(Partner)

By Fred L. Harris
(Partner)

Witnessed
Witnessed
Jackson
Selfridge

MF-200 (A)
(February 1952)

DOCKET No. DMEA 2160

COMMODITY Lead-Zinc

Idm-E509

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 15th day of April, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] A partnership consisting of: Mike Vinson and Fred Harris Breckenridge, Colorado

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Summit, described as follows:[3] The Chatauqua Lode U. S. Survey No. 82; and three unpatented mining claims the Protection Lode No. 1, the Protection Lode No. 2, and the Protection Lode No. 3; all recorded in Book 26, page 333 in the County Clerk and Recorder's Office of Summit County, in Breckenridge, Colorado.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the 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:

None

(*b*) ~~That the Operator is the owner, in possession and entitled to possession, and the Operator's property is not subject to any claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached.~~

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.

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Lead-Zinc

in or upon the described land; and shall bring the project to completion within a period of eighteen (18) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay fifty (50) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $18,800.00, which is fifty (50) percent of $37,600.00, the agreed, estimated total cost of the project in which the Government will participate. *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[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, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *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 worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

Mike Vinson
Fred L. Harris
_____ (Operator)

By _____

THE UNITED STATES OF AMERICA

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

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXHIBIT A

Description of the Work

The project consists of extending the A-Level Adit approximately 500 feet southwesterly along the mineralized structure, extending D-Level Adit approximately 500 feet southwesterly along the mineralized structure, and driving short raises from each of the drifts to explore promising exposures. The total amount of raising authorized is 200 feet. The location and extent of the raises will be determined after part or all of the drifting is completed and must have prior written approval of the DMEA representative. The locations of the proposed drifts are shown on the attached map, Figure 2 which is made a part of exhibit A.

Estimated Costs of the Project

1000 feet of drifting at $32.00 per foot	-	$32,000.00
200 feet of raising at $28.00 per foot	-	5,600.00
Total Cost of Project	-	$37,600.00
Government's Participation at 50%	-	$18,800.00

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. Amau 2160
Metal or Mineral
Date Received 10-15-51
Amount $
Participation (Government %)

Mike Vinson
Breckenridge, Colorado

Fred Harris
Breckenridge, Colorado

Name and address of applicant

Date October 3, 1951

If you have already filed MF-100, give date filed October 3, 1951, type of assistance requested loan,

DMA Docket Number (if available)

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

partnership (Name of company)

By Mike Vinson (Signature of authorized official)

Oct 3, 51 (Date)

Manager (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Form MF-103

Mike Vinson
Breckenridge, Colorado

Fred Harris
Breckenridge, Colorado

1. (a) Chatauqua lode claim U. S. Survey #82
Protection Location No. 1
Protection Location No. 2

(b) See copies of contract, lease and option herewith

(c) Same as 1 (a) above

2. (a) Lead, zinc, copper, silver

(b) Geologic features are covered in USGS Prof. Paper No. 178, pages 76-77 and Plate 22. See also herewith map of workings and outline of stopes. See also herewith a partial list of smelters returns on shipments of concentrate from the property. The ratio of concentration was about 10 to 1. These shipments starting with Lot 14, Dec. 28, 1949 extend to Lot 26 Sept. 21, 1951. This list shows the settlement assays and tonnage of each lot.

3. (a) With reference to map; 500' of drifting on level A; 200' on proposed level B. 200' on proposed level C. 500' on level D. 125' of raise to connect level A with proposed level B. 125' of raise to connect proposed level B with proposed level C. 125' of raise to connect proposed level C with level D.
Estimated cost of the proposed development $42,000.

(b) Start when loan is granted. Estimated time to complete 18 months.

4. See map hereqirh. The proposed exploration is all on the extension of the vein as shown on map.

5. One room engine house. Miners would live in Montezuma 2½ miles from mine or in houses beyond Montezuma. An important facility is a complete differential flotation mill having a capacity of 60 tons per 24 hours which is part of this overall project and in which ore has been and is now treated from the property. All buildings are in excellent condition.

6. A small change house to be erected which would cost about $500.

7. (a) 445 foot diesel driven air compressor, 118 HP;rental per month $260.
2 R 48 IR stopers, rental per month $60
1 S 55 G. D. jackhammer, rental per month $30
Above machines equipped with pipe and hose. Drill Steel. Rental per month $70.
4 Tram cars. Rental per month $20.
1 H. D. 10 WAC tractor, rental $10 per hour when in use.
1 R 5 caterpillar tractor. Not ordinarily used.

Mike Vinson
Breckenridge, Colorado

Fred Harris
Breckenridge, Colorado

2 K 7 International Dump trucks. Rental $4.25 per hour when in use.
2 army 4x4 trucks, rental $4.25 per hour when in use.

7. (b) Mucking machine cost about $3500

(c) See under 7 (a) furnish by applicant.

8. 4 miners at $12.00 per 8 hr. shift
8 muckers at $11.47 per 8 hr. shift
2 trammers at $11.47 per 8 hr. shift
2 timbermen at $12.50 per 8 hr. shift
1 supervisor at $450 per month
1 Bookkeeper at $60 per month

9. Lumber and timber at $70 per M board feet
Mine rail $80 per ton
Pipe $32 per 100 feet
Track spikes $16 per 100 lbs
Diesel oil 95¢ per gal. (Engine)
Gasoline 27¢ per gal.
Fuel Oil for Diesel Engine 17¢ per gal

10. (a) One half the estimated cost of the project.

(b) Yes.

11. Because of the location of the property and with respect to roads operations have been and can be carried on the year around.

COPY

2(b) List of smelter returns showing settlement assays and tonnage of each lot of concentrate. The ratio of concentration averages about 10 to 1.

Lot	Tons	oz. ag	% pb	% cu	% Zn
14	12.20	52.5	58.0	0.3	5.0
15	24.98	66.3	36.9	1.0	7.6
16	35.80	46.9	55.6	0.9	3.6
17	37.31	48.9	53.1	1.0	7.7
18	35.11	43.4	47.4	0.9	8.6
19	28.90	49.7	48.7	1.0	11.7
22	52.18	125.7	61.5	2.1	4.1
23	23.53	96.3	58.6	1.5	5.6
24	24.69	70.2	54.8	1.2	5.9
25	36.32	59.9	64.1	1.3	7.8
26	37.09	59.9	68.0	1.6	6.0
21	49.50	140.8	68.8	2.3	5.5
20	27.30	41[illegible]	63.0	1.0	7.8

COPY

CONTRACT

THIS CONTRACT made and entered into this 6th day of October, 1949, by and between TELLER BASIN MINING & MILLING CO. hereinafter called "MINING COMPANY" and Mike Vinson and Fred L. Harris of Breckenridge, Colorado, hereinafter called "CONTRACTOR."

WITNESSETH:

WHEREAS the Mining Company is now the owner of The Toledo Mill located at Montezuma, Colorado, and has leased various mining claims and dumps for development, and WHEREAS said Contractor is desirous of performing certain work and services in the development of said mine and dumps,

NOW, THEREFORE, in consideration of these presents and the mutual covenants and agreements hereinafter contained, and the sums hereinafter mentioned to be paid Contractor by the said Mining Company, the parties hereto do mutually covenant and agree as follows, to-wit:

1. Contractor agrees to and with Mining Company:

(a) Contractor agrees to furnish all necessary mine timber, lumber, roofing, asphalt building paper and other supplies to erect necessary ore bins, bunk houses, etc.

(b) Contractor further agrees to supply all timber, equipment, materials, tools, motor fuel and supplies necessary for mining operations.

(c) Contractor further agrees to supply all labor necessary to erect ore bins, buildings, and for all necessary mining operations.

(d) Contractor agrees to develop mine at the rate of (40) forty feet per month. Development shall consist of driving levels, crosscuts, raises, and the cleaning out of thirty (30) feet of caved material in the east drift of the lower level. The stoping of ore shall not be considered development.

Contractor shall drive ahead in upper level to the west and the same direction in the lower level for a total distance of two hundred feet (200'). The distance each level is driven shall be left to contractor. Contractor shall drive a raise between the two levels approximately at a point to come up near the middle of the main ore body in upper level.

(e) Contractor agrees to purchase at cost the few mine supplies Mining Company has on hand, as per inventory taken and agreed upon by both parties the date of this contract.

(f) Contractor shall keep pipe line maintained free of air leaks and shall make sure it is at all times sufficiently braced on surface so that snow and rock will not rupture it.

2. The parties hereto mutually agree as follows:
That the proceeds received from the smelter by reason of the operation hereinabove provided for shall be divided as follows:

(a) All smelter charges shall first be deducted.

(b) From the net balance remaining "Mining Company" shall receive 15% and Contractor shall receive 85%.

3. Parties further covenant and agree that any and all break-downs in machinery or equipment at either the mill or the mine shall be repaired by Contractor as soon as possible, but in the event that time is lost through unavoidable delay or act of God, these presents may either be modified or set aside.

4. The parties hereto further agree that the Contractor is responsible for the jauling of all crude ore, and that the cost of all crude ore hauled to Toledo Mill shall be paid by Contractor.

5. The parties hereto further agree that these presents shall run to and including October 6, 1950.

6. The Mining Company reserves the right to sell any and all rights and interest in the Chatauqua Mine and Toledo mill at any time but will guarantee Contractor the right to proceed under same terms as per this contractor under other terms that are mutually agreeable between purchaser and Contractor.

7. Contractor agrees to take over operation of Toledo mill and also to learn mill operation in order to assume responsibility for integrated operation of mine and mill. When Mining Company turns over operation of mill to Contractor, Contractor agrees to assume any and all financial responsibilities connected with such operation, the main items being listed below:

(a) Thirteen thousand (13,000) dollars fire insurance coverage on mill.

(b) Purchase all milling supplies on hand, at cost, as per inventory taken and agreed upon by both parties the date of contract.

(c) Assume power advance and pay all power bills when due.

(d) Keep machinery and building in current repair.

(e) Build adequate tailings ponds to meet state requirements.

(f) Pay for all mill labor.

(g) Pay mill building and mill site rental and assume all responsibility of Mining Company's lease on said property.

(h) Install filter for concentrates as soon as possible, but not later than six (6) months from date Toledo mill is turned over to Contractor.

8. Contractor agrees to pay Mining Company one (1.00) dollar per ton for all Chatauqua ore milled and one ($1.00) dollar per ton for all outside ore milled. Contractor will charge owners of outside ore a minimum of four ($.00) dollars per ton for all ore milled. Payments to Mining Company for all outside ore shall come from smelter settlement direct. Contractor agrees to furnish Mining Company with statement of all tonnages milled and from which mine production came.

9. Outside ore shall be milled only if it does not interfere in any way with the milling of Chatauqua ore.

10. All pipe and track installed in mine shall become permanent improvements on the mine and shall not be removed.

11. Any major changes in flow sheet at mill shall be approved by Mining Company. Cost of any additional machinery installed, shall be assumed by Contractor or his agents and shall become the property of Mining Company.

12. Contractor agrees to maintain pipe, track, and timbering in good condition in mine for safe operation and in accordance with good mining practice. It is understood that operations at both mine and mill shall meet with Colorado State requirements as to safe working conditions. Contractor shall carry adequate insurance on trucks and passenger cars operated by himself or his agents and will carry State Compensation insurance on his employees. If Contractor, partners or sub-contractors are not required to carry State Compensation, it is herewith agreed Mining Company will be held blameless in event of accident causing bodily injury to any person or persons working under Contractor.

13. Contractor agrees to perform one hundred and fifty (150) eight (8) hour shifts per month underground each month except where weather conditions from January to April inclusive may be so severe as to prevent operation. In this event lost shifts must be made up in the months of May, June and July.

14. Any failure upon the part of the Contractor to perform each, or any, or all, of the covenants and conditions of this contract incumbent upon him to be performed, and any failure to pay the royalties herein reserved promptly as the same become due, shall work a forfeiture of any and all rights of the Contractor hereunder and entitle the Mining Company, without notice, to reenter and retake possession of the premises and property hereby contracted for as in his first former estate.

15. Mining Company will not be held responsible for cost of labor used on work under supervision of Contractor and Contractor shall post notices at such working places to that effect.

16. This contract shall be binding upon the heirs, legatees, devisees and personal representatives, and successors to the parties hereto.

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

TELLER BASIN MINING & MILLING CO.

BY L. A. Newell (SEAL)

Fred L. Harris (SEAL)
Contractor

Mike Vinson (SEAL)
Contractor

C O P Y

EXTENSION AGREEMENT

It Is Agreed by the undersigned that that certain contract of lease made and entered into the 6th day of October, 1949 by and between Teller Basin Mining and Milling Company, lessor and Mike Vinson and Fred L. Harris, lessees, shall be extended for a period of one year from October 6, 1950 to October 6, 1951.

That all other terms and conditions of said contract of lease shall remain in full force and effect during said period of extension.

Dated this Day of 1950.

Teller Basin Mining and Milling Company,

By L. A. Newell
Lessor Chatauqua Mine

Mike Vinson

Fred L. Harris
Lessees

C O P Y

EXTENSION AGREEMENT AND OPTION

It is hereby covenanted and agreed by and between TELLER BASIN MINING AND MILLING COMPANY, party of the first part and MIKE VINSON and FRED L. HARRIS, parties of the second part:

I.

That the agreement heretofore entered into by said parties on the 6th day of October, 1949, and as extended, be and the same is hereby extended for a further period to June 1, 1952, upon the same terms and conditions.

II.

Said party of the first part does hereby grant to the said parties of the second part an option to buy said premises for the sum of Twenty One Thousand ($21,000.00) Dollars, said option to be exercised on or before June 1, 1952. It is further agreed by said party of the first part that all rentals paid and rentals to be paid to party of the first part, shall apply upon the purchase price in the event said option is exercised, In the event said option is exercised by the parties of the second part, the party of the first part agrees that it will by good and sufficient conveyance convey all of its right, title and interest in and to the premises known and described as The Chautauqua Mine, and all equipment located in the property known as The Toledo Mill.

Executed at Denver, Colorado, this 25th day of May 1951.

TELLER BASIN MINING AND MILLING COMPANY

By L. A. Newell
General Agent
Party of the First Part

Mike Vinson

Fred L. Harris
Parties of the Second Part

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

OCT 15 9 09 AM '51

Docket No. domm 2160

Date received 10-15-51

Mike Vinson
Breckenridge, Colorado

Fred Harris
Breckenridge, Colorado

Name and address of applicant

Date October 3, 1951

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

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

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

Form WT-100

Mike Vinson
Breckenridge, Colorado

Fred Harris
Breckenridge, Colorado

1 (a) Lead, zinc, copper, silver

(b) No by-products

2 (a) Known as the Chautaqua mine no shafts
About 1450' drifts and crosscuts, about 750' adits
Old and new scopes quite extensive
Mine is not flooded. Tunnel work

3 (a) Two and one half miles from Montezuma
(b) Snake River
(c) Sec. 3, T. 8 S. R. 76 W
(d) Summit County, Colorado

4 (a) Property in operation by applicants,
Mike Vinson and Fred Harris.

(b) Property in operation under lease and option and by contract.

5. Property in production since 1946, was also in production in early days.

6. Applicant and manager, Mike Vinson has extensive and continuous experience in the mining business and in managing mine and mill operations since 1941.

7 (a) This is fully covered in Prof, Paper 178, pages 76-77

(b) See also Prof. Paper 178

(c) No private reports available

8. Not applicable

9. Not applicable

10. Not applicable

11. Not applicable

12. Not applicable

13. 5½ miles mine to mill over good road, 50 miles mill to smelter over good gravel road for 5 miles then over good oiled highway 45 miles to smelter

14. Water sufficient for entire year and for mill operation.

15. 118 HP diesel engine at mine; 160 HP connected load at mill which is over powered in about 45 HP all motor driven. At present mill takes about 45 HP.

Mike Vinson
Breckenridge, Colorado

Fred Harris
Breckenridge, Colorado

16. 3 miner, 4 muckers, 3 mill men.

17. This is covered under 5 and 7 (a) in Form MF-103

18. Because of the location of the property and with respect to roads operations have been and can be carried on the year around.

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Project Summary Report

By: W. P. Klugescheid September 19, 1955

1. Docket No. DMEA-2160 (Lead-Zinc)
Contract No. 1dm-E509
Property: Chatauqua Mine
Summit County, Colorado

Operator: Mike Vinson & Fred Harris
Post Office Box 158
Breckenridge, Colorado

Operator's Property Rights: Owners

2. Contract was dated April 15, 1953. To complete - 18 months.

Work Authorized

Agreed Unit Costs

1,000 feet of drifting @ $32.00/ft.	$32,000.00
200 feet of raising @ $28.00/ft.	5,600.00
Total estimated cost of the project	$37,600.00
Government's participation @ 50%	$18,800.00

Amendments

No. 1 Dated November 1, 1954

Granted a recess beginning July 15, 1954 and ending not later than February 1, 1955.

Completion dated extended to August 15, 1955.

If work is not started by February 1, 1955, the contract will be terminated February 2, 1955.

This amendment contains a pseudo-certification.

The royalty payment period was increased to eleven years.

Work Completed

504 feet of drifting @ $32.00/ft.	$16,128.00
Government's participation @ 50%	$ 8,064.00

Contract was terminated under Amendment No. 1 on February 2, 1955.

3. Audit - Report of Review, issued May 5, 1955.

Total cost as billed by Contractor No exceptions	$16,128.00
Total accepted cost	$16,128.00
Government's participation @ 50%	$ 8,064.00

4. Certification of Discovery - Pseudo in Amendment No. 1. This became effective February 2, 1955.

5. Comments

Drifting on the D-level began 672 feet in from the portal on June 4, 1953, and was completed during June of 1954 with a total advance of 504 feet. Further exploration was denied on the basis of a field examination on February 10, 1955.

At the beginning of the contract, galena, sphalerite, tetrahedrite and some gold and silver were disseminated over a 1-foot width of vein consisting mainly of quartz, crushed and talcose gneiss, ankerite, rhodonite and pyrite. The vein continued to carry a variable, low-grade content of lead, zinc, silver and copper in "pinch and swell" widths ranging between 0 and 4.3 feet over a length of 65 feet. This portion of the vein has an average width of 1.6 feet and assays average 0.01 ounce gold, 3.6 ounces of silver per ton, 3.7 percent of lead, 1.8 percent of zinc and 0.05 percent of copper. The remaining feet of the vein exposed in the working contained only a few very small and unencouraging disseminations of sulphide minerals. The Field Team did not recommend a certification.

The property consists of the patented Chatauqua lode claim and three unpatented mining claims, Protection lodes 1, 2 and 3. Vinson and Harris control the property through a lease agreement with option to purchase from the owner, Teller Basin Mining and Milling Company.

The Chatauqua vein was discovered in 1866 and worked intermittently until 1892. About 8,000 tons of ore have been produced to date. This vein strikes N. 60° to 80°E. and dips 40° to 55°N. The vein is in a strongly sheeted zone from 1 to 15 feet wide apparently produced by premineral movement on a reverse fault. The sheeted zone is composed of altered and somewhat silicified country rock containing galena, sphalerite, manganiferous ankerite, barite, and quartz in stringers, lenticular masses, and as a breccia cement.

The wall rock in the workings is predominantly a biotite gneiss facies of the Swandyke gneiss although hornblende gneiss and pegmatite are present in some of the workings. One dacite porphyry dike is present near the end of the "A" level crosscut.

Further exploration with Government assistance was not recommended by the Field Team.

Exploration proceeded at a very slow rate as the Applicants were also engaged in operating the local Paymaster mine so as to acquire the funds necessary to meet their share of the cost of the project.

W. P. Klugescheid

W. P. Klugescheid

WPK/er (9/28/55)

Copy to: Docket
Base Metals
Chron.

☒ Audited

WORK[illegible]ALYSIS SHEET - DMEA PROJECT

☐ Actual Cost

☒ Certified PSU.

Analysis as of 12/22/54.
Incl. Voucher for June 1954.

☒ Agreed Unit Costs

Nam[illegible] Mike Vinson and Fred Harsh.

Docket No. DMEA-2160

State Colorado

Commodity Lead-zinc

Idm-E No. 509

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1,000'	$32,000.00	504'	$16,128.00	$16,128.00
Raising	200'	5,600.00			
Shafts					
Winzes					
Drilling (Specify)					
Sur[illegible]e Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$37,600.00		$16,128.00	$16,128.00

Checker Audit.

Completion Contract to 8/15/55.
2/28/55. Terminated under Award #1.
Final Field Team Report in
Project Summary Report written.

Prepared by W. P. Klugeerheid.

Feb 58

copied.

X

71626

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/17	FJohnson	110
		120
		100
		220

AIRMAIL

Mr. Sidney J. Hollister
Secretary-Treasurer
Chautauqua, Inc.
Valley Highway and Speer Boulevard
Denver, Colorado

Re: DMRA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chautauqua Mine
Summit County, Colorado
Contract Idm-E509

Dear Mr. Hollister:

This will acknowledge receipt of your letter of February 12, 1965, requesting a copy of our file, maps, and other pertinent data relating to Federal financial assistance in exploring the Chautauqua U. S. Lode No. 82 and adjacent claims.

Much of the information in our files is considered to be of a confidential nature and not made available to the public. However, we do release information supplied by an applicant or operator, when authorized to do so in writing. If you can furnish us with such authorization, we shall be glad to send you a copy of the application and Operator's Final Report relating to the subject project.

We do not have the present address of the Operator, therefore, since you state that you own the property in fee simple, if the Operator will not consent to the release of the information mentioned above or you cannot locate him, upon receipt of evidence to show that you are the legal owner, we shall make copies of the application and Operator's Final Report available to you.

A charge of $10.00 to cover the cost of reproduction will be made.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/bih
2/17/65
cc to: Files (Docket)
Dir. reading file
Mr. F. E. Johnson
Region III

P.S.
Mr. Connors has been informed accordingly so that the matter may be expedited.

232-63

Mike Vinson + Fred Hartstein - OMEA - 2165 (83-84) Room - 8509

February 12, 1965

Valley Highway and Speer Boulevard
Denver, Colorado

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1965

INITIALS	CODE
	100
	110
	120

Mr. George Fumich, Jr.
Director of Office of Minerals and
Exploration
Bureau of Mines, Room 4460
Washington, D. C.

Dear Mr. Fumich:

This letter is to confirm a conversation of February 12, 1965, in which we requested the following information from Mr. Hugh Connors, who is your local man in Denver:

1) A copy of the complete file on the loan given to previous lessors on Chautauqua, Inc. lode No. 82.

2) A copy of the maps and other data contained in the file.

3) Any other pertinent data that would show any previous workings, tunneling, stoping, etc.

I am sending your local man here in Denver a copy of this letter, and I would appreciate your expediting this matter as soon as possible.

Yours very truly,

CHAUTAUQUA, INC.

Bruce G. Coltman (pg)
Bruce G. Coltman, President

Sidney J. Hollister (pg)
Sidney J. Hollister, Secy-Treas.

SJH:pj

cc: Mr. Hugh Connors
Office of Minerals and Exploration
Bureau of Mines
Denver, Colorado

Note: Chautauqua, Inc. purchased the property on November 1963 on a fee simple, absolute basis.

from whom?

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Fulbert	800
	[illegible]	220
4/30	[illegible]	110
5-2	[illegible]	100
		220

April 30, 1964

Memorandum

To: The File

From: Chief, Division of Minerals

Subject: DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract Idm-E509

Inasmuch as the royalty period for the project expired April 15, 1964, we should close the docket via this memorandum (see Field Officer's memo of 4/27/64).

In that we have no address for Vinson or for Harris, the original Operators and owners, we cannot write them a closing letter. The last owner, of whom we had [redacted] knowledge, was the Acme Uranium Mines, Inc., but apparently they are also out of business (see Connor's Aug. 19, 1960, report).

W. R. Griswold

W. R. Griswold

WRGriswold/mm
cc: Director's Reading File
Region III
CA&A Division
Docket
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

April 27, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract Idm-E509

Mr. Franz, State Mine inspector informed me by telephone today that not one single mine is now in operation in Summit County, Colorado.

Previously I had checked with the postmaster at Breckenridge and he had no forwarding address for Mike Vinson or Fred Harris.

I recommend that the books be closed on this account.

Hugh M. Connors
Hugh M. Connors

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 30 1964

DATE	INITIALS	CODE
4/30	HMC	~~800~~
		500

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Friend	500
4/22	Tilbert	800
	GCS	130
4/22	Johnson	110
		100
		220

APR 22 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract Idm-E509

In response to our memo of August 29, 1963, you contacted the State Mine Inspector and advised us that there had been no recent activity at the Chatauqua mine. This was on September 4, 1963.

Since the royalty period expired on April 15, 1964, we would like to close our books on the subject property. Therefore, will you please bring us up to date on production from the mine.

George C. Selfridge (gla)

MMerrithew/mm
4/22/64
cc: Director's Reading File
Review Committee
Docket
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 9 1963

DATE	INITIALS	CODE
9/9	[illegible]	800
	Grounded	320
		220

September ~~4, 1963~~

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2160 (Lead-Zinc)
Contract Idm-E509
Mike Vinson and Fred Harris
(Chatauqua Mine)
Summit County, Colorado

O.K.

In response to your memorandum of August 29, 1963, regarding the subject contract, I called Bud Franz, the State Mine Inspector and he advised me that there has been no recent activity at the Chatauqua Mine.

Hugh M. Connors

Hugh M. Connors

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		800
		130
		110
		100
		220

AUG 2 9 1963

Memorandum

To: Acting Field Officer, Region III

From: Acting Chief, Division of Field Operations

Subject: DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract Idm-E509

We had such poor luck last year in trying to get a response to our Form 63's that we may as well appeal to you again on this project. Do you suppose the State Mine Inspector could again advise you on any recent activity at the property in question, for the sake of the record?

W. R. Griswold

WRGriswold/mm
8/28/63
cc: Director's Reading File
Review Committee
Docket
Code 500

8623

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 14 1962

9/17 gla 500

September 11, 1962

220

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: MMSA-2160 (Lead-Zinc)
Contract Idm-E509
Vinson and Harris
(Chatauqua Mine)
Summit County, Colorado

Attached is the original Report of Royalty Review on the subject property dated September 5, 1962 covering the period July 23, 1959, through August 24, 1962.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E509
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/5	[illegible]	220

SEP 5 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2160 (Lead-Zinc)
Vinson and Harris
Chatauqua Mine
Summit County, Colorado
Contract Idm-E509

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 9-5-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 27 1962

DATE		
8/27	cay	800
		720
8/28.	gla (65)	500
	~~Skinner~~	
		220

August 24, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2160 (Lead-Zinc)
Contract Idm-E509
Mike Vinson and Fred Harris
(Chatauqua Mine)
Summit County, Colorado

This responds to Mr. Griswold's memorandum dated August 17, 1962 on the subject contract. I called Bud Franz, State Mine Inspector, and he stated that there has been no activity at the Chatauqua Mine to his knowledge since 1957.

Yesterday I made inquiry of several people in Breckenridge and they informed me that Mike Vinson is operating a garage in Dillon, Colorado and that Fred Harris is somewhere in the vicinity, is very unpopular with those I talked to, and seems to have a very poor reputation.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/17		500
8/17	Talbert	800
"	Meaver	130
"	Johnson	110
8-17	Hunsch	100
		220

AUG 17 1962

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

Subject: DMKA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract Idm-K509

We have had no reply to our MME Form 63 which we sent to Vinson and Harris on June 11. We note your interim statement of August 19, 1960, to the effect that the last owners of the property of which you had knowledge, Acme Uranium Mines, Inc., seemed to be out of the picture.

Could you give us anything at all on this for the purpose of the record? Possibly the State Mine Inspector might again give you something.

W. R. Griswold (gla)

WRGriswold/gla
8-17-62
cc to: Director's Reading File
Review Committee
Docket
Code 500

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 8 1960

DATE	INITIALS	CODE
2-8	gad	220
2/8	[illegible]	500
"	[illegible]	500
		225

Building 20 - Federal Center
Denver 25, Colorado
February 5, 1960

Mr. M. E. Thompson, President
Acme Uranium Mines, Inc.
Room 426, 818 17th Street Building
Denver, Colorado

Re: Docket No. DMEA 2160 (Lead-Zinc)
Contract No. Lbm-E509
Mike Vinson and Fred Harris
(Chatauqua mine)
Summit County, Colorado

Dear Mr. Thompson:

In reference to the captioned contract, please advise this office immediately whether or not there was any production from the Chatauqua mine during 1959. If yes, and shipments were made, who was the purchaser? Also is there any ore, concentrates, or low grade ore stockpiled? If yes, give the approximate weight and estimated grade for each type of material.

We also would like to receive at an early date, the promised letter relative to what transpired during the court action in the lawsuit between your corporation and the Lisbon Valley Uranium Company. If you can furnish two copies of the court action, please do so.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

TWR:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E509
Chron.

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

December 18, 1959

Memorandum

To: Acting Director
Office of Minerals Exploration

From: Acting Associate Solicitor
Division of Mineral Resources

Subject: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine, Summit County, Colorado
Contract No. Idm-E509

By reference slip dated December 15, Mr. Selfridge submitted to us a proposed memorandum to the Field Team and asked us to comment on the liability of various parties for royalty.

The contract is with Vinson and Harris, partners, who owned the land free of encumbrances. The contract was terminated by agreement (Amendment No. 1) effective February 2, 1955, with a "pseudo-certification" included.

Vinson and Harris sold the land to Montezuma Uranium, Inc., sometime in 1955 (see copies of letters from Mike Vinson to the Field Office: one dated April 12, 1955, and one undated but in reply to a letter dated April 27, 1955). In the latter letter Vinson says: "We made provision for the preservation of the Governments right to the percentage which the Contract calls for."

The file shows that the Government endeavored without success to obtain a copy of the documents involved in the transfer of land to Montezuma Uranium, so as to have evidence of the preservation of the Government's royalty interest as required by the contract and as claimed by Mike Vinson.

Lisbon Valley Uranium Company succeeded to the interest of Montezuma Uranium, Inc., apparently by merger (see affidavit of Melvin F. Schroeder, Secretary-Treasurer of Lisbon, dated October 20, 1958). We find no documents in the file evidencing the merger, and do not know if they contained evidence of the Government's royalty interest. However, by letter dated October 8, 1956, Lisbon Valley

acknowledges and assumed the obligation to the Government for royalty. It appears from the affidavit that Lisbon Valley actually received no notice of the Government's royalty interest and that failure of Vinson and Harris to give such notice to Montezuma Uranium was the subject of litigation.

By letter dated September 24, 1956, Field Team to Lisbon Valley, by letter dated December 9, 1959, Field Team to Operating Committee, and by lease dated June 18, 1956, it appears that Lisbon Valley leased the land to Acme Uranium Mines, Inc., and that Acme remains in possession as Operator.

None of the transactions, or so much evidence thereof as we find in the file, indicates with any certainty whether any of the successors of Vinson and Harris, the original operators and contractors with the Government, had any notice of the Government's royalty claim. To be sure, copies of the letter dated September 24, 1956, from the Field Team to Lisbon Valley, giving notice of the Government's royalty interest, were sent to all the successors-in-interest of Vinson and Harris, but this was after the transfer transactions had been consumated. Lisbon Valley's assumption of liability by its letter of October 8, 1956, may be unenforceable for lack of consideration.

It is clear only that if Vinson and Harris failed to give notice to Montezuma Uranium, Inc., of the Government's royalty interest when they transferred the land to it, they (Vinson and Harris) remain liable for all royalty due the Government.

Under these circumstances we think that any claims for royalty should be presented not only to the current Operator but also to Vinson and Harris and to each intervening successor-in-interest. Eventually we may be able to sift out the liabilities from such contentions as the parties may make with respect thereto.

We recommend that the proposed memorandum from the Operating Committee to the Field Team be revised accordingly.

J. L. Hofflund

J. L. Hofflund

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
December 9, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 14 1959		
DATE	INITIALS	CODE
12-14	gad	VVO
12/14	[illegible]	800
		500
		225

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 2160 (Lead-Zinc) Contract Idm-E509
Mike Vinson and Fred Harris (Chatauqua mine) Summit County, Colorado

Reference is made to your memorandum of September 21, 1956, and the letter prepared by your office which was forwarded to Lisbon Valley Uranium Company under Mr. Traver's signature and under date of September 24, 1956.

The letter to Lisbon Valley Uranium Company outlines the chain of title to the property to that date; however, the property is now owned by Acme Uranium Mines, Inc., Mr. M. H. Thompson, President, Room 426, 818 17th Street Building, Denver, Colorado.

Lisbon Valley Uranium Company withdrew the lease between them and Acme Uranium Mines, Inc., dated June 18, 1956, which resulted in a lawsuit between the two concerns. Acme won the court action, and as Lisbon could not pay the court costs, the property was awarded to Acme. The action of the court in the matter is on file at Breckenridge, Colorado. At the first opportunity we will attempt to obtain copies of the court action for Washington and our files.

Please advise how your records are carried as to the Operator's name under Contract Idm-E509 so that the records of the Finance Office Region III and this office can be made to agree.

J. W. Townsend

Interior - Bureau of Mines

SURNAMES Long
Rofflund
Selfridge
Johnson
Rice
Miller

2160

MR. J. H. EAST, JR.
REGIONAL DIRECTOR
REGION 3, U. S. BUREAU OF MINES
DEPARTMENT OF THE INTERIOR
DENVER 2, COLORADO

OCT 23 1958

REURTEL OCT 22, 1958, REQUESTING PERMISSION JAMES W. TOWNSEND TESTIFY ON BEHALF OF DEFENDANT IN TELLER BASIN MINING AND MILLING CO., INC. V. LISBON VALLEY URANIUM CO. RE DMEA CONTRACT IDM-E509 WITH VINSON AND HARRIS, DEPARTMENTAL POLICY NOT TO DISCLOSE FULL CONTENTS OF CONTRACTS WITHOUT PERMISSION OF OPERATORS. UNDERSTAND OPERATORS AND SUCCESSOR MONTEZUMA URANIUM CORP. PRESENT AT OR REPRESENTED AT TRIAL. OPERATOR'S COPY OF CONTRACT IS ORIGINAL, AS CONTRACT WAS EXECUTED IN SEXTUPLICATE. PURSUANT TO AUTHORITY VESTED IN ME BY 43 CFR 2.20, PERMISSION IS HEREBY GRANTED TO APPEAR AND, WITH CONSENT OF OPERATORS, TO DISCLOSE YOUR COPY OF CONTRACT. LACKING OPERATOR'S CONSENT, CITE DEPARTMENTAL POLICY AND RESPECTFULLY DECLINE TO REVEAL CONTRACT.

MARLING J. ANKENY

MARLING J. ANKENY
DIRECTOR

Sol. Off.
RWLong/hm 10/23/58
cc: dmea docket
Bureau of Mines files (2)
DMEA Op. Comm. (2)
Mr. LOng
Mr. Dwyer

157765

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/22	[illegible]	500
12/23	[illegible]	130
12/23	Fisher	800
12/22	[illegible]	110
		220
		225

DEC 23 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

With reference to the last paragraph of your December 9 memorandum on the cited docket, our records are carried under the name "Mike Vinson and Fred Harris."

You state that the property is now owned by Acme Uranium Mines, Inc. This company was provided with a copy of Mr. Traver's September 24, 1956, letter to Lisbon Valley Uranium Corporation; hence, it is aware of the Government's royalty claim. Should any royalty problems arise in the future, you should advise Acme of the Government's claim, citing the Traver letter.

/s/ George C. Selfridge (JB)

APPROVED:

Frank D. Lamb (JB)
Member, Bureau of Mines

Harold Kirkemo (JB)
Member, Geological Survey

WRGriswold/gla 12/22/59
cc to: Director's Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kirkemo, USGS
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/15	Griswold	500
12/15	Talbot	800
		130
		110
		220
		225

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

With reference to the last paragraph of your December 9 memorandum on the cited docket, our records are carried under the name "Mike Vinson and Fred Harris."

You state that the property is now owned by Acme Uranium Mines, Inc. This company was provided with a copy of Mr. Traver's September 24, 1956, letter to Lisbon Valley Uranium Corporation; hence, it is aware of the Government's royalty claim.

In the event that production should be made from the land in question, please remind the owner of its responsibility.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

WRGriswold/gla 12-15-59
cc to: Director's Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kirkemo, USGS
Docket
Chron

43683

MME [illegible] 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EX[illegible]ATION

TO:	DATE	INITIALS
1. ~~Charles Soller, Rm. 6556~~		
2. ~~George C. Selfridge, Rm. 4459~~		
3.		
4.		
5.		
FROM: George C. Selfridge	12/15	[illegible]

FOR: Check items for action desired

____ Action	____ Reply for signature of	
____ Approval	____ Investigate	✓ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS: Docket DMEA-2160.

SOLICITOR

Please comment on individual royalty responsibilities, taking into consideration the contract form and Mr. Traver's letter of September 24, 1956, to Lisbon Valley Uranium Corp.

DEC 15 1959

INTERIOR DEPT.

INT.-DUP. SEC., WASH., D.C.

M56300-59

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-31	gad	220
7/31	Fisher	800
"	[illegible]	500
		225

JUL 31 1959

Memorandum:

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Lisbon Valley Uranium Company, Assignee
Chataqua Mine
Summit County, Colorado
Contract No. Idm-E509

Your Report of Royalty Review on the subject contract is acceptable and normal distribution is authorized after insertion of column headings (Ore, Concentrates and Total) on the summary attached thereto.

This correction has been made on the Washington office copies.

CEFisher/GMcC
July 31, 1959

cc: Docket
Director's Reading File
CA & A Division

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado
October 22, 1958

AIR MAIL
SPECIAL DELIVERY

Memorandum

To: Frank Johnson, Acting Director, OME

From: J. W. Townsend, Member OME Field Team, Region III

Subject: Docket DMEA 2160 (Lead-Zinc) Contract Idm-E509, Mike Vinson and Fred Harris (Chatauqua Mine) Summit County, Colorado

In connection with our telephone conversation on October 10, and October 22, 1958, enclosed are two copies of an Affidavit, which was delivered to this office Monday, October 20, by an attorney for Lisbon Valley Uranium Company.

J. W. Townsend

Enclosures

JWT:jy

cc: Corres. file w/copy of Affidavit
Chron.

Cy sent to 500

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 24 1958

DATE	INITIALS	CODE
10/24	C	220
"	HJ	110
		~~[illegible]~~
		~~110~~
		225

STATE OF COLORADO)
CITY AND } ss.
COUNTY OF DENVER)

AFFIDAVIT

MELVIN F. SCHROEDER, the affiant, being duly sworn upon oath, deposes and says:

1. I am Secretary-Treasurer of Lisbon Valley Uranium Company, a corporation duly incorporated under the laws of the State of Colorado on February 2, 1954.

2. That said Company is the owner of the following described property situate in the Snake River Mining District in the County of Summit, State of Colorado, to wit: the Chautauqua Lode Mining Claim Lot No. 82 and the Protection Lode Mining Claims Nos. 1, 2 and 3, as described in Book 26 at page 333 of the records of the County of Summit.

3. That said property was at one time owned by Fred Harris, Mike Vinson and Pat Vinson, who conveyed same by warranty deed to Montezuma Uranium, Inc., on December 15, 1954, and that thereafter said Montezuma Uranium, Inc., merged with Lisbon Valley Uranium Company and the latter thereby acquired all the right, title and interest in and to said property.

4. By letter dated September 24, 1956, W. M. Traver, Executive Officer, DMEA, Field Team, Region III, advised Lisbon Valley Uranium Company that under date of April 15, 1953, Messrs. Vinson and Harris, as Operator, entered into Exploration Project Contract Iam-2509 (Docket No. DMEA-2160) with Defense Minerals Exploration Administration, pursuant to which the Government loaned to the Operator [illegible]

Harris on the land hereinabove described. By the terms of that Contract, as amended, the Government is entitled to receive royalty on any minerals produced from the above-mentioned land between April 15, 1953 and April 15, 1964, until royalties of $8,064 have been paid. Article 6(c) of the Contract further provides: "To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described . . . , and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid."

5. Lisbon Valley Uranium Company is presently involved in a lawsuit initiated by Teller Basin Mining and Milling, Inc., and Pat Vinson, as plaintiffs, which action is pending in the District Court for the County of Summit and State of Colorado, Civil Action No. 2003; that in said action Lisbon Valley Uranium Company has filed a counterclaim against the plaintiff Pat Vinson for breach of warranty in conveying the above-described land free and clear from any and all liens and encumbrances, and has prayed for a judgment against said Pat Vinson in the sum of $8,000; that a trial of this action has been set for October 21, 1958 in the District Court in Breckenridge, Colorado.

6. That at the trial of said action on October 21, 1958, the attorneys for Lisbon Valley Uranium Company must prove the execution of the Contract between Messrs. Vinson and Harris and Defense Minerals Exploration

Administration, which Contract grants to the Government a lien on the above-described property in the amount of $8,064 and that the best evidence of such facts is the original Contract between said parties on file in the office of Minerals Exploration, New Customhouse, Denver, Colorado.

Melvin F. Schroeder
Melvin F. Schroeder

Subscribed and sworn to before me this 20th day of October, 1958.

My commission expires July 9, 1961.

Claire G. Obel
Notary Public.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/13	Selfridge	120
"	Johnson	110
		220
		500

October 13, 1958

MEMORANDUM

To: Acting Director, OME

From: George C. Selfridge,
Acting Special Assistant

Subject: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

Mr. Townsend telephoned the afternoon of October 10 to ask if it would be all right to turn over a copy of the subject contract to a lawyer representing the Lisbon Valley Uranium Company. He explained that the company desired the copy of the contract in conjunction with a lawsuit with Messrs. Vinson and Harris scheduled to take place on October 21. He also made reference to Lisbon Valley Uranium Company's letter of October 8, 1956, and ours of October 22, 1956, which transmitted two copies of a memorandum dated October 19 from the Associate Solicitor stating that the acceptance of liability by the Lisbon Valley Uranium Company was adequate.

The impression that the writer gained from his conversation with Mr. Townsend was that the Lisbon Company wished to show that the land was actually transferred without a lien. The writer informed Mr. Townsend that he would immediately take up the matter with Legal but cautioned that he might not be able to get an answer that day as it was late. Mr. Townsend stated that he would be on vacation this week and would appreciate having the information if at all possible.

The writer secured the docket and orally transmitted the information to Mr. Dwyer who promised to see what present Departmental policy was. Just as the writer was leaving for the day Mr. Dwyer called and suggested that Mr. Townsend request the Lisbon lawyer to state his request to us in writing and also give the reason for which the contract copy was to be used, with a copy of the request to Denver. The writer transferred this information to Mr. Johnson who subsequently made the call to Denver.

GCSelfridge/esf
cc to: Director's R. File
Mr. Selfridge

File Copy
Surname
Financial
Selfridge
Mathewson

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

500

Mr. W. H. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vimson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

Dear Mr. Traver:

This is with reference to your memorandum of October 11, with enclosures, covering the cited contract. We are enclosing two copies of memorandum from the Associate Solicitor stating that the acceptance of liability by the Lisbon Valley Uranium Corporation is adequate.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (WRG)

WRGriswold/er 10/22/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Frank D. Lamb (WRG)
Member, Bureau of Mines

Thor H. Kiilsgaard (WRG)
Member, Geological Survey

R.C.S.

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

OCT 19 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Base Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-2160, Mike Vinson and Fred Harris (Lead-Zinc), Contract Idm-E509

The letter of September 24, 1956, from Executive Officer Traver to the Lisbon Valley Uranium Corporation (copies of which were sent to Montezuma Uranium Corporation, Acme Uranium Mines, and Messrs. Vinson and Harris) states, in the first paragraph on page 2, the liability of the parties for payment of royalty on production from the land included in the contract No. Idm-E509 (Docket No. DMEA-2160).

The letter of October 8, 1956, from Lisbon Valley Uranium Company adequately acknowledges its liability. The other companies and persons named above remain, of course, subject to their respective liability, and are not released therefrom by virtue of the letter of October 8, 1956.

Robert P. Dwyer

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

October 16, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Docket DMEA-2160, Mike Vinson and Fred Harris, Chatauqua Mine, Summit County, Colorado, Contract No. Idm-E509, Lead-Zinc.

Will you kindly advice if the acceptance of responsibility attached is satisfactory.

W. R. Griswold

W. R. Griswold

Attachment

WRG/er

Copy to: Docket
Base Metals
Chron.

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.

RECEIVED
OCT 1 1956

224 New Customhouse
Denver 2, Colorado

October 11, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2160 (Lead-Zinc), Mike Vinson and Fred Harris (Chatauqua Mine), Summit County, Colorado, Contract Idm-E509

Enclosed are two copies of Agreement, dated June 18, 1956, between Lisbon Valley Uranium Company and Acme Uranium Mines, Inc. Also enclosed are two photocopies of a letter dated October 8, 1956, from Mr. Melvin F. Schroeder, Secretary-Treasurer, Lisbon Valley Uranium Company, wherein, Lisbon Valley as owners of the subject property assume the royalty payments due on the above contract.

We will appreciate being advised of your decision relative to the acceptability of the enclosed documents.

E. N. Harshman

E. N. Harshman

Enclosures

LISBON VALLEY URANIUM COMPANY
501 KITTREDGE BUILDING
DENVER, COLORADO
TELEPHONE: ACOMA 2-2848

DMEA
DEPARTMENT OF THE INTERIOR
OCT 9 1956
REGION III
DENVER, COLORADO

October 8, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Attention: Mr. W. M. Traver

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

Gentlemen:

This is to acknowledge receipt of your letter of September 24 regarding the above subject.

We have been unable to work out anything satisfactory with Mr. Vinson and Mr. Harris and we are, therefore, assuming the royalty payments due on the above mentioned contract at this time. We hope that we will be able to work this matter out with Messrs. Vinson and Harris, but in order not to delay royalty payments due you, we are enclosing our check herewith in the amount of $131.52. We are also enclosing herewith copies of settlement sheets received on all shipments made to the smelter since we became owner of the property, along with a photostatic copy of our lease to Acme Uranium Mines, Inc.

We are today notifying American Smelting & Refining at Leadville to make the 5% royalty payments directly to you on all future shipments by Acme.

Yours very truly,

LISBON VALLEY URANIUM COMPANY

Melvin F. Schroeder

MELVIN F. SCHROEDER
Secretary-Treasurer

MFS:j
Encl 1

COPY

AGREEMENT

THIS AGREEMENT made and entered into this 18th day of June, 1956, by and between Lisbon Valley Uranium Company, a Colorado corporation, hereinafter known as the lessor, and Acme Uranium Mines, Inc., of Denver, Colorado, hereinafter known as the lessee;

WITNESSETH:

WHEREAS, Lisbon Valley Uranium Company is the owner of certain mining claims described as follows, to-wit:

> The Chautauqua Lode Mining Claim, Lot No. 82 and the Protection Lode Mining Claims Nos. one, two and three (1, 2 and 3) as described in Book 26 at page 333 of the records of the County of Summit, State of Colorado,

and,

WHEREAS Acme Uranium Mines, Inc., is desirous of leasing the aforesaid property for all minerals including coal, oil, and uranium, in order that they may carry on exploration and commence production from said claims in commercial quantities;

IT, THEREFORE, AGREED by and between the parties hereto as follows:

Lessor agrees to lease said property to the lessee for and in consideration of Ten ($10.00) Dollars and other good and valuable considerations.

IT IS FURTHER AGREED AND UNDERSTOOD that the lessee shall receive a further lease to the aforedescribed property after surveys have been conducted and further information has been secured with respect to the title in which a more accurate description of the above described property shall be set out.

IT IS FURTHER AGREED that the lessee shall be entitled herewith to proceed upon the property, explore, test,

and develop the said mining property, subject to a payment of a ten percent (10%) royalty on all minerals mined from the above described property to the lessor, Lisbon Valley Uranium Company; said lease to run for a period of four (4) years from date with an option to renew for an additional four (4) years on or before June 18, 1960.

IT IS AGREED AND UNDERSTOOD that a copy of this Lease Contract shall be left with the American Smelting & Refining Company at Leadville, Colorado, and royalty payments shall be made direct to the lessor for all ore shipped by the said American Smelting & Refining Company to the lessor.

IT IS FURTHER AGREED AND UNDERSTOOD that all equipment, tools, machinery, structure improvement, and personal property of a movable nature brought or placed upon said premises by the lessee for use in said mining operations shall not become a fixture but shall remain the property of the lessee in the event the lessee should abandon said property.

IT IS FURTHER AGREED AND UNDERSTOOD that lessor shall leave all permanent fixtures presently on the property for the use of the lessee and the lessee shall maintain the equipment in a reasonable state of repair subject to normal wear and depreciation during the course of this lease.

IT IS FURTHER AGREED AND UNDERSTOOD that as to all permanent fixtures attached to this lease by the lessee, that the same shall be left on the lease and abandoned by the lessee at the termination of this lease.

IT IS FURTHER AGREED AND UNDERSTOOD that with respect to certain personal property presently on the lease belonging to the lessor, Lisbon Valley Uranium Company, including pipe, rail, and ore cars together with other miscellaneous equipment on the lease belonging to Lisbon Valley

Uranium Company, the lessee shall be permitted to use but shall be responsible by the terms of this agreement to maintain and keep such equipment in a state of reasonable repair, normal wear and tear excepted.

IT IS AGREED AND UNDERSTOOD that the lessee during its operation of said property agrees to protect said property and hold the lessor free and clear from any claims or liabilities arising out of the acts of the lessee on said property, and the lessee further agrees to hold the lessor harmless against any and all claims for damages for injuries incurred by workmen in its employ at said property, or any other person or persons.

IT IS AGREED AND UNDERSTOOD that said lease shall remain in effect so long as the lessee maintains a 40-man hour shift per month from April 1st to October 1st of each year, and 20-man hour shifts per month for the remaining six months of each year.

IT IS FURTHER AGREED that if the lessees do not fulfill these manshifts for ninety (90) days the lease shall revert back to Lisbon Valley Uranium Company.

IT IS FURTHER AGREED that at the conclusion of the lease and/or at such time as the lessee abandons the property for any reason or forfeits its rights to continued possession of said property then the same shall be surrendered peacefully and the lease re-assigned to the lessor herein.

IN WITNESS WHEREOF, the parties hereto have affixed their names the day and date first above written at Denver, Colorado.

LESSOR:	LESSEE:
LISBONVALLEY URANIUM COMPANY	ACME URANIUM MINES, INC.
By S/ Melvin F. Schroeder	By S/ J. L. Beaudin J.L. Beaudin, President

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

RECEIVED
OCT - 1 1956

224 New Customhouse
Denver 2, Colorado

September 26, 1956

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2160(Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris (Chatauqua Mine), Summit County, Colorado

Enclosed are Washington's copies of a letter prepared by the Chairman's office and forwarded to this office for signature and distribution.

Relative to the subject docket, please be advised of the correct mailing addresses for the following organizations:

Acme Uranium Mines
404 First National Bank Building
Denver, Colorado

Montezuma Uranium Corporation
c/o Arthur W. Zarlengo
401 First National Bank Building
Denver, Colorado

The prepared letter met with our approval and was forwarded September 24, 1956.

W. M. Traver

W. M. Traver

Dist. made 10/1/56.
GI

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

Judritz 9/12/56
Kellogg and
Yogel
Selfridge
Beardsley
Jefferson
Mattendorf

224 New Customhouse
Denver 2, Colorado

SEP 24 1956

Lisbon Valley Uranium Corporation
501 Ratteridge Building
Denver, Colorado

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-2509

Gentlemen:

According to our information, Messrs. Mike Vinson and Fred Harris of Breckenridge, Colorado, sold to the Montezuma Uranium Corporation their interests in the following land:

> Patented Chatauqua Lode U. S. Survey No. 88; and unpatented claims Protection Lode Nos. 1, 2, and 3, recorded in Book 26, page 333, County Clerk and Recorder's Office, Summit County, Breckenridge, Colorado.

We also understand that the Montezuma Uranium Corporation has merged with your Company and that the above-mentioned lands have been leased by you to Anna Uranium Mines, which has been producing ore therefrom.

Under date of April 15, 1953, Messrs. Vinson and Harris, as Operator, entered into Exploration Project Contract Idm-2509 (Docket No. DMEA-2160) with Defense Minerals Exploration Administration pursuant to which the Government loaned to the Operator the sum of $8,064.00, representing 50% of the costs of mineral exploration conducted by Messrs. Vinson and Harris on that land. By the terms of that Contract, as amended, the Government is entitled to receive royalty on any minerals produced from the above-mentioned land between April 15, 1953, and April 15, 1964, until royalties of $8,064.00 have been paid. Article 6(a) of the Contract further provides: "To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described....., and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid."

Mailed in Field.

Accordingly, you are advised that the Government has a lien on the land, and on all minerals produced therefrom, to the extent of its afore-mentioned royalty claim. The Government will accept royalty payments on this claim from your Company, from your lessees, or from Messrs. Vinson and Harris, in discharge of the royalty obligation, and copies of this letter are being sent to each of the parties mentioned herein.

It is further requested that this office be supplied with a copy of each sales agreement, deed, lease, or other instrument by which the above-mentioned lands have been transferred or leased by each of the above-mentioned persons and Companies.

Please advise us as to what arrangements you will make to satisfy the Government's royalty claim.

Payments should be made to this office, by check drawn payable to the Defense Minerals Exploration Administration. The purchaser of any ore or minerals produced from this land should be advised to deduct royalties from the amount due on each shipment and forward the checks to this office. All royalty payments should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

This office should be advised also of any changes in ownership or production rights that may have any bearing on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, this office should be notified at six-month intervals that no production has been made.

Sincerely yours,

W. M. Traver

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

PIndritz/wog
September 12, 1956
Copy to: DMEA Docket
Operating Com. (2)
WMTraver
Harshman
Shaw
Townsend
RPDwyer (W.O.)
PIndritz (W.O.)
Corres. E509
Pending
Chron.

Montezuma Uranium Corporation
Acme Uranium Mines
Messrs. Mike Vinson and Fred Harris

File Copy
Surname

Approved.
Selfridge
Oldenburg
Fleischer
Wittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

SEP 21 1956

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Winsen and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-X509

Dear Mr. Traver:

Referring to your memorandum of August 24, covering the cited contract, we have prepared the enclosed letter to the Lisbon Valley Uranium Company for your signature. If it meets with your approval, please sign and forward it and the enclosed copies to all parties concerned.

In the event you do not approve of the letter, please return all copies, with your comments.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)
WRGriswold/er 9/18/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures

APPROVED:

P. F. Kopes (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

R.L.G.

File Copy
Surname
Griswold

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatuaqua Mine
Summit County, Colorado
Contract No. Idm-E509

Dear Mr. Traver:

We have your memorandum of August 24, regarding the cited contract.

Under this contract, the Government may not properly demand copies of property sale agreements. The contract states:

> "The Operator shall not make any . . . conveyance of the Operator's rights in the land . . . without making suitable provision for the preservation of the Government's rights to a percentage royalty on production . . ."

It is our suggestion that you get in touch with the Lisbon Valley Uranium Company in Denver, advising them that, as successors in interest, we presume they are prepared to accept the royalty responsibilities to the Government. If they should refuse, we must then proceed against Mike Vinson and Fred Harris.

Sincerely yours,

Chairman, Operating Committee
WMGriswold/er 8/31/56
Copy to: Docket
"dmr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

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

224 New Customhouse
Denver 2, Colorado

August 24, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris (Chatauqua Mine), Summit County, Colorado

Enclosed are 2 photocopies of our letter dated July 23, 1956, to the Operator, which are self explanatory.

With reference to the sales, an undated letter from the Operator (copy of which was sent to your office with our reply dated May 21, 1956) revealed Montezuma Uranium Corporation merged with Lisbon Valley Uranium Corporation.

Further, the enclosed photocopy of a newspaper clipping from the Denver Post, dated June 24, 1956, indicates Lisbon Valley Uranium Corporation has subsequently leased the Chatauqua Mine to Acme Uranium Mines, who is reported to be mining ore.

This office does not possess the authority or means to press the matter further. We have sought a copy of the initial transaction from the original Operator without success. As accordingly we request your office initiate whatever action is indicated.

W. M. Traver

W. M. Traver

Enclosure

RECEIVED
AUG 27 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL July 23, 1956

Mike Vinson and Fred Harris
P. O. Box 158
Breckenridge, Colorado

Re: Docket DMEA 2100 (Lead-Zinc), Contract IAm-E509, Mike Vinson and Fred Harris (Chatauqua Mine), Summit County, Colorado

Gentlemen:

We have received no reply to our letters of May 21, 1956 and June 22, 1956, wherein you were requested to furnish this office with a signed copy or photostat of the sales agreement between you and Montezuma Uranium, Inc.

This is to inform you that if the requested instrument is not received in this office before August 23, 1956, the matter will be referred to our Washington office for whatever legal action is indicated.

Yours very truly,

W. M. TRAVER

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

WMT/vj

cc: Royalty File E509
Correspondence File E509
Sec. Opr. Coun. (2)
J. F. Shaw (2)
Marshall
Chron.

The Chautauqua mine, near Montezuma, Colo., has been leased from Lisbon Valley Uranium of Colorado by Acme Uranium Mines. In three days after the agreement was made, Acme mined 10 tons of ore

President Joe Beaudin reports Acme has purchased a mill for the processing ore from base and precious metals operations in the area around Montezuma. The mill, of 60-ton daily capacity, has been reconditioned within the past year.

Company officials report that a base and precious metals operation should be a valuable adjunct to its current program of uranium production from holdings in Wayne county, Utah.

In addition to processing ore from its own operations, Acme will do some custom milling.

6/24/56

DMEA 2160, Contr. 10mE 509
Vinson E. Harris

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

RECEIVED
JUL 25 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

July 23, 1956

Mike Vinson and Fred Harris
P. O. Box 158
Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris (Chatauqua Mine), Summit County, Colorado

Gentlemen:

We have received no reply to our letters of May 21, 1956 and June 22, 1956, wherein you were requested to furnish this office with a signed copy or photostat of the sales agreement between you and Montezuma Uranium, Inc.

This is to inform you that if the requested instrument is not received in this office before August 23, 1956, the matter will be referred to our Washington office for whatever legal action is indicated.

Yours very truly,

W. M. TRAVER

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

MHM/vj

cc: Royalty File E509
Correspondence File E509
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

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

RECEIVED
JUN 25 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL
ADDRESSEE ONLY

June 22, 1956

Messrs. Mike Vinson and Fred Harris
P. O. Box 158
Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris (Chetauqua mine), Summit County, Colorado

Gentlemen:

Enclosed is a photocopy of our letter of May 21, 1956, for which we have not received your reply.

We wish to point out that we requested a signed copy of your sale agreement with Montezuma Uranium Corporation so royalty could be requested from the proper owner. Should you not provide evidence of sale to this office, we have no alternative but to look to you for payment of royalty on any production from the Chetauqua mine or other property described in Contract Idm-E509 until the entire amount of the loan $8,064.00 is repaid, or until the expiration of the repayment period April 15, 1964, whichever occurs first. This includes the one shipment made November 1955, as stated in your letter received May 14, 1956.

You can see that in addition to being stipulated in Article 7 of the contract, it is to your advantage to furnish us with a signed copy of the sale agreement or photostat of a signed copy of the agreement at once.

This office will make reproduction of the agreement, when submitted, free of charge and return same by certified mail should you have but one copy.

We trust this additional information will result in your immediate attention to our request.

Yours very truly,

W. M. TRAVER

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

Enclosure
MBM/vj

cc: Royalty File E509
Correspondence File E509
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

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

RECEIVED
MAY 24 1956

224 New Customhouse
Denver 2, Colorado

May 21, 1956

Messrs. Mike Vinson and Fred Harris
P. O. Box 158
Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris (Chatauqua mine), Summit County, Colorado

Gentlemen:

Thank you for your recent letter explaining the present ownership status of the subject property. We wish to advise that it is absolutely necessary that a copy of the sale agreement requested by our letter of April 27, 1956 be made a part of our files. A photocopy of our April 27, 1956 letter is furnished for your convenience. Please send one copy of this sale agreement.

You state that one ore shipment was made from the property in September of 1955 and the property was sold in the fall of 1955. If this shipment was made prior to the date of sale, royalty is to be paid by Mike Vinson and Fred Harris. Enclosed is a copy of DMEA Order 1-Amended, Section 10 of which explains the method of computing royalty under DMEA Contracts. In this case one copy of the applicable settlement sheet will be sufficient for our needs.

An early reply to the above requests will be appreciated.

Yours very truly,

J. W. Townsend

J. W. Townsend
Acting Executive Officer
DMEA Field Team,
Region III

Enclosures

RDB/vj
cc: Royalty File E509 w/orig.ltr from Mike Vinson
Sec. Opr. Comm. (2) w/copies ltr. (2)
J. F. Shaw (2) w/copies ltr. (2)
Chron.

RECEIVED
MAY 24 1956

COPY

United States
Department of Int.
224 New Customs House
Denver 2, Colo.

Re Docket 2160
Idm 8509

Gentleman

We made provisions for the preservations of the Governments right to the percentage which the Contract calls for. You were notified of our intentions of selling the mine to the Montezuma Uranium Corp. early in the spring of 1955. I do not remember the exact date. We heard nothing from you, so in the fall of 1955 we sold the property to the Montezuma Uranium Corp at the time we were negotiating the sale we tried to get the Government to go on with the Contract but was turned down.

I have no copy of the Sales Agreement. However I think I can get one from the owners of the mine since we sold to the Montezuma Corp. they merged with the Lisbon Valley Uranium Corp. whose address is 501 Ketteridge Bldg in Denver. Melvin Schroder is the Sec. Treas. Wilden Branton President.

There has been one small shipment made from the mine since April 1953. The shipment was made last November. The ore came out of the "A" Level. North East of the Crosscut nothing has been done on Level C since the drift was finished there all the machinery has been moved to the lower level. At this time the mine is not in operation.

We supposed since the Government Eng. declared there was no minable ore there that was the end of the Contract.

Very truly yours,

Mike Vinson

COPY

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

RECEIVED
MAY 2 - 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL
Return Receipt Requested

April 27, 1956

Messrs. Mike Vinson and Fred Harris
P. O. Box 158, Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris (Chatauqua Mine), Summit County, Colo.

Gentlemen:

Reference is made to your letter of April 12, 1955 wherein you state that the Chatauqua mine had been sold to Montezuma Uranium, Inc. with offices at 667 Ernest and Cranmer Building, Denver, Colorado.

Your attention is directed to Article 7 of Contract Idm-E509 which states in part, "The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof".

In conjunction with this transfer of property rights we request that you furnish us a signed copy or photostat of a signed copy of the sale agreement in order that our records may be complete. We also request you to furnish the names and mailing addresses of the principal officials of Montezuma Uranium, Inc.

Paragraphs (e) and (f) of Amendment No. 1 to Contract Idm-E509 provides that royalty payments shall be made on all ore produced from the property subordinated to the Government from April 15, 1953 to April 15, 1964, or until the full amount of $8,064.00 has been paid, whichever occurs first. Please advise this office if any ore shipments have been made from the property subsequent to April 15, 1953. We request that you give these matters your immediate attention.

Yours very truly,

W. M. TRAVER

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

RDB/vj
cc: Royalty File E509 w/cy Vinson ltr
Correspondence File E509 w/cy Vinson ltr
Sec. Opr. Comm. (2)
J. F. Shaw (2) w/cys Vinson ltr
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
SEP 26 1955

September 23, 1955

Re: DMEA 2160, Idm-E509
Vinson and Harris
Chatauqua Mine
Summit County, Colorado
$16,128.00 - Lead-zinc-copper

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Final Field Team Reports.

The applicants asked for $21,000 to assist in exploring the Chatauqua vein at a total cost of $42,000. A revised program calling for the expenditure of $37,600 was arranged. Work was stopped after $16,128.00 had been spent on 504 feet of drifting on the vein. Sixty-five feet of mineralized vein matter was found but, as concluded by the examiners, no significant amount of strategic minerals was found and further exploration of the narrow and generally marginal vein was not justified.

The informative report of the examiners supports their conclusions and the recommendation of the Field Team that no certification of discovery be issued.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver, Colorado

August 3, 1955

Memorandum

To: Secretary, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 2160 (Lead, Zinc, Copper), Contract Idm-E509, Vinson and Harris (Chatauqua Mine), Summit County, Colorado

Enclosed are the following final reports covering work completed under Contract Idm-E509:

1. Original and one copy of the Operator's final report.

2. Original and three copies of the final geologic report by the Geological Survey.

3. Original and three copies of the final engineering report by the Bureau of Mines.

The project was terminated on February 2, 1955 under the suspension-termination provision of Amendment No. 1. Final payment to the operator was processed by this office on May 24, 1955 after receipt of the operator's final report onMay 23, 1955 and in conformance with the Report of Review by the Contract Administration and Audit Division released to this office on May 6, 1955.

Project work consisted of 504 feet of drifting along the Chatauqua vein on the D level of the Chatauqua Mine. Work as outlined in the contract consisted of 1,000 feet of drifting and 200 feet of raising. Because of the poor results of completed work, additional Government assistance was not considered as justified and the operator's request for an extension of the suspension period was denied. A few

hundred tons of sub-marginal lead-zinc ore was discovered but certification of discovery or development is not recommended.

W. M. Traver

E. N. Harshman

DMEA Field Team, Region III

Enclosures

Breckenridge, Colo.
May 21, 1955
Box 158

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AUG - 8 1955

DMEA
Date Rec'd
MAY 23 1955

BUREAU OF MINES
Denver, Colorado

W. M. Traver
224 New Customhouse
Denver 2, Colo.

Re: Docket DMEA-2160 Lead Zinc
Contract Idm-E509

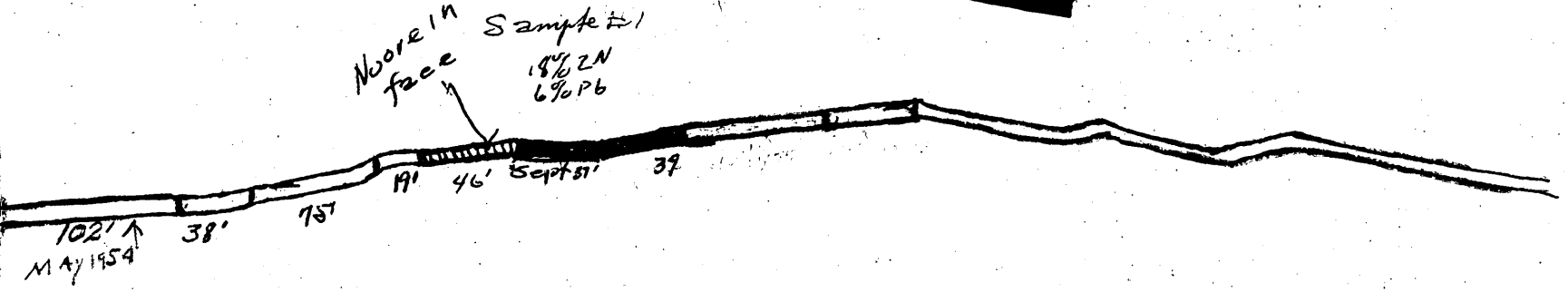
Dear Mr. Traver

Work was started in June 1953 driving the drift southwest on level C We drifted on the wein for a distance of 508 from the starting point. 504 bing reported on forms MF104 and MF 104A. The work was completed on this level in June of 1954. After finishing the work on C level we cleaned out the drift North east on A level. The Geologists turned it down as being a poor risk. June 1954 was the last work done on the contract.

We did not fine any ore large enoughe to mine on the C level.

yours truly,

Mike Urnsen


Moore in face
Sample #1
18% ZN
6% Pb
102'
MAY 1954
38'
75'
19'
46'
Sept 51'
39

DMEA
Date Rec'd.

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AUG - 8 1955

APR 27 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 26, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: DMEA 2160, Contract Idm-E509 (Lead-zinc-copper), Chatauqua mine, Vinson and Harris, Summit County, Colorado.

Enclosed are the original and eight copies of a final engineering report on the work performed by Vinson and Harris under Contract Idm-E509.

The applicants applied for exploration assistance in the amount of $42,000.00 to explore the Chatauqua mine by 1,400 feet of drifting and 375 feet of raising. The property was examined on October 31, 1951, and a revised exploration program was recommended at an estimated cost of $37,600.00. The work consisted of extending the existing "A" and "B"-adit levels approximately 500 feet southwesterly along the Chatauqua vein and driving short raises from these drifts to location and extent of which were to be approved by the DMEA. The work completed under Contract Idm-E509 consisted of 504 feet of drifting along the Chatauqua vein on the "B" level adit at a total cost of $16,128.00. The amount of Government participation is $8,064.00. The work exposed about 65 feet of mineralized vein material, but no commercial ore was found. It is believed that a significant amount of strategic minerals will not be found as a result of the work performed under the contract and no Certification of Discovery or Development is recommended.

No further exploration is justified.

John F. Shaw

Enclosures

cc 8 ✓
Idm-E509
Chron

JFS/cm

Reviewed by
DMEA OPERATING COMMITTEE
8-12-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1955

REPORT OF EXAMINATION BY FIELD TEAM
REGION XII

FINAL ENGINEERING REPORT

DMEA 2140, Exploration Project Contract Dpe-8508

Shakespeare mine

Mike Vinson and Pat Harris

Summit County, Colorado

Lead-zinc-copper

C. M. Harrer, Mining Engineer

April 19, 1955

8-12-55
(date)

DMA 2160
Contract Idm-[illegible]09

CHATAUQUA MINE
MIKE VINSON AND PAT HARRIS
SUMMIT COUNTY, COLORADO

RECEIVED
AUG - 8 1956

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ILLUSTRATIONS

Figure — Follows page

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DMA 2160
Contract Idm-2509

CHATAUQUA MINE
MIKE VINSON AND PAT HARRIS
SUMMIT COUNTY, COLORADO

FINAL ENGINEERING REPORT

By

C. M. Harper

SUMMARY AND INTRODUCTION

During October 1951, M. L. (Mike) Vinson and F. L. (Fred) Harris of Breckenridge, Colorado, applied to the Defense Minerals Exploration Administration for exploration assistance. They proposed to explore the Chatauqua mine with 1,400 feet of drifting, distributed between 2 existing adit levels and 2 proposed sublevels, and with 375 feet of raising therefrom; all at a cost of $42,000.00.

The Chatauqua mine was examined for the Defense Minerals Exploration Administration on October 31, 1951, and a revised exploration program was recommended at a total cost of $37,600.00. This program was the basis of the Defense Minerals Exploration Administration exploration contract Idm-2509. It consisted of extending the existing "A" and "B"-adit levels (fig. 2) approximately 500 feet southwesterly along the Chatauqua vein for a total length of 1,000 feet and driving short raises therefrom at locations and for lengths approved by the Defense Minerals Exploration Administration Field Team. The 1,000 feet of drifting was to be accomplished for $32.00 per foot and the 200 feet of raising for $28.00 per foot. The total cost of the program under the contract was to be $34,600.00, and Government participation of 50 percent would be $18,800.00.

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AUG - 8 1955

IN REPLY REFER TO:
DMEA
Date Rec'd.
AUG 1 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

July 29, 1955

Memorandum

To: DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 2160 (Lead-zinc), Contract Idm-E509, H. L. Vinson and F. L. Harris, Chateuqua mine, Summit County, Colorado - Final geologic report

Enclosed are the original and 8 copies of a final geologic report by D. R. MacLaren and E. N. Harshman, U. S. Geological Survey, describing work completed under the subject contract.

The exploration resulted in the discovery of a few hundred tons of sub-marginal lead-zinc ore, but certification of a discovery is not recommended. Further exploration, with Government assistance, does not appear justified at this time.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (9)

ENHarshman:arh

Reviewed by
DMEA OPERATING COMMITTEE
8-12-55
(date)

RECEIVED
AUG - 8 1955

H. L. VINSON AND F. L. HARRIS

CHATAUQUA MINE

SUMMIT COUNTY, COLORADO

DMEA Docket 2160

Contract Idm-E509

Final Geologic Report

by

D. R. MacLaren and E. N. Harshman

U. S. Geological Survey

July 29, 1955

8-12-55

E. L. VINSON AND F. L. HARRIS
RECEIVED
AUG - 3 1955

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO
DMEA 2160, Contract I4m-E509

FINAL GEOLOGIC REPORT

SUMMARY AND RECOMMENDATIONS

Exploration contract I4m-E509 provided for 1,000 feet of drifting and 200 feet of raising on and from the A and D levels of the Chatauqua mine. After completion of 504 feet of drifting on the D level, it was concluded that further work was not justified and the contract was terminated. One small shoot containing about 300 tons of sub-marginal ore, about 65 feet long and averaging 1.5 feet wide, was exposed by work done with DMEA assistance. The shoot contains an average of 3.7 percent lead, 1.8 percent zinc, 3.6 ounces of silver per ton, and very minor amounts of gold and copper. The shoot is of unknown but probably limited vertical extent.

It is concluded the Chatauqua mine is not a potential producer of significant amounts of base metal ores, and additional exploration with Government assistance is not recommended.

Although a few hundred tons of inferred sub-marginal ore were discovered under the DMEA program, certification of a discovery is not recommended.

INTRODUCTION

In October 1951 H. L. Vinson and F. L. Harris applied for DMEA assistance to explore for lead-zinc-silver ore in the Chatauqua mine. The applicants proposed 1,400 feet of drifting and 375 feet of raising to be used in exploring on and between the A and D levels of the mine. The applicants estimated the cost of the project to be $42,000.00.

W. B. Meek, U. S. Geological Survey, and C. M. Harrer, U. S. Bureau of Mines examined the property on October 31, 1951, and concluded that exploration was warranted. In a report dated January 16, 1952, they recommended a program consisting of 500 feet of drifting southwesterly along the Chatauqua vein on the A level, 500 feet of drifting on the vein on the B level, and 100 feet of raising, if needed, from each level. The total estimated cost of the project was $37,600.00, Government participation 50 percent or $18,800.00.

Contract Idm-2509 was signed on April 15, 1953; drifting on the D level started on June 4, 1953, and was completed in June 1954. The total advance was 504 feet.

On June 22, 1954, Vinson and Harris requested an amendment to the contract to authorize drifting northeasterly on the A level in lieu of drifting southwesterly as authorized in the contract, and to authorize a raise in the low grade mineralized segment of the vein discovered by prior drifting on the D level. The property was examined by D. R. MacLaren on July 7, 1954. In a memorandum of July 20, 1954, he recommended that the request for raising be denied, since it was

considered development, and that the operators be requested to clean out the old caved northeast drift on the A level in order to determine its extent and the ore potential of the area proposed for exploration.

On January 18, 1955, the operators notified the Field Team that the A level northeast drift had been opened and was found to be 220 feet long instead of 15 feet as originally reported. D. R. MacLaren, U. S. Geological Survey, and C. N. Harrer, U. S. Bureau of Mines, examined the property again on February 10, 1955, and in memorandums of February 15 and 16, 1955, concluded that drifting to the northeast on the A level or raising from that level would not result in discovery of significant amounts of lead-zinc-silver ore. They recommended termination of the contract. Contract IAm-2509 was terminated as of February 2, 1955, in accordance with the terms of the contract as defined in item 3a of Amendment No. 1.

LOCATION AND OWNERSHIP

The Chatauqua mine is located on the east slope of Glacier Mountain in section 3, T. 6 S., R. 76 W., 6th P. M., Snake River mining district, Summit County, Colorado. It is about 1.5 miles airline south of the town of Montezuma and is reached from Montezuma by way of 2-1/2 miles of steep, rough, local mine road.

The property consists of the patented Chatauqua lode claim (U. S. Mineral Survey 82) and three unpatented claims - Protection Lodes 1, 2, and 3. The claims are owned by the Teller Basin Mining and Milling Company of Denver, Colorado. At present they are under lease to H. L. Vinson and F. L. Harris of Breckenridge, Colorado.

HISTORY AND PRODUCTION

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AUG - 8 1955

The Chatauqua vein was discovered in 1866 and worked intermittently until 1892. About 800 tons of direct smelting lead-zinc-silver ore were produced during that period.

Since 1947 the mine has been worked periodically, and the estimated production to date is about 8,000 tons of ore containing 5.5 percent lead, 0.8 percent zinc, 0.13 percent copper, 10.0 ounces of silver per ton, and a trace of gold. No ore was produced during the life of the DMEA contract.

There are no milling facilities on the property.

GEOLOGY

The geology of the Montezuma quadrangle has been described by T. S. Lovering in U. S. Geological Survey Professional Paper 178 (1935) titled "Geology and Ore Deposits of the Montezuma Quadrangle, Colorado." The following brief summary of the regional geologic setting is taken largely from that publication.

Precambrian rocks cover most of the quadrangle, although Mesozoic sediments are present in the southwestern part and Tertiary intrusive rocks occur in a belt running from the southwestern corner to the northeastern corner.

The Idaho Springs is the oldest formation in the area. It occupies the eastern part of the quadrangle and consists of quartz-biotite schist and gneiss, with locally abundant quartz gneiss, quartz

schist, lime silicate rocks, and garnetiferous schist. These rocks were originally shaly sediments containing local sandy and calcareous lenses; the planes of schistosity are parallel to the original bedding.

In the west half of the quadrangle the gneisses and schists have been termed the Swandyke hornblende gneiss. They are believed to have originated from the metamorphism of quartz diorite sills or lavas intercalated in or overlying the upper part of the Idaho Springs formation. The Chatauqua mine is in these rocks.

Minor bodies of quartz-monzonite gneiss, granite gneiss, hornblendite, and Pikes Peak granite occur through the area. The Silver Plume granite crops out extensively in the north half of the quadrangle and many isolated masses of this rock occur in the southern half.

Pegmatites and aplites intrude all of the above-mentioned Precambrian rocks.

All post-Cambrian igneous rocks in the Montezuma quadrangle probably belong to the Laramide period of igneous activity. These rocks are predominately quartz-monzonite porphyry, but some are rhyolite, granite, latite, dacite, or diorite porphyry. They occur as major or minor stocks, sills, and dikes well dispersed throughout the area.

Major structural features in the area include a number of northerly and northeasterly trending folds in the Precambrian rocks, a thrust fault which cuts southeasterly across the southwestern corner of the area, and a belt of minor intrusives, faults, and veins that extends diagonally across the area from northeast to southwest.

The Chatauqua vein has been developed from two main levels (A and D levels) about 360 feet apart. The vein strikes N. 60° to 80° E. and dips 40° to 55° N. It is discordant with the schistosity of the enclosing Swandyke gneiss which strikes N. 10° E. and dips 80° W. The vein is in a strongly sheeted zone from 1 to 15 feet wide apparently produced by pre-mineral movement on a reverse fault. The sheeted zone is composed of altered and somewhat silicified country rock containing galena, sphalerite, manganiferous ankerite, barite, and quartz in stringers, lenticular masses and as a breccia cement. Tetrahedrite has been reported in the ore. Movement along the shear zone during the period of ore deposition is indicated by brecciated galena cemented with ankerite and quartz.

The wall rock in the mine workings is predominantly a biotite gneiss facies of the Swandyke gneiss although hornblende gneiss and pegmatite are present in some of the workings. One dacite porphyry dike is present near the end of the A level crosscut (fig. 3).

EXPLORATION

The D level drift was extended 504 feet southwesterly along the vein (fig. 3). In this part of the mine the vein strikes 60 to 70° E. and dips 45 to 50° N. It is in a strongly sheeted and locally brecciated zone, 2 to 10 feet wide, between walls of biotite gneiss. For the first 65 feet the vein contains galena and sphalerite in a gangue of quartz and ankerite. Assays of twelve samples taken by the U. S. Bureau of Mines examiner at 5-foot intervals, indicate that this

shoot has an average grade of 0.01 ounce gold and 3.6 ounces silver per ton, 3.7 percent lead, 1.8 percent zinc, and 0.05 percent copper over an average width of 1.5 feet, as follows:

Sample No.	Feet Width	Oz/ton Au	Oz/ton Ag	Pb	Percent Zn	Cu
	0.1	Beginning of ore shoot				
GW-2	2.6	0.02	1.9	4.1	0.75	0.05
GW-3	4.3	0.02	1.1	0.45	2.25	0.05
GW-4	0.33	< 0.005	3.1	0.92	0.95	0.05
GW-5	0.5	< 0.005	3.9	2.6	0.52	< 0.05
GW-6	0.66	< 0.005	1.2	1.05	0.75	< 0.05
GW-7	2.60	< 0.005	5.1	1.78	0.55	< 0.05
GW-8	1.0	< 0.005	10.6	6.9	3.3	0.05
GW-9	0.4	< 0.005	13.6	6.7	1.4	0.10
GW-10	1.5	< 0.005	9.4	8.15	4.2	0.08
GW-11	1.33	< 0.005	3.5	9.37	3.3	0.05
GW-12	3.0	< 0.005	1.8	4.28	1.5	0.05
GW-13	1.0	< 0.005	2.0	3.42	0.75	0.05
	0.1	End of ore shoot				
Average	1.49	0.01	3.58	3.66	1.76	0.053

Throughout the remaining 439 feet the vein contains only a few small pods of sulfide minerals, about 2 feet long and up to 2 inches wide. The last 100 feet of the drift the vein is mostly clay gouge with very few and widely scattered sulfide minerals.

On the D level there are three old stopes that were mined prior to the contract. Their height could not be determined, but two of them are 130 feet long while the third is 110 feet long. There is a 35-foot pillar between the first and second stopes, a 90-foot pillar between the second and third stopes, and a 65-foot pillar between the third stope and the newly discovered ore shoot. The total reported production from the three stopes is 5,400 tons of ore having an average grade of 0.01 ounce gold, and 4.88 ounces silver per ton, 5.7 percent lead, 0.5 percent zinc, and 0.15 percent copper.

On the A level no work was done with DMEA assistance. The applicant rehabilitated the drift to the northeast so that an examination could be made to evaluate his request to allow further drifting in that direction in lieu of the approved drifting to the southwest. The northeast drift is 220 feet long and is timbered most of its length. The vein strikes N. 62° - 80° E. and dips 40° - 50° NW. Where exposed between the timbered sections and in the final 12 feet of the drift, the vein is a strongly sheeted and brecciated zone 1 to 15 feet wide between walls of biotite gneiss of the Swandyke formation. The foliation of the gneiss strikes due north to N. 30° E. and dips 70° NW. About 12 feet from the breast of the drift the vein contains 12 to 14 inches of galena in a gangue of quartz and siderite which pinches to a streak about an inch thick at the face. There are three stopes separated by nearly barren pillars. The first stope is about 100 feet long and is so tightly timbered and so filled by caved material that the height could not be determined. Records of production indicate that it is

not very high. The second stope, 15 feet long, is separated from the first by a 30-foot pillar. It is also filled with caved material, but according to the operator, it is about 30 feet high. The third stope, separated from the second by a 10-foot pillar, is 50 feet long and 25 to 30 feet high. According to production figures, these three stopes and a fourth, about 60 feet long, to the southwest of the crosscut, have produced about 300 tons of ore with an average grade of 0.01 ounce gold and 1.6 ounces silver per ton, 4.9 percent lead, 1.2 percent zinc, and 0.1 percent copper.

A dike of dacite porphyry which strikes N. 7° E. and dips 85° W. to vertical cuts the northeast drift in the area of the first stope, and the crosscut. What control, if any, it had on the ore deposition is not known.

To summarize, at least 1,420 feet of drift have been driven along the vein on two levels, 504 of which were driven with DMEA assistance. Eight ore shoots totalling 655 feet in length have been discovered. However, the ore shoots range in length from 15 to 130 feet, and in height from about 20 feet to 50 feet (estimated on the basis of tonnage produced, assuming a stope width of 3 feet), and in grade from 0.01 ounce gold and 1.6 ounces silver per ton, 4.9 percent lead, 1.2 percent zinc, and 0.1 percent copper on the A level, to 0.1 ounce gold and 4.7 ounces silver per ton, 5.4 percent lead, 0.7 percent zinc, and 0.1 percent copper on the D level.

CONCLUSIONS AND RECOMMENDATIONS

The ore discovered as a result of the work performed with DMEA assistance is a low grade streak 65 feet long and 1.5 feet wide. Using a height of 30 feet (the average stope height), the discovery of new ore, under the contract is about 300 tons containing 3.7 percent lead, 1.8 percent zinc, 3.6 oz/ton silver and a trace of copper and gold. It is doubtful that this sub-marginal ore can or will be mined, and it is therefore recommended that a certificate of discovery not be issued.

Further exploration, with Government assistance, is not recommended.

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

RECEIVED
JUN 15 1955

224 New Customhouse
Denver 2, Colorado

June 13, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2160 (Lead-Zinc), Contract Idm-E509, a partnership consisting of Mike Vinson and Fred Harris, Summit County, Colorado

Enclosed are two copies of a memorandum to T. A. Christensen, dated May 24, 1955, relative to final payment under the terms of the subject contract.

W. M. TRAVER

W. M. Traver

Enclosures

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

RECEIVED
JUN 15 1955

224 New Customhouse
Denver 2, Colorado

May 24, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2160 (Lead-Zinc), Contract Idm-E509, a partnership consisting of Mike Vinson and Fred Harris, Summit County, Colorado - FINAL PAYMENT

Reference is made to our memorandum of July 20, 1954 whereby we transmitted final form MF-104, Operator's Monthly Report and Voucher for the month of June, 1954 and instructed you to withhold the amount of $100.00 from reimbursement to the Operator pending resolution of matters relative to future work to be performed under the contract.

The contract was terminated by provisions of Item 3A of Amendment No 1 and the Operator has rendered a Final Report, therefore, we now recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review by the Contract Administration and Audit Division dated May 5, 1955:

Basis for Final Payment:

Total Accepted Cost - - - - - - - -	$16,128.00
Government Participation at 50% - -	8,064.00
Total Prior Payments - - - - - - - -	7,964.00
Balance due the Operator - -	$ 100.00

W. M. TRAVER,

W. M. Traver

JWT:sr

cc Contract
Sec. Op. Comm. (2)
Shaw
Chron
Townsend

Paid $100.00
Randel R. Cooper
Randel R. Cooper
Authorized Certifying Officer
5-26-55 DMA-55-94

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

224 New Customhouse
Denver 2, Colorado

May 5, 1955

Mr. Mike Vinson
Vinson and Harris
Post Office Box 158
Breckenridge, Colorado

Re: Docket DMEA-2160 (Lead-Zinc)
Contract Idm-E509

Dear Mr. Vinson:

Reference is made to your letter of May 5, 1955 wherein you request information relative to the Final Report you are to submit. The Final Engineering and Geologic Report under the terms of the contract should consist of a report in narrative form complete with maps and other data pertinent to the report.

Your narrative report should include:

1. Date work started under the contract
2. Date work completed
3. Listing of the work performed
4. Conditions encountered
5. Results of the work, whether or not ore was discovered, and if so, your estimate of the tonnage of ore reserves

The map or maps attached to your report should show the extent of work performed and give locations of any and all samples taken on which assays were obtained. Please furnish this office with the original and four copies of your report, each copy to be complete with all supporting data. Upon receipt of your report and release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division, we will then make final payment.

JWT:sr

Very truly yours,

W. M. TRAVER

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

cc Chairman Op. Comm. (2) w/enc
Harshman w/enc
Shaw w/enc
Subject
Chron
Townsend w/enc

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

224 New Customhouse
Denver 2, Colorado

April 15, 1955

Messrs. Mike Vinson and Fred Harris
Post Office Box 158
Breckenridge, Colorado

Re: Docket DMEA-2160 (Lead-Zinc)
Contract Idm-E509

Gentlemen:

Reference is made to your letter of April 12, 1955 which was in reply to our letter of April 7, 1955 regarding your submitting a final report relative to the work performed under Contract Idm-E509.

Under the terms of the contract it is your responsibility to prepare and submit a final report; therefore, we will defer reimbursement to you of the $100.00 suspended from form MF-104, Operator's Monthly Report and Voucher, for the month of June, 1954 until the final report is received and until a review of contract expenditures by the Contract Administration and Audit Division has been released to this office.

Very truly yours,

W. M. TRAVER,

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

JWT:sr

cc Chairman Op. Comm. (4)
Harshman
Shaw
Townsend
Subject
Chron

Breckenridge, Colo.
April 12, 1956
Box 158

Bureau of the Census
Data Processing Records Administration
Denver
APR 13 1956
BUREAU OF
Denver, Colorado

W. M. Traver
224 New Customhouse
Denver, Colo.

Re: Docket DMEA 2160 lead
zinc

Contract Idm-E509

Dear Sir,

We have sold the Chautatqua Mine to the Montezuma Uranium Inc. 667 Ernest and Cramer Bldg. Denver, Colo. and Montezuma, Colo. When we sold this mine we turned over all the contract papers to that Company. I do not know if they have gone ahead with the contract or not. I understand they are drifting to the northeast on a level but dont know what other work is being done.

I am forwarding your letter of April 8th to the Montezuma Uranium Inc. so that they will know what to do. I suggest you send them the necessary papers and information that they might render a final report.

Very truly yours,

Like Vinson

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

224 New Customhouse
Denver 2, Colorado

April 7, 1955

Messrs. Mike Vinson
and Fred Harris
P. O. Box 158
Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc)
Contract Idm-E509

Gentlemen:

Reference is made to the letter dated March 28, 1955 from the Administrator, DMEA, Washington, wherein your request for Government approval of certain exploration work under Contract Idm-E509 is denied.

Inasmuch as it appears that further Government participation in the costs of exploration work under the contract is not warranted, your attention is directed to the provisions of item 3(a) of Amendment No. 1 wherein it is stipulated that the contract is terminated effective February 2, 1955.

In conjunction therewith your attention is also directed to the provisions of Article 5(b) of Exploration Project Contract Form MF-200A on which Contract Idm-E509 is prepared, relative to the rendering of a final report.

We are desirous of closing the account at an early date, therefore we will appreciate your prompt attention to the matter.

Very truly yours,

W. M. TRAVER

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

JWT:jp
cc Subject
Chron
Marshman
Shaw
Chairman, Op. Comm. (2)
Townsend

File Copy
Surname

Chandler
Hedges
Tarr
Jeffrey
Johnson

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

MAR 28 1955

Mr. Mike Vinson, Partner
Vinson & Harris
Box 158
Breckenridge, Colorado

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

Dear Mr. Vinson:

Your letter of January 18, requesting an amendment to the cited contract, has been forwarded to this office. We note that you desired to drift northeasterly for a distance of 500 feet along the Chataugua vein.

A careful study of the work which has been done to date on this project, although noting a small amount of lead-zinc mineralization, indicates to us that the probability of disclosing any significant amount of minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for an amendment to the contract must be denied.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WRGriswold/er 3/28/55
Copy to: Docket
Region III (2)
Admin. R. File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

File Copy
Surname

Griswold
Chamberlin
Selfridge
Fillmore
Whitenburg

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

500

MAR 2 8 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-2509

Dear Mr. Traver:

We have your letter of February 23, with enclosures, regarding an amendment to the cited contract.

We are writing the Operators (with copies to you) that the request must be denied.

With reference to making a contract termination, no action is necessary since it has already been terminated by provision 3a of Amendment No. I. You should therefore so advise the Operator, with instructions as to winding-up procedures which may be necessary.

Sincerely yours,

George C. Selfridge (SHB)
Chairman, Operating Committee

APPROVED:

J. H. Hedges (SHB)
Member, Bureau of Mines

/s/ R. D. Trace (SHB)
Member, Geological Survey

WRGriswold/er 3/28/55

Copy to: Docket
Admr R. File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

R.C.S.

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 28, 1955

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Denial of request, Docket No. DMEA-2160 (Lead-Zinc), Mike Vinson and Fred Harris, Chatauqua Mine, Summit County, Colorado, Contract No. Idm-E509

The Operators under the cited contract have done 504 feet of drifting with little result. A few small, narrow bunches of lead-zinc mineralization have been noted, but nothing of any significance.

About 500 feet remain under the contract and the Operators would like to change the target. However, both of the Field examiners, (who apparently did a thorough job in the field) can see little hope for anything worthwhile. The Base Metals Division concurs.

Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
MAR 10 1955

March 9, 1955

Re: DMEA-2160
Vinson and Harris
(Chatauqua Mine)
Summit Co., Colorado
Lead-Zinc
Contract Idm-E509

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Proposed amendment

The operator has proposed to change the allowed 500 feet of drifting on the A level from a northeasterly direction to a southwesterly direction.

The Field Team has recommended this proposed amendment be denied and the contract be terminated.

Results to date under this contract indicate that further work is unlikely to discover significant amounts of lead-zinc ore.

I recommend the proposed amendment be denied and the contract terminated.

E. L. Newcomb
E. L. Newcomb

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

March 4, 1955

Defense Minerals
MAR 4 1955

Memorandum

To: W. R. Griswold
Chief, Base Metals Division, DMEA

From: J. H. Hedges, Bureau of Mines

Subject: DMEA-2160 (Lead-Zinc) Contract Idm-E509,
Vinson & Harris, Chatauqua Mine,
Summit County, Colorado

I concur with the recommendation of the field team and the examining engineer and geologist that the request for amendment of the contract be denied and the contract be terminated.

J. H. Hedges
J. H. Hedges

Copy to: O. M. Bishop, Room 3617
Division of Minerals
J. H. Hedges

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

224 New Customhouse
Denver 2, Colorado

February 23, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Vinson and Harris, Chatauqua Mine, Summit County, Colorado

Enclosed is the following material in conjunction with operations under the subject contract:

1. Original and three copies of a letter dated January 18, 1955 from Mike Vinson, one of the partners.

2. Original and three copies of a memorandum from C.M. Harrer, Mining Engineer, U.S. Bureau of Mines, dated February 15, 1955.

3. Original and three copies of a memorandum dated February 16 from D.R. MacLaren, Geologist, U.S. Geological Survey.

The operator requests an amendment to the contract to permit the performance of 500 feet of drifting in a northeasterly direction on the A level in lieu of drifting 500 feet on the A level in a southwesterly direction.

The examining engineer and geologist, for reasons stated in their reports, recommend that the operator's request be denied and that the contract be terminated, in which this office concurs.

The matter is forwarded for your consideration and appropriate action with the recommendation that the contract be terminated under the provisions of Article 8(c) of the contract form.

W. M. Traver

Enclosures

W. M. Traver

FEB 25 1955

Date Rec'd.
JAN 2 1955
BUREAU OF MINES
Denver, Colorado

Breckenridge, Colo.
Janurary 18,1955.

Mr. W.H.King
Executive Officer, DEMA.
224 New Customhouse,
Denver, Colo.

Re: Docket DEMA 2160(Lead-Zinc)
Contract Idm-E509

Dear Mr.King.

WE have almost cleaned out the Northeast drift of level A of the Chautauqua Mine. We were in today and according to our measuring this drift extends 193 ft.

We request an amendment to contract Idm-E509 to extend this tunnel in a Northestly direction about 500 ft. along the mineralized fault of the Chautauqua vein.

At the face of this drift there shows a small amount of galena and indications show that there is a possibility of ore being above this point. We are further requesting that we be authorized to put in a raise at this point to investigate these possibilites.

We have completed our building program and have all the equipment housed at the A Level and will be ready to start drilling in a few days.

Very truly yours,

Mike Vinson

Mike Vinson, Partner.

P.S. We will make a map of the above mentioned workings in a day or so and foreward it to your office.

M.V.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
FEB 16 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
February 15, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw

From: C. M. Harrer

Subject: DMEA 2160, Contract Idm-E509 (Lead-zinc) Mike Vinson and Fred Harris (Chatauqua mine) Summit County, Colorado - Amendment of the contract

In a letter dated June 22, 1954, the applicants requested an amendment to their contract to explore the A-level to the northeast instead of to the southwest. Since the drift on the Chatauqua vein to the northeast was caved and of questioned length, the operators were advised to make it accessible for examination, which they did.

The A-level of the Chatauqua mine was examined on February 10, 1955, by the writer, accompanied by D. R. MacLaren of the Geological Survey and Pat Vinson, brother of the applicant. It was determined that the drift to the northeast was 220 feet in from the centerline of the crosscut and followed a vein with dips ranging from 25° to 35° to the northwest. The vein, which consisted of 12 to 14 inches of quartz, ankerite, and some disseminated galena, exhibited interrupted, pinch and swell characteristics. Stopes along the vein were small and extended 20 to 30 feet above the drift, where all evidence of lead, zinc, and copper disappeared.

Further exploration of the Chatauqua vein to the southwest is not expected to make a significant discovery on the basis of exploration on the upper D-level under the contract. This is recognized by the applicants who requested an amendment to explore to the northeast.

The possibility of finding some ore on the A-level to the northeast appears fair, however, it is expected that the exploration will develop only small, interrupted and lenticular lead-zinc-copper-gold-silver ore bodies, smaller than those on the upper D-level.

Past production from the Chatauqua mine has been from small, interrupted and lenticular ore bodies 50 to 100 feet long and up to 6 feet thick occurring along the strike of the Chatauqua vein at intervals of 40

to 100 feet. They contained approximately 100 to 3,000 tons of ore with an average assay of about 0.01 ounce gold and 4.7 ounces silver per ton, 5.7 percent lead, 0.5 percent zinc, and 0.2 percent copper.

Exploration of the upper or D-level under the contract, consisted of 504 feet of drift southwest along the Chatauqua vein, which disclosed only one mineralized segment about 65 feet long, up to 4.3 feet, but averaging only 1.6 feet thick, with an average assay value of 0.01 ounce gold and 3.6 ounces silver per ton, 3.7 percent lead, 1.8 percent zinc, and 0.05 percent copper. The following sampling data by Glen Walker, of the Bureau of Mines, presents a picture of the mineralized sections of the vein uncovered by DMEA exploration on the D-level.

Sample No.	Width (feet)	Ounces per ton		Percent			Location
		Gold	Silver	Lead	Zinc	Copper	
GW-2	2.6	0.02	1.9	4.1	0.75	0.05	55 feet southwest of start of contract
GW-3	4.3	0.02	1.1	0.45	2.25	0.05	50 feet southwest of start of contract
GW-4	0.3-1/3	<0.005	3.1	0.92	0.95	0.05	45 feet southwest of start of contract
GW-5	0.5	<0.005	3.9	2.6	0.52	<0.05	40 feet southwest of start of contract
GW-6	0.6-2/3	<0.005	1.2	1.05	0.75	<0.05	35 feet southwest of start of contract
GW-7	2.6	<0.005	5.1	1.78	0.55	<0.05	30 feet southwest of start of contract
GW-8	1.0	<0.005	10.6	6.9	3.3	0.05	25 feet southwest of start of contract
GW-9	0.4	<0.005	13.6	6.7	1.4	0.10	20 feet southwest of start of contract
GW-10	1.5	<0.005	9.4	8.15	4.2	0.08	15 feet southwest of start of contract
GW-11	1.3-1/3	<0.005	3.5	9.37	3.3	0.05	10 feet southwest of start of contract
GW-12	3.0	<0.005	1.8	4.28	1.5	0.05	5 feet southwest of start of contract
GW-13	1.0	<0.005	2.0	3.42	0.75	0.05	Start of contract

The possible discovery of a few hundred or a few thousand tons of mill-grade ore with values approximating that of the aforementioned past production probably would not add materially to national mineral reserves and it is therefore recommended that the application for an amendment be denied and that the project be terminated.

C. M. Harrer

C. M. Harrer
Mining Engineer

cc 7

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DMEA
Date Rec'd
FEB 17 1955
BUREAU OF MINES
Denver, Colorado

February 17, 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 2160, Contract Idm-E ~~590,~~ Chatauqua Mine, Summit County, Colorado. (lead-zinc)

Enclosed are the original and eight copies of an Interim Report by D. R. MacLaren, U. S. Geological Survey, on the above subject property. The examination was made in response to a request for amendment by the operator to permit drifting northeasterly on the A level of the Chatauqua mine in lieu of drifting southwesterly on the same level as specified in the contract.

MacLaren describes the results of past exploration in the mine and concludes that although the proposed work may result in the discovery of small low-grade ore shoots, it is imporbable that significant deposits of ore grade material will be found. He recommends that the request for amendment be denied and that the contract be terminated.

I concur with his recommendations.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (9)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

February 16, 1955

Memorandum

To: E. N. Harshman

From: D. R. MacLaren

Subject: Docket DMEA 2160, Contract Idm-E 509, Chatauqua Mine, Summit County, Colorado. (lead-zinc) (Interim Report)

In a letter dated June 22, 1954, Mike Vinson and Fred Harris, operators, requested an amendment to the subject contract to allow drifting 500 feet northeast from the crosscut on the A level in lieu of drifting 500 feet southwest as specified in the contract. An examination of the A and D levels was made on July 7, 1954, at which time it was found that an old drift to the northeast existed but was caved at the crosscut. In U. S. Geological Survey Professional Paper 178, page 77, Lovering states that the northeast drift is said to be 500 feet long. Therefore, it was recommended in a memorandum dated July 20, 1954, that the applicant clean out the drift for examination. In a letter dated January 18, 1955, the operators advised the Field Team that the northeast drift had been opened and was found to be 193 feet long, and again requested authorization to extend the drift 500 feet to the northeast and to raise an unstated distance on an ore showing near the breast of the drift.

An examination of the northeast drift on the A level was made on February 9, 1955, accompanied by Pat Vinson, brother of Mike, and C. M. Harrer of the U. S. Bureau of Mines. The drift measures 220 feet and is timbered most of its length. The vein strikes N. 62° - 80° E. and dips 40° - 50° N. Where exposed between timbered portions and in the final 12 feet of the drift, the vein is a strongly sheeted and brecciated zone 2 to 10 feet wide between wells of biotite gneiss, a phase of the Swandyke formation. The foliation of the gneiss strikes due north to N. 30° E. and dips vertically to 70° NW. About 12 feet from the breast of the drift the vein contains 12 to 14 inches of galena in a gangue of quartz and ankerite which pinches to a streak about an inch thick at the face. There are three stopes separated by nearly barren pillars. The first stope is about 100 feet long and is so tightly timbered and so filled by caved material that the height could not be determined. Records of production indicate that it is not very high. The second stope, 15 feet long, is separated from the first by a 30-foot pillar. It is also filled with caved material, but according to Vinson it is about 30 feet high. The third stope, separated from the second by a 10-foot pillar, is 50 feet long and 25 to 30 feet high. According to production figures, these three stopes and a fourth, about 60 feet long, to the southwest of the cross-cut, have produced about 300 tons of ore with an average grade of 0.01 ounce gold and 1.6 ounces silver per ton, 4.9 percent lead, 1.2 percent zinc, and 0.1 percent copper.

On the D level, some 280 feet above the A level, a drift was extended about 500 feet to the southwest along the same vein that is exposed on the A level. The wall rock and vein character are the same as on the lower level. For the first 60 feet the vein contains galena and sphalerite in a gangue of quartz and ankerite. The ore shoot has an average width of 1.6 feet and an average grade of 0.01 ounce gold and 3.64 ounces silver per ton, 3.66 percent lead, 1.77 percent zinc, and 0.05 percent copper, based upon assays of 12 samples taken by the U. S. Bureau of Mines. Throughout the remaining 440 feet the vein contains only a few small pods of sulfide minerals, about 2 feet long and up to 2 inches wide. On the D level there are three old stopes, now inaccessible, that are reported to have produced 5,400 tons of ore having an average grade of 0.01 ounce gold, and 4.88 ounces silver per ton, 5.7 percent lead, 0.50 percent zinc, and 0.15 percent copper. The height of the stopes could not be determined, but two of them are 130 feet long while the third is 110 feet long. There is a 35-foot pillar between the first and the second stopes, a 90-foot pillar between the second and third stopes, and a 65-foot pillar between the third stope and the newly discovered ore shoot.

On two levels, a total of 1,420 feet of drift has been driven on the vein. Of this total, 440 feet are outside the mineralized zone. In the 980 feet of drift within the mineralized zone eight ore shoots totalling 655 feet in length have been discovered. However, the ore shoots range in length from 15 feet to 130 feet, and in height from about 20 feet to 50 feet (estimated on the basis of tonnage produced,

assuming 3-foot wide stopes), and in grade from 0.01 ounce gold and 1.60 ounces silver per ton, 4.90 percent lead, 1.20 percent zinc, and 0.10 percent copper on the A level, to 0.01 ounce gold and 4.69 ounces silver per ton, 5.39 percent lead, 0.69 percent zinc, and 0.13 percent copper on the D level.

It is concluded that drifting to the northeast on the A level as proposed by the operators will probably result in the discovery of other small, low grade ore shoots similar to those already found, but that the chance of discovering a large body of better grade ore is poor. It is reasonable to expect similar ore shoots between the A and D levels that might be found by raising, but again, they will probably be small and low grade. It is therefore recommended that the requested amendment be denied and that the contract be terminated.

D. R. MacLaren

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

224 New Customhouse
Denver 2, Colorado

November 30, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2160 (Lead-Zinc), Contract Idm-E509, Mike Vinson and Fred Harris, Summit County, Colorado

Enclosed are the Government, Division and Docket copies of Amendment No. 1 to Contract Idm-E509 which was prepared in Washington and signed by the Administrator, DMEA, for the Government, and forwarded by your letter of November 2, 1954 for signature by the operator.

Copies of the amendment have been given to the operator, the Finance Office, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

File Copy
Surname

Griswold
Jackson
Selfridge

500

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

NOV 2 - 1954

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

Re: Docket No. DMEA-2160 (Lead-Zinc)
Mike Vinson and Fred Harris
Chatauqua Mine
Summit County, Colorado
Contract No. Idm-E509

Dear Mr. King:

We are enclosing the original and five copies of Amendment No. 1 to the cited contract. This is in accordance with the request contained in your letter of October 8.

Kindly present the amendment to the Operator for signature and distribute the copies in the usual manner. However, if you should not approve of the terms of the amendment, all copies should be returned to us with your comments.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Enclosures 6

WRGriswold/bjl (10/28/54)

APPROVED:

J. H. Hedges (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
Mr. Bishop
Mr. Kiilsgaard
Base Metals
Chron.

R.C.S.

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

INTERIOR DEPT.
OCT 20 1954
SOLICITOR

NOT - S. in R.
DATE - ?

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2160, Mike Vinson and Fred Harris (Lead-Zinc), Breckenridge, Colorado, Contract No. Idm-E509

Will you kindly prepare an Amendment No. 1 to the cited contract which will provide:

Recess period from July 15, 1954 to February 1, 1955.

Extend the completion period from 18 months to 28 months.

Extend the repayment period from 10 to 11 years.

If work is not started on or before February 1, 1955, the project is automatically terminated and a "pseudo-certification" becomes effective.

W. R. Griswold

WRG/er 10/19/54

Copy to: Docket
Base Metals
Chron.

Copt. B

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

224 New Customhouse
Denver 2, Colorado

October 8, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2160 (Lead-Zinc), Contract Idm-E509, A partnership consisting of Mike Vinson and Fred Harris, Summit County, Colorado.

Enclosed is the following material relative to an amendment to the subject contract:

(1) Original and three copies of a letter dated June 22, 1954, from Mike Vinson wherein he requests a change in the description of work to be performed under the contract.

(2) The original and three copies of a memorandum dated July 20, 1954, from D. R. MacLaren, Geologist, U.S. Geological Survey, which is relative to the operator's request of June 22, 1954.

(3) Three copies of a letter from this office dated August 2, 1954, to Mike Vinson advising him that before further consideration could be given his request of June 22 that it would be necessary for the operators to perform certain preliminary work at their own expense.

(4) Three copies of a letter dated September 27, 1954, from this office to the operators advising them that the contract would expire October 15, 1954, and requesting advice as to their plans relative to the resumption of work.

(5) Original and three copies of a letter dated October 4, 1954, from Mike Vinson wherein he requests authorization

of a recess of operations from July 15, 1954, to February 1, 1955, and an extension of the period for completion of the project work for six months thereafter, or to August 1, 1955.

The operator requests a recess of operations under the contract to enable them to perform drift rehabilitation work which we advised them in our letter of August 2 would be necessary before their requested change in the work outlined could be considered.

Extending the period for completion of the project work to August 1, 1955, is not within the authority delegated to this office. Therefore, the matter is forwarded for your consideration and appropriate action with a recommendation that an amendment be prepared authorizing the recess of operations and extension of the completion period as outlined above.

W. H. King

W. H. King

Enclosures

Mining Division
Date Rec'd
JUN 23 1954
BUREAU OF MINES
Denver, Colorado

Breckenridge, Colorado
Box 158,
June 22, 1954

W. H. King
United States
Department of the Interior
Bureau of Mines
Room 224 New Customs House
Denver 2, Colo.

Re: DMEA 2160, Contract Iam-E509
Chautauqua Mine
Summit County, Colorado

Dear Sir;

We have finished driving the 500 ft on C level in the Chautauqua mine. At the beginning of the contract and for a distance of about 70 ft we had a pretty good showing of ore on which we think it would be advisable to further explore this by driving a raise on it, since we are authorised to drive 200 ft of raise we would like to do part of it here. The remainder of the drift shows ore only in spots. We do not belive it advisable to drive the 500 ft on C level in the south westerly direction and thereby cutting the same formations as we did on C level. We would like to have our contract amended so that we may drive north east on the same vein which we feel would be in a more productive area. The property on the northeast end has some very good ore which leads us to believe we should have the same on the Chautauqua.
Enclosed is a sketch showing the proposed amendment.

Yours very truly,

Mike Vinson

Authorized Contract

"A" Level Proposed Amendment

To "A" Level Adj.

July 20, 1954

Memorandum

To: Mr. A. H. Koschmann E.M.H. for A.H.K.

From: D. R. MacLaren

Subject: DMEA Docket 2160, Contract Idm-E509, Chataqua Mine, Summit County, Colorado. (lead-zinc)

In a letter dated June 22, 1954, Mike Vinson and Fred Harris, partners, requested that the subject contract be amended to allow 500 feet of drifting to the northeast of the A-level crosscut, instead of the southwest as allowed in the contract. In the same letter the applicant requested authorization to raise an unspecified distance to explore an ore shoot on the D-level.

I visited the mine July 7, 1954, accompanied by Mike Vinson. On the A-level, a drift to the northeast is caved about 37 feet from the crosscut. According to Vinson the caved portion is only 15 feet long and the drift continues about 48 feet to the northeast. However, in U. S. Geological Professional Paper 178, page 77, Lovering states, "--the eastern drift, said to be 400 feet long, was caved a few feet east of the main adit." There is no available record of stoping on this level other than that shown in figure 2 of the original report for DMEA Docket 2160. If, as reported to Lovering, the drift is 400 feet long, the breast must be approaching the surface of the steeply sloping hill side. And if no ore shoot was discovered in that distance, it is not likely that additional drifting will result in a significant discovery. If Vinson's information is correct and the caved portion is only 15 feet long, it should not be difficult to open the drift for inspection. Therefore, it is recommended that the applicant clean up the cave so that the existing drift may be inspected before making a final recommendation regarding the proposed amendment.

On the D-level for a distance of about 45 feet the vein has an average sample width of 20.5 inches and an average grade, based on four assays submitted by the applicant, of 11.6% lead and 4.3% zinc. The weighted average lead content of some 5,700 tons of ore is only 5.55% and the zinc is 0.53%. The character of the vein is the same as described by Meek in the original report for DMEA Docket 2160. No other new ore shoot was found on the level. A raise in the ore shoot would be more in the nature of development than exploration. The chance of making a significant discovery of lead or zinc ore by raising elsewhere on this level is considered poor. Therefore it is recommended that no raising be approved.

e
o
p
y

224 New Customhouse
Denver 2, Colorado

August 2, 1954

Mr. Mike Vinson
Box 158
Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc)
Contract Idm-E509

Dear Mr. Vinson:

Reference is made to your letter of June 22, 1954 wherein you request an amendment to contract Idm-E509 to authorize drifting northeast on the A level in lieu of drifting southwesterly as is presently authorized in the contract. It has come to our attention that the drift northeast on the A level may already extend as much as 400 feet instead of the 48 feet you advised the examining geologist.

Therefore, before further consideration can be given your request of June 22, 1954 for authorization of drifting in that direction, it will be necessary for the drift to be opened to its face and otherwise made safe for investigation. When the drift is accessible to its face, or if you do not prefer to accomplish the work, please so advise this office at your earliest convenience.

In reference to the raising authorization requested in your letter of June 22, 1954, we have been advised by the examining geologist that you no longer consider the work advisable. In that case we will appreciate advice from you rescinding that portion of your request of July 22.

Very truly yours,

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

JWT:mn

cc Subject
Chron
WMTraver
AHKoschmann
JWTownsend

c
o
p
y

224 New Customhouse
Denver 2, Colorado

September 27, 1954

Messrs. Mike Vinson and Fred Harris
Breckenridge, Colorado

Re: Docket DMEA 2160 (Lead-Zinc)
Contract Idm-E509

Dear Sirs:

Reference is made to our letter of August 2, 1954, wherein we advised you of certain requisits before your request of June 22, 1954, could be further considered. We have not received a reply to our letter as requested and urge that the matter be given your prompt attention.

Your attention is directed to the provisions of Article 3 of Exploration Project Contract Form MF-200(A), on which Contract Idm-E509 is prepared, which stipulates that the project shall be brought to completion within a period of 18 months from the date of the contract or in effect by October 15, 1954. If you are desirous of maintaining the contract in force subsequent to that date you should request an extension of the period for completion of the project work for such additional time as you deem necessary.

In conjunction with extending the period for completion of the project work you should in addition request Government authorization of a recess of operations under the terms of the contract to enable you to formulate plans relative to the balance of work to be performed under the contract. Your request for authorization of a recess of operations should contain a complete justification as to the need for the recess of operations and state the date operations were suspended and the date on or before which they will be resumed.

Yours very truly,

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

Mining Division
Date Rec'd.
OCT 5 - 1954
BUREAU OF MINES
Denver, Colorado

Breckenridge, Colo.
Oct. 4, 1954
Box 158

Mr W. H. King

U. S. Bureau of Mines
224 New Customhouse
Denver Colo.

Re: Docket DMEA 2160 Lead-Zinc
Contract IDM-E509

Dear Mr. King,

Refernce is made to your letter of September 27, 1954. The reason we discontinued work on the contract at the Chautauqua Mine is because we run out of money. We had every hope of cutting some good ore in the first part of our contract but since we did not cut any worth while to mine we had to raise some money elsewhere. We will be prepared to go ahead and clean the drift out and retimber it as mentioned in your letter of Aug. 2nd 1954. You mentioned the drift being 400 ft long I do not know if that is right or not as we have no information on that but I do know it is more than 48 ft since there is more than that open now. We will be able ot start cleaning this drift by about the 15 of Nov. 1954 and if that drift is 400 ft long it would take about 75 days to clean it but assuming that it is in bad condition and requires timber all the way.

We knew we did not have time to do all of this work and get on with the contract by Oct 15 so we did nothing with it at the time but if we can get a recess as you mentioned we would like for it to start July 15 1954 and extend till we have that drift cleaned out and the geologists makes their survey and examination which would be about Feb.1st 1955. Then an extention of our contract time an additional Six months to enable us to complete ourproject.

Yours very truly,

Mike Vinson

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

SEP 30 1954

721 New Customhouse
Denver 2, Colorado

September 27, 1954

Messrs. Mike Vinson and Fred Harris
Breckenridge, Colorado

Re: Docket DMA 2160 (Lead-Zinc)
Contract 14m-E509

Dear Sirs:

Reference is made to our letter of August 2, 1954, wherein we advised you of certain requisites before your request of June 22, 1954, could be further considered. We have not received a reply to our letter as requested and urge that the matter be given your prompt attention.

Your attention is directed to the provisions of Article 3 of Exploration Project Contract Form 17-200(A), on which Contract 14m-E509 is prepared, which stipulates that the project shall be brought to completion within a period of 18 months from the date of the contract or in effect by October 15, 1954. If you are desirous of maintaining the contract in force subsequent to that date you should request an extension of the period for completion of the project work for such additional time as you deem necessary.

In conjunction with extending the period for completion of the project work you should in addition request Government authorization of a recess of operations under the terms of the contract to enable you to formulate plans relative to the balance of work to be performed under the contract. Your request for authorization of a recess of operations should contain a complete justification as to the need for the recess of operations and state the date operations were suspended and the date on or before which they will be resumed.

Yours very truly,

W. H. KING

W. H. King
Executive Officer
DMA Field Team, Region IV

Copy to: W. M. Traver
A. E. Koschmann
J. W. Townsend
Chairman, Operating Committee

JWT:ld

sub
chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd,
SEP 24 1954
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 24, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 2160, Contract Idm-E509 (Lead-zinc) Mike Vinson and Fred Harris (Chatauqua mine), Summit County, Colo.

Your attention is called to the fact that the subject contract will expire October 15, 1954. Moreover, so far as is known by this office, you have not as yet received a reply to your letter of August 2, 1954, regarding his request of June 22, 1954, to change the program.

We have deferred action on our memorandum report you instructed us to make in the Field Team's memorandum of June 24, 1954, pending receipt of the contractor's reply to your correspondence.

W. M. Traver

W. M. Traver

WMT/kp

cc w/orig
E509(Amend)
Chron

[illegible]

[illegible] Denver 2, Colo.

[illegible], 1954

Mr. Mike Vinton
[illegible]
Kreischmann [illegible]

Re: [illegible] 2[illegible] (Lead-Zinc)
Tonner et al [illegible]

Gentlemen:

Reference is made to your letter of June 22, 1954 in which you requested permission to construct Adv-[illegible] to authorize drifting northeast on the level in lieu of drifting southwesterly as is presently authorized in the contract. It has come to our attention that the drift northeast on the [illegible] level is by extend as far as 400 feet instead of the 40 feet you advised the examining geologist.

Therefore, before further consideration can be given your request of July 22, 1954 for authorization of drifting in that direction, it will be necessary for the drift to be opened to its face and otherwise made safe for inspection. When the drift is accessible to its face, or if you do not wish to finish the work, please so advise this office at your [illegible].

In reference to the drifting authorization requested in your letter of June 22, 1954, we have been advised by the examining geologist that you no longer consider the work advisable. In that case we will appreciate advice from you rescinding that portion of your request of July 22.

Very truly yours,

[illegible]
Executive Officer, [illegible]
[illegible], Region IV

JWT:mn

cc Subject
Chron
WMTraver
AHKoschmann
JWTownsend

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

[illegible] 1954

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

George C. Selfridge

[illegible] (2/18)

J. H. Hedges

[illegible] (2/18)

Philip W. Guild

[illegible] (2/18)

[illegible]/bjl (2/18/54)
Copy to:- Docket (7)
[illegible] R. File
[illegible] Committee
[illegible] (7)
[illegible]
[illegible]
[illegible]
Chron.

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

April 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

#84827

From: Executive Officer, Field Team, Region IV

Subject: Contract No. Idm-E509, DMEA Docket 2160, Mike Vinson and Fred Harris (Lead-Zinc), Breckenridge, Colorado.

Enclosed are the original and two copies of Contract No. Idm-E509.

Copies of this contract have been given to the Operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

RECEIVED
MAY 11 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Enclosures

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

224 New Customhouse
Denver 2, Colorado

April 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
APR 27 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Docket No. DMEA 2160, Mike Vinson and Fred Harris (Lead-Zinc)
Breckenridge, Colo.

Enclosed are the original and three copies of the final report of Docket No. DMEA 2160.

The contract has been prepared and is in force.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
5-1-53
(date)

Mining Division
Region IV

March 24, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: DMEA-2160, Chatauqua Mine, (Lead-Zinc) Harrison Lee Vinson and Fred L. Harris, Breckenridge, Colorado

Enclosed are the original and seven copies of the engineering report on the Chatauqua Mine.

The original exploration program as submitted by the applicants has been revised because some of their contemplated work was not of an exploratory nature. The proposed work now consists of drifting 500 feet on each of two adits to further explore the western extension of the vein.

The estimated cost of the project is $45,000.

We agree with the examining engineer that the application be approved.

W. H. King

W. H. King

Reviewed by
DMEA OPERATING COMMITTEE

5-1-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
January 14, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division

Subject: DMA 2160, Chatauqua Mine, Lead and Zinc, Mike Vinson and Fred Harris, Summit County, Colorado

Please find enclosed the original and seven copies of the revised "Summary, Conclusions, and Recommendations", by W. B. Meek and C. M. Harrer, and the original and seven copies of Harrer's revised engineering report on the above docket.

In submitting their original reports and their summary, conclusions, and recommendations, both examiners overlooked the Field Team's instructions regarding the possibility that some of the work requested by the applicant would not qualify as exploration. This required almost complete revision of the reports after they were turned in in rough draft.

Harrer concludes in his revised report that the Chatauqua vein presents excellent possibilities for discovery of additional ore shoots by the extension of two adit levels and raising from the extensions on the vein. He recommends extension of each adit 500 feet, with raises to be driven as indicated by geologic conditions. Adit extensions may also be limited if, in the opinion of project inspectors, results prove discouraging. The project is estimated to cost $45,000.00 and will require 7-1/2 months to complete, operating two headings one shift a day.

I concur with Harrer's recommendations.

The brochure was submitted to A. H. Koschmann.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

Reviewed by
DMA OPERATING COMMITTEE

5-1-53
(Date)

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

200 New Customhouse
Denver 2, Colorado

February 8, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 2160, Chatauqua Mine (Lead, Zinc), Summit County, Montezuma, Colorado

Attached are 8 copies of the geological report by Ward B. Meek covering subject docket.

The Chatauqua mine explores what is called the Chautauqua vein which follows a strongly sheeted and somewhat brecciated zone in pre-Cambrian gneiss. The applicant proposes (1) to put in a raise in ore to connect the two operating adit levels and cut two levels between the adit levels, and (2) to drift 500 feet on each of the operating adits to further explore the western extension of the vein and to drive short raises at points of ore mineralization to determine vertical extent of ore shoots. In view of the exposed and developed ore on the A- and D-levels, part (1) of the program proposed by the applicant is obviously development work and is not recommended as an exploration project.

From examination of the vein and ore shoots, Meek concludes that geologic conditions are favorable for discovery of additional ore shoots along the western extension of the vein and recommends approval of part (2) of the proposed program.

I concur with this recommendation.

The brochure is enclosed.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Reviewed by
DMA [illegible]
5-1-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-2160, Chatauqua Mine

Summit County, Colorado

Lead-Zinc-Copper

W. B. Meek, Geologist
U. S. Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

January 16, 1952

Reviewed by
DMA OPERATING COMMITTEE

5-1-53
(date)

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By W. B. Meek
Geologist
U. S. Geological Survey

and

C. M. Harrer
Mining Engineer
Bureau of Mines

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By W. B. Meek and C. M. Harrer

Mike Vinson and Fred Harris, lessees of the Chatauqua mine and Toledo mill, have applied for a loan of $42,000.00 to explore the strike and dip extensions of the Chatauqua vein on and between the two adit levels A and D by 1,400 feet of drifting and 200 feet of raising.

The property is 1-1/2 miles south of Montezuma in the Snake River Mining District, Summit County, Colo., at an altitude of about 11,000 feet and is readily accessible.

The applicants' operation is well equipped and work can be maintained the year around.

Ore is hauled 2-1/2 miles from the mine to the Toledo flotation mill at Montezuma and concentrates are trucked 50 miles to the American Smelting and Refining Company smelter, at Leadville, Colo.

The applicants produced about 425 tons of concentrates during 1950 and 1951, assaying 0.005 ounce gold and 70 ounces silver per ton, 58 percent lead, 7.0 percent zinc, and 1.4 percent copper.

The Chatauqua vein is a sheeted zone of altered Swandyke gneiss cut by veins and stringers of ore containing chiefly quartz, barite, galena, and pink manganiferous ankerite. The ore bodies are spotty and lenticular, but about 60 percent of the present drifts are directly beneath stoping ground or old stopes.

Present ore reserves, chiefly inferred, are estimated at 27,500 tons which will probably assay more than 0.003 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper. Using this grade of ore as a basis, a profit of $4.07 per ton is indicated.

There is a good chance that other ore shoots will be found by the program recommended.

The original exploration program as submitted by the applicants has been revised on advice that interlevel delineation of potential ore is considered development. The revised exploration program consists of 1,000 feet of drifting and 200 feet of raising, equally distributed, to explore the strike extensions of the Chatauqua vein on the two adit levels A and D at a cost of $45,000.00. The program can be accomplished within 7-1/2 months.

The exploration program outlined by the examining team is recommended for approval at a total cost of $45,000.00 on a 50 percent participation basis.

Possible ore reserves, chiefly inferred, are estimated at 27,500 tons which will probably assay more than 0.005 ounce gold and 7.0 ounces silver per ton, 5.5 percent lead, 0.7 percent zinc, and 0.14 percent copper. Using this grade of ore as a basis, a profit of $4.37 per ton is indicated.

There is a good chance that other ore shoots will be found by the program recommended.

The original exploration program as submitted by the applicants has been revised on advice that intermediate exploration of potential ore in contaminated development. The revised exploration program consists of 1,000 feet of drifting and 200 feet of raising, equally distributed, to explore the strike extensions of the Chetsugue vein on the two adit levels A and D at a cost of $45,000.00. The program can be accomplished within 7-1/2 months.

The exploration program outlined by the examining team is recommended for approval at a total cost of $45,000.00 on a 50 percent participation basis.

CHATAUQUA MINE (LEAD, ZINC)

SUMMIT COUNTY

MONTEZUMA, COLORADO

DMA DOCKET 2160

Geology

By Ward B. Meek, Geologist
U. S. Geological Survey

CHATAUQUA MINE (LEAD, ZINC)
SUMMIT COUNTY, MONTEZUMA, COLORADO

INTRODUCTION

The Chatauqua Mine (formerly Chatauque) is on Deer Creek south of Montezuma in Summit County, Colorado. Its operators have applied for a loan of $42,000 with which to explore the strike and dip extensions of the Chatauqua vein on and between the two operating adit levels, A and D, with 1400 feet of drift on four levels and with 375 feet of raise. Part of the work they propose to do, however, is classed as development, and the program recommended for approval is substantially different from the request.

Present workings and the work recommended are shown on Figure 2. Although this is a compilation from maps of doubtful accuracy, it is useful in showing approximate locations and relations of mine openings on the Chatauqua vein.

The fragmentary data available on production for the period from 1870 to 1929 are given by Lovering (1935) with his discussion of the geology. There was no known production from 1929 to 1949. From 1950 to August 1951 the applicants marketed 4250 tons of ore. Total known production is 8000 tons with an average net smelter return of 5.5 percent lead, 0.8 percent zinc, 0.13 percent copper, 10.0 ounces of silver per ton, and 0.003 ounces of gold per ton.

GEOLOGY

The Chatauqua vein is enclosed by Swandyke gneiss, the foliation of which ranges in strike from due north to N. 20° E.; the dip averages about 70° W. Although the predominant phase of the Swandyke in the mine is biotitic, there are hornblende and pegmatite facies.

The Chatauqua vein strikes N. 80°-90° E. and dips 40°-55° N. with an average measured dip of about 45° N. Cross-sections made by using data from mine maps indicate that the average dip should be about 55° N. This disagreement has led to speculation that the A- and D-levels, which are 360 feet apart in the plane of the vein, are not on the same vein; there is no evidence, however, to support this speculation, and the discrepancy in dip is probably due to inaccuracy of the Company's maps.

The vein lies in a strongly sheeted and somewhat brecciated zone 1 to 15 feet wide. Much of this zone is occupied by altered and slightly mineralized country rock which is cut by irregular and lenticular veins and veinlets composed chiefly of quartz, barite, pink manganiferous ankerite, and galena. The ore also contains a little sphalerite and, according to Lovering (1935), tetrahedrite. The mineable vein averages 3 feet in width. Approximately one-sixth of the vein material mined is sorted out as waste.

About 430 feet (75 percent) of D-level drift and 210 feet (45 percent) of A-level drift lie below old or operating stopes; ore is also present in the floors of the drifts under these stopes. The relative location of the ore shoots on these two levels suggests that the ore may be more or less continuous between the stoping areas on the A- and D-levels. The

continuity of ore indicates that similar ore shoots may be found along the western extension of the vein.

ORE RESERVES

If the ore shoots referred to above do connect, the outlook for this part of the mine is very encouraging. Assuming this continuity and an average ore width of 2.5 feet, a reserve of 27,500 tons of ore, mostly inferred, is calculated to lie between the existing A- and D-levels; ore also extends above D-level and below A-level. This ore should be of the same grade as the 4250 tons, marketed by the applicants in 1950 and the first half of 1951, which yielded a net smelter return of 5.8 percent lead, 0.7 percent zinc, 0.14 percent copper, 6.6 ounces of silver, and 0.003 ounces of gold. The Bureau of Mines calculates that this ore can be mined at a profit of about $4.00 per ton. In view of the exposed and developed ore on the A- and D-levels, that portion of the proposed program of the applicant to raise in the ore and cut two levels between the two operating adit levels A- and D-, is obviously development work and is not recommended under this exploration project.

The tabulation below shows the exploration program proposed by the applicants contrasted with the program recommended by the field team; reasons are given for the several changes.

Location	Requested Exploration	Recommended Exploration	Reasons for Changes
A-level	500 ft. drift	500 ft. drift	No change
B-level	200 ft. drift	No drift	B- and C-levels would lie between known ore shoots exposed on A- and D-levels and would be development.
C-level	200 ft. drift	No drift	

D-level	500 ft. drift	500 ft. drift	No change
A-D-level Connection	375 ft. raise	No raise	This raise would lie almost entirely in ore now exposed on A- and D-levels and would be development.
A- and D-levels	None	200 ft. raise	Short raises from new exploration drifts to probe mineralization which may enlarge into ore shoots.

RECOMMENDATION

From examination of the vein and ore shoots it is concluded that geologic conditions are favorable for discovery of additional ore shoots along the western extension of the vein. It is, therefore, recommended that an exploration loan of $45,000 be granted (Federal participation $22,500) to:

1. Drift 500 ft. west on D-level;
2. Drift 500 ft. west on A-level;
3. Raise 200 ft. total from these new drifts to explore any mineralized zones that appear promising.

The applicants are willing and able to participate in this program.

REFERENCE

Lovering, T. S., 1935, Geology and ore deposits of the Montezuma quadrangel: U. S. Geol. Survey Prof. Paper 178, pp. 76-77.

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO

Engineering Report

By C. M. Harrer
Mining Engineer
Bureau of Mines

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO

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ONAGAUGUA MINE
SUMMIT COUNTY, COLORADO

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1. Location map, H. L. Vinson T. L. Harris Lease, Onaguagua mine, Summit County, Colorado 2
2. Plan and section of existing development, proposed production and production data, Onaguagua mine, Summit County, Colorado 14

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO

ENGINEERING REPORT

By

C. M. Harrer

INTRODUCTION

Mike Vinson and Fred Harris are presently mining and milling galena-sphalerite-tetrahedrite-chalcopyrite ore from the upper adit level of the Chatauqua mine with a crew working on a split-check basis. Concentrates are trucked to the American Smelting and Refining Company smelter, at Leadville, Colo.

The partnership has applied for a loan of $42,000.00 to explore the westerly extensions of the Chatauqua vein and the block between the two adit levels with a program including 1,400 feet of drifting and 375 feet of raising.

Fred Harris was contacted by the examining team at the Chatauqua mine on October 31, 1951, and served as guide during the examination. Mike Vinson was contacted at the Toledo mill for final discussions.

ACKNOWLEDGMENTS

Fred Harris conducted the examining team through all accessible mine workings of the Chatauqua mine and cooperated fully on all details. Mike Vinson furnished additional information and map data. Production statistics were furnished by the Economics Branch, Region IV, Bureau of Mines, and a representative of the lessor, Teller Basin Mining and Milling Company.

The property is partly described by T. S. Lovering in U. S. Geological Survey Professional Paper 178, pages 76 and 77, as the Chatauque mine.

CHATAUQUA MINE
SUMMIT COUNTY, COLORADO

ENGINEERING REPORT

By

G. M. Harris

INTRODUCTION

Mike Vinson and Fred Harris are presently mining and milling galena-sphalerite-tetrahedrite-chalcopyrite ore from the upper adit level of the Chatauqua mine with a crew working on a split-check basis. Concentrates are trucked to the American Smelting and Refining Company smelter, at Leadville, Colo.

The partnership has applied for a loan of $42,000.00 to explore the westerly extensions of the Chatauqua vein and the block between the two adit levels with a program including 1,400 feet of drifting and 375 feet of raising.

Fred Harris was contacted by the examining team at the Chatauqua mine on October 31, 1951, and served as guide during the examination. Mike Vinson was contacted at the Toledo mill for final discussions.

ACKNOWLEDGMENTS

Fred Harris conducted the examining team through all accessible mine workings of the Chatauqua mine and cooperated fully on all details. Mike Vinson furnished additional information and map data. Production statistics were furnished by the Economics Branch, Region IV, Bureau of Mines, and a representative of the Isaacs, Teller Beatin Mining and Milling Company.

The property is partly described by T. S. Lovering in U. S. Geological Survey Professional Paper 172, pages 76 and 77, as the Chatauqua mine.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Chatauqua, also known as the Chatauque mine, is on the east slope of Glacier Mountain about 1-1/2 miles south of Montezuma, in sec. 3, T. 6 S., R. 76 W., Snake River Mining District, Summit County, Colo. (fig. 1). The lower adit is at an altitude of about 11,000 feet. The terrain is steep and rugged. The upper adit portal is at an altitude of about 11,280 feet. The property is accessible to U. S. Highway 6-40 over 2-1/2 miles of steep and rough ore haul road to Montezuma and 7 miles from Montezuma over Colorado State Highway 294. It is 50 miles from the Toledo mill at Montezuma to the smelter of the American Smelting and Refining Company, at Leadville, Colo. Most supplies are obtained at Leadville, Colo. Ample water is available for all operations from nearby Deer Creek and mine workings.

HISTORY AND PRODUCTION

The Chatauqua vein was discovered in 1866 and worked intermittently until 1892, producing about 800 tons of direct shipping lead-silver ore. In 1947 the property was acquired by the Teller Basin Mining and Milling Company, of Denver, Colo., and, since October 1949, has been operated continuously by the present lessees, Mike Vinson and Fred Harris.

Crude ore production from the Chatauqua mine to date has totalled about 8,000 tons with a recovered assay of 0.003 ounce gold and 10.0 ounces silver per ton, 5.5 percent lead, 0.8 percent zinc, and 0.13 percent copper.

The loan applicants produced 4,600 tons of crude ore during 1950-51, assaying 0.003 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Chetenque, also known as the Chetenque mine, is on the east slope of Glacier Mountain about 1-1/2 miles south of Montezuma, in sec. 3, T. 6 S., R. 76 W., Snake River Mining District, Summit County, Colo. (fig. 1). The lower adit is at an altitude of about 11,000 feet. The terrain is steep and rugged. The upper adit portal is at an altitude of about 11,280 feet. The property is accessible to U. S. Highway 6-40 over 2-1/2 miles of steep and rough ore haul road to Montezuma and 7 miles from Montezuma over Colorado State Highway 294. It is 50 miles from the Toledo mill at Montezuma to the smelter of the American Smelting and Refining Company, at Leadville, Colo. Most supplies are obtained at Leadville, Colo. Ample water is available for all operations from nearby Deer Creek and mine workings.

HISTORY AND PRODUCTION

The Chetenque vein was discovered in 1886 and worked intermittently until 1892, producing about 800 tons of direct shipping lead-silver ore. In 1947 the property was acquired by the Teller Basin Mining and Milling Company, of Denver, Colo., and, since October 1949, has been operated continuously by the present lessees, Mike Vinson and Fred Harris.

Crude ore production from the Chetenque mine to date has totalled about 8,000 tons with a recovered assay of 0.005 ounce gold and 10.0 ounces silver per ton, 5.5 percent lead, 0.8 percent zinc, and 0.15 percent copper.

The loan applicants produced 4,600 tons of crude ore during 1950-51, assaying 0.005 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper.

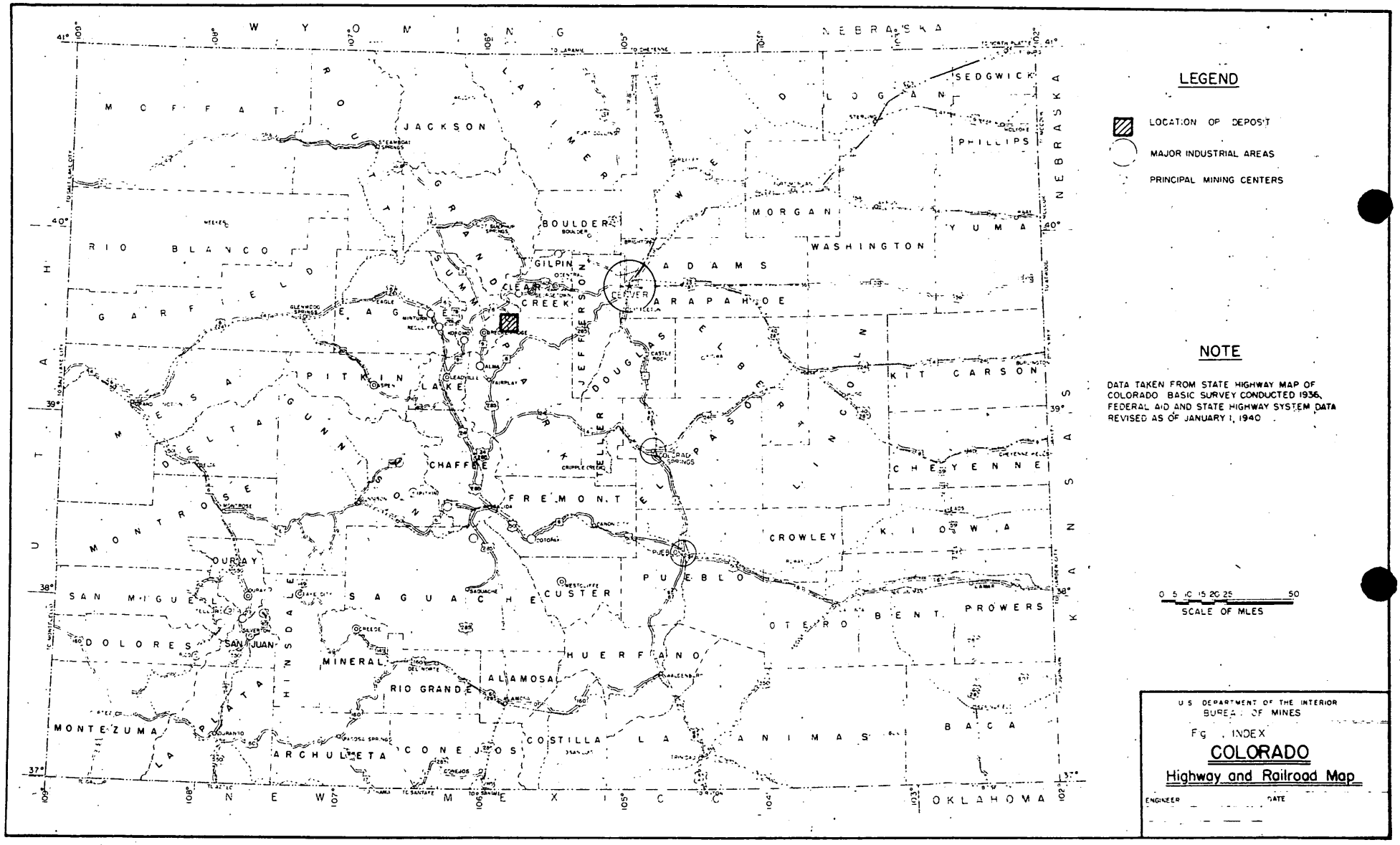

FIG. 1-LOCATION MAP, H.L.VINSON-F.L.HARRIS LEASE, CHATAUQUA MINE, SUMMIT CO., COLO., D.M.A.-2160

OWNERSHIP AND EXTENT

Mike Vinson and Fred Harris, of Breckenridge, Colo., lease the following mining claims known as the Chatauqua mine:

Name	
Chatauqua Lode	Patent Survey No. 82
Protection location No. 1	Unpatented
Protection location No. 2	Unpatented

Control of the property is effected by a lease agreement with option to purchase from lessor, Teller Basin Mining and Milling Company, L. A. Newell, manager, 2809 Birch Street, Denver, Colo. The lease, with option to purchase for $21,000.00, includes the above mining claims and the 60-ton Toledo flotation mill at Montezuma. The agreement, originally dated October 6, 1949, has been extended and will expire on October 6, 1953. The lessor reserves the right to sell any and all rights at any time but guarantees contract extension between the purchaser and lessee. The lessor will receive 15 percent of the net smelter returns as royalty and $1.00 per ton for all ore milled at the Toledo mill. The lessee will assume all mill operating expenses and insurance. A copy of the lease was included with the docket. The lessees assured the examining team that they intend to purchase the property. In addition, royalties will apply to the purchase price. The lessees have been paying only 10 percent royalty and the $1.00 per ton charge for milling all ore at the Toledo mill has been voided. The above two items are a verbal agreement and are borne out by royalty deductions of only 10 percent on smelter returns.

OWNERSHIP AND EXTENT

Mike Vinson and Fred Harris, of Breckenridge, Colo., lease the following mining claims known as the Chetsugue mine:

Name	
Chetsugue Lode	Patent Survey No. 82
Protection Location No. 1	Unpatented
Protection Location No. 2	Unpatented

Control of the property is effected by a lease agreement with option to purchase from lessor, Teller Basin Mining and Milling Company, L. A. Howell, manager, 2809 Birch Street, Denver, Colo. The lease, with option to purchase for $21,000.00, includes the above mining claims and the 60-ton Toledo flotation mill at Montezuma. The agreement, originally dated October 6, 1949, has been extended and will expire on October 6, 1953. The lessor reserves the right to sell any and all rights at any time but guarantees contract extension between the purchaser and lessee. The lessor will receive 15 percent of the net smelter returns as royalty and $1.00 per ton for all ore milled at the Toledo mill. The lessee will assume all mill operating expenses and insurance. A copy of the lease was included with the docket.

The lessees assured the examining team that they intend to purchase the property. In addition, royalties will apply to the purchase price. The lessees have been paying only 10 percent royalty and the $1.00 per ton charge for milling all ore at the Toledo mill has been voided. The above two items are a verbal agreement and are borne out by royalty deductions of only 10 percent on smelter returns.

DESCRIPTION OF THE DEPOSITS

The Chatauqua mine is on a strongly sheeted and brecciated vein zone which breaks across the schistosity of the enclosing Swandyke gneiss with a strike of about N. 80° E., and dips approximately 45° to the north. Lenticular bodies of galena ore develop wherever the structure is open and brecciated. The galena ore with minor amounts of tetrahedrite and chalcopyrite, gold and silver, occurs in branching veinlets and stringers and as a breccia cemented by quartz and pink ankerite and some barite within the lenses. The upper adit level drift on the vein to the west, which is now being advanced, exposes galena as branching veinlets enclosed in quartz and ankerite. In the stopes ore has varied in thickness from a few inches to 6 feet. The concentration of strategic minerals within the vein also varies widely. The walls stand well in the stopes and require only occassional support. The low dip of the vein with included gouge and accompanying moisture makes mechanical scraping or hand mucking necessary.

ORE RESERVES

Ore reserves between present limits of adit levels A and D are estimated at 27,500 tons, chiefly inferred, with an average assay value in excess of 0.003 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper. Extension of the two levels westward promises a considerable increase.

DESCRIPTION OF THE PROPERTY

The Chetaupa mine is on a strongly sheared and brecciated vein zone which breaks across the schistosity of the enclosing Swandyke gneiss with a strike of about N. 80° W., and dips approximately 45° to the north. Lenticular bodies of galena ore develop wherever the structure is open and brecciated. The galena ore with minor amounts of tetrahedrite and chalcopyrite, gold and silver, occurs in brecciating veinlets and stringers and as a breccia cemented by quartz and pink ankerite and some barite within the lenses. The upper adit level drift on the vein to the west, which is now being advanced, exposes galena as brecciating veinlets enclosed in quartz and ankerite. In the stopes ore has varied in thickness from a few inches to 6 feet. The concentration of stratigic minerals within the vein also varies widely. The walls stand well in the stopes and require only occasional support. The low dip of the vein with included gouge and accompanying moisture makes mechanical scraping or hand mucking necessary.

ORE RESERVES

Ore reserves between present limits of adit levels A and D are estimated at 27,500 tons, chiefly inferred, with an average assay value in excess of 0.005 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper. Extension of the two levels westward promises a considerable increase.

PRESENT STATUS

The loan applicants are operating the Chatauqua mine and 60-ton Toledo flotation mill and produce galena-sphalerite-chalcopyrite-tetrahedrite-silver concentrates which are sold to the American Smelting and Refining Company smelter, at Leadville, Colo.

They are presently mining mill-grade ore in the remains of a comparatively large ore shoot extending above the upper or D level (fig. 2).

The upper level is now being advanced along the Chatauqua vein in promising galena-sphalerite mineralization. Ore is roughly sorted, with one-sixth discarded as waste and the remainder trucked to the Toledo mill above Montezuma where it is concentrated at a 10:1 ratio to a lead-zinc-copper-silver concentrate.

Eight men are employed at the property on a split-check basis in addition to the two applicants.

The mine surface plant is located at the upper level and consists of a small and crowded building housing the compressor. It also serves as lunch and change room and for tool storage.

The two adit levels A and D (fig. 2) are equipped with track and 2-inch air line in operating condition. All equipment listed for rental is the property of the lessees. The lessees are well equipped to maintain year around operations. Mine roads are rough and steep but passable with 4 by 4 ore trucks.

The loan applicants are responsible and experienced miners and mill operators.

PRESENT STATUS

The loan applicants are operating the Chestnut mine and 50-ton Toledo flotation mill and produce galena-sphalerite-chalcopyrite-tetrahedrite-silver concentrates which are sold to the American Smelting and Refining Company smelter, at Leadville, Colo.

They are presently mining mill-grade ore in the vicinity of a comparatively large ore chute extending above the upper or D level (Fig. 2).

The upper level is now being advanced along the Chestnut vein in promising galena-sphalerite mineralization. Ore is roughly sorted, with one-sixth discarded as waste and the remainder trucked to the Toledo mill above Montezuma where it is concentrated at a 10:1 ratio to a lead-zinc-copper-silver concentrate.

Eight men are employed at the property on a split-shift basis in addition to the two applicants.

The mine surface plant is located at the upper level and consists of a small and crowded building housing the compressor. It also serves as lunch and storage room and for fuel storage.

The two adit levels A and D (Fig. 2) are equipped with track and 2-lane air line in operating condition. All equipment listed for rental is the property of the lessee. The lessees are well equipped to maintain year round operations. Mine roads are rough and steep but passable with 4 by 4 pick trucks.

The loan applicants are responsible and experienced miners and mill operators.

Mill Equipment and Facilities

Vinson and Harris lease and operate the 60-ton Toledo flotation mill in conjunction with mining activities at the Chatauqua mine. The mill is electrified and equipped with a crusher, rod mill, classifier, and flotation cells presently used to make a bulk lead-zinc-copper-silver concentrate. A battery of zinc flotation cells and Wilfley tables is in place but not in use.

PROJECT PROPOSALS AND COSTS

The applicants proposed to explore the Chatauqua mine by extending each of the two adits A and D (fig. 2) along mineralized structure for 500 feet. In addition, they planned to connect the two levels with about 375 feet of inclined raise on the vein which dips about 45° to the north. From this raise they intended to explore the area between adit levels A and D with two equally spaced sub-levels 200 feet along the strike of the structure. They expected to do this work consisting of about 1,400 feet of drift and 375 feet of inclined raise in 18 months at a cost of $42,000.00. Their cost estimates were too low, and a comparable program is estimated to cost $65,000.00.

Proposal by the Examining Team

On instructions from the Field Team, all interlevel exploration between adits A and D in this instance would be considered development and the following exploration program is proposed:

Mill Equipment and Facilities

Vinson and Harris lease and operate the 60-ton Toledo flotation mill in conjunction with mining activities at the Chetaqua mine. The mill is electrified and equipped with a crusher, rod mill, classifier, and flotation cells presently used to make a bulk lead-zinc-copper-silver concentrate. A battery of zinc flotation cells and Wilfley tables is in place but not in use.

PROJECT PROPOSALS AND COSTS

The applicants proposed to explore the Chetaqua mine by extending each of the two adits A and D (Fig. 2) along mineralized structure for 500 feet. In addition, they planned to connect the two levels with about 375 feet of inclined raise on the vein which dips about 45° to the north. From this raise they intended to explore the area between adit levels A and D with two equally spaced sub-levels 200 feet along the strike of the structure. They expected to do this work consisting of about 1,400 feet of drift and 375 feet of inclined raise in 18 months at a cost of $42,000.00. Their cost estimates were too low, and a comparable program is estimated to cost $65,000.00.

Proposal by the Examiner Team

On instructions from the Field Team, all interlevel exploration between adits A and D in this instance would be considered development and the following exploration program is proposed:

(1) As geologic conditions dictate, advance D adit on the Chatauqua vein 500 feet and explore promising exposures with short raises totalling about 100 feet.

(2) Under the same conditions, advance A adit on the Chatauqua vein 500 feet and explore promising exposures with short raises totalling about 100 feet.

Both proposals are shown on figure 2.

Project Costs

Length of Project

Item	Days
500 feet of drift on D level at 3 feet/day	167
100 feet of raise above D level at 3 feet/day	33
500 feet of drift on A level at 3 feet/day	167
100 feet of raise above A level at 3 feet/day	33
Length of project, one heading, single shift	400 days
Length of project, two headings, single shift	200 days

On the basis of a 27-work-day month, operating two headings, single shift, the project would require 7-1/2 months to complete.

Supervision and Labor

Item	Cost Per day
1 *Superintendent at $450.00 per month (27 working days)	$16.67
Accounting at $40.00 per month	1.48
2 Contract drill crews (4 men) at an average of $16.00 per foot advance	96.00
2 Trammers at $1.50 per hour, plus overtime on Saturdays	26.00
Total supervision and labor	$140.15

*The superintendent's time should be prorated on the basis of actual time involved which may be considerably less than full time.

Total supervision and labor per foot advance $23.36
Total supervision and labor for the project $28,032.00

(1) As geologic conditions dictate, advance D adit on the Chetaqua vein 500 feet and explore promising exposures with short raises totalling about 100 feet.

(2) Under the same conditions, advance A adit on the Chetaqua vein 500 feet and explore promising exposures with short raises totalling about 100 feet.

Both proposals are shown on figure 2.

Project Costs

Length of Project

Item	Days
500 feet of drift on D level at 3 feet/day	167
100 feet of raise above D level at 3 feet/day	33
500 feet of drift on A level at 3 feet/day	167
100 feet of raise above A level at 3 feet/day	33
Length of project, one heading, single shift	400 days
Length of project, two headings, single shift	200 days

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2 Contract drill crews (4 men) at an average of $16.00 per foot advance	96.00
2 Tenmers at $1.50 per hour, plus overtime on Saturdays	26.00
Total supervision and labor	$140.15

*The superintendent's time should be prorated on the basis of actual time involved which may be considerably less than full time.

Total supervision and labor per foot advance $29.36
Total supervision and labor for the project $2,920.00

Supplies

Item	Cost
210 cases dynamite at $11.88 each	$2,494.80
17 rolls blasting fuse at $39.00/3,000-foot roll	663.00
6,200 blasting caps at $0.022 each	136.40
900 Timken bits at $0.57 each	513.00
plus 3 sharpenings at $0.12 each	324.00
10 sets drill steel	200.00
900 feet of 2-inch air line at $0.60/foot	540.00
500 feet of 1-inch water line at $0.24/foot	120.00
1,000 feet of mine track at $2.00/foot	2,000.00
6,000 gallons diesel fuel at $0.18/gallon	1,080.00
80 gallons lubricating oil at $1.60/gallon	128.00
400 gallons gasoline for truck at $0.18/gallon	72.00
Building materials	600.00
Mine timber	500.00
Total cost of supplies	$9,371.20
Total cost of supplies per foot advance	$7.81

Equipment Rental*

Item	Monthly Rental
1 Worthington 445 c.f.m., 2-stage air compressor driven by a Hercules 118 hp. diesel motor; V-belt drive	$225.00
1 Ingersoll-Rand 48 stoper	21.50
1 Gardner-Denver S-55 jackhammer on a shell	11.70
1 Gardner-Denver D-79, 3-inch drifter	13.90
Drilling water tanks, columns, hoses, etc.	10.00
Hand tools, dies, acetylene torch, etc.	5.00
4 Mine cars, 16-cubic foot	20.00
1 Army-type 4 x 4 truck	58.33
Total monthly rental of applicants' equipment	$365.43
Total rental of operators' equipment for the duration of the project, 7-1/2 months	$2,740.73

*Equipment rental is based on new cost divided by 60.

Supplies

Item	Cost
210 cases dynamite at $11.85 each	$2,494.80
17 rolls blasting fuse at $29.00/3,000-foot roll	493.00
6,200 blasting caps at $0.22 each	136.40
900 Timken bits at $0.37 each	313.00
plus 3 sharpenings at $0.12 each	324.00
10 sets drill steel	200.00
900 feet of 2-inch air line at $0.60/foot	540.00
500 feet of 1-inch water line at $0.24/foot	120.00
1,000 feet of mine track at $2.00/foot	2,000.00
6,000 gallons diesel fuel at $0.18/gallon	1,080.00
80 gallons lubricating oil at $1.60/gallon	128.00
400 gallons gasoline for truck at $0.18/gallon	72.00
Building materials	600.00
Mine timber	500.00
Total cost of supplies	$9,371.20
Total cost of supplies per foot advance	$7.81

Equipment Rental*

Item	Monthly Rental
1 Worthington 445 c.f.m., 2-stage air compressor driven by a Hercules 118 hp. diesel motor; V-belt drive	$225.00
1 Ingersoll-Rand 48 stoper	21.50
1 Gardner-Denver S-55 jackhammer on a shell	11.70
1 Gardner-Denver D-75, 3-inch drifter	13.90
Drilling water tanks, columns, hoses, etc.	10.00
Hand tools, dies, acetylene torch, etc.	5.00
4 Mine cars, 16-cubic foot	20.00
1 Army-type 4 x 4 truck	58.33
Total monthly rental of applicants' equipment	$355.43
Total rental of operators' equipment for the duration of the project, 7-1/2 months	$2,740.73

*Equipment rental is based on new cost divided by 60.

Equipment to be rented by the applicants

Item	Monthly Rental
1 Eimco 12-B loader	$275.00
Total rental for 7 months	$1,925.00

Rental is based on 1950 rates of the Associated Equipment Distributors of Colorado.

Recapitulation of Costs

Supervision and labor	$28,032.00
Supplies	9,371.20
Rental of applicants' equipment	2,740.73
Rental of equipment not owned by applicant	1,925.00
Contingencies	2,931.07
Total cost of amended project	$45,000.00

Total cost per foot of advance	$37.50
Total drift exploration	1,000 feet
Total raise exploration	200 feet
Total operating days, two headings, single shift	200 days
Total length of project, based on a 27-work-day month	7-1/2 months

Manpower

Drifting and raising can be contracted for at about $16.00 a foot. Trammers' wages are $1.50 an hour. All production labor is employed on a "split-check" basis. Labor supply is limited but adequate and will consist of local residents.

Equipment to be rented by the applicants

Item	Monthly Rental
1 Eimco 12-B Loader	$275.00
Total rental for 7 months	$1,925.00

Rental is based on 1950 rates of the Associated Equipment Distributors of Colorado.

Recapitulation of Costs

Supervision and labor	$38,050.00
Supplies	9,371.20
Rental of applicants' equipment	2,740.72
Rental of equipment not owned by applicants	1,925.00
Contingencies	2,921.07
Total cost of amended project	$55,000.00

Total cost per foot of advance	$37.50
Total drift exploration	1,000 feet
Total raise exploration	200 feet
Total operating days, two headings, single shift	200 days
Total length of project, based on a 27-work-day month	7-1/2 months

Summary

Drifting and raising can be contracted for at about $16.00 a foot. Trammers' wages are $1.50 an hour. All production labor is employed on a "split-check" basis. Labor supply is limited but adequate and will consist of local residents.

PRODUCTION PLAN

The applicants will continue their present work of mining and concentrating lead-zinc-copper-silver ore from the Chatauqua mine and will ship the concentrates to the Arkansas Valley smelter of the American Smelting and Refining Company, at Leadville, Colo., and will supplement production activities with an exploration program requiring about 7-1/2 months to complete.

Rate of Production

Present production is about 120 tons of crude ore per month which is concentrated on a 10:1 ratio. The maximum capacity of the flotation mill at present is estimated at 60 tons per day. An increase in ore reserves through exploration will encourage operations on a larger scale.

On the basis of past and present production, ore is expected to average 0.003 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper. At present rates and a concentration ratio of 10:1, the gross, paid-for value of the ore is estimated at $21.37 per ton, as follows:

Average assay of concentrates shipped during 1950-51:

Ounces per ton		Percent		
Au	Ag	Pb	Zn	Cu
0.005	70.0	58.0	7.0	1.4

PRODUCTION PLAN

The applicants will continue their present work of mining and concentrating lead-zinc-copper-silver ore from the Chelungpu mine and will ship the concentrates to the Atlantic Valley smelter of the American Smelting and Refining Company, at Leadville, Colo., and will supplement production activities with an exploration program requiring about 7-1/2 months to complete.

Rate of Production

Present production is about 120 tons of crude ore per month which is concentrated on a 10:1 ratio. The maximum capacity of the flotation mill at present is estimated at 60 tons per day. An increase in ore reserves through exploration will encourage operations on a larger scale.

On the basis of past and present production, ore is expected to average 0.005 ounce gold and 7.0 ounces silver per ton, 5.8 percent lead, 0.7 percent zinc, and 0.14 percent copper. At present rates and a concentration ratio of 10:1, the gross, paid-for value of the ore is estimated at $21.37 per ton, as follows:

Average assay of concentrates shipped during 1951-51:

Ounces per ton		Percent		
Au	Ag	Pb	Zn	Cu
0.005	70.0	58.0	7.0	1.4

Smelter payment per ton of concentrates:

Item	Assay	Quotation	Smelter Payment
Gold	0.005 ounce	$32.3185	$ 0.00
Silver	70.0 ounces	0.9016	59.96
Lead	58.0 percent	0.17	152.35
Zinc	7.0 percent	----	0.00
Copper	1.4 percent	0.24075	1.41
Gross value of concentrates			$213.72
Gross value of crude ore (10:1)			$21.37

Smelter deductions per ton of concentrates:

Base charge	$5.25
Insolubles	.19
Sulfur	2.50
Trucking, mill to smelter	4.50
Miscellaneous	.45
Royalty, 10 percent (Actual payment)	20.09
Total deductions per ton of concentrates	$32.98

Estimated net smelter return per ton of crude ore:

Gross value of concentrates per ton	$213.72
Smelter deductions	32.98
Net smelter return per ton of concentrates	$180.74
Net smelter return per ton of crude ore (10:1)	$18.07

Mining Methods and Costs

Mining will be carried on in open stopes with occasional stull support and random pillars of low-grade ore. The mineralized thickness of the vein will average about 2.5 feet. About one-sixth of the trammed ore will be sorted out as waste at the adit portal. The cost of mining is estimated at $8.00 per ton. Trucking ore to the mill costs an additional $2.00 per ton.

Smelter payment per ton of concentrates:

Item	Assay	Quotation	Smelter Payment
Gold	0.005 ounce	$32.3185	$ 0.00
Silver	70.0 ounces	0.9016	59.95
Lead	58.0 percent	0.17	152.35
Zinc	7.0 percent	----	0.00
Copper	1.4 percent	0.24075	1.41
Gross value of concentrates			$213.72
Gross value of crude ore (10:1)			$21.37

Smelter deductions per ton of concentrates:

Base charge	$5.25
Insoluble	.19
Sulfur	
Trucking, mill to smelter	2.50
Miscellaneous	1.50
Royalty, 10 percent (Actual payment)	.15
Total deductions per ton of concentrates	$32.98

Matured net smelter return per ton of crude ore:

Gross value of concentrates per ton	$213.72
Smelter deductions	32.98
Net smelter return per ton of concentrates	$180.74
Net smelter return per ton of crude ore (10:1)	$18.07

Mining Methods and Costs

Mining will be carried on in open stopes with occasional stull support and random pillars of low-grade ore. The mineralized thickness of the vein will average about 2.5 feet. About one-sixth of the trammed ore will be sorted out as waste at the adit portal. The cost of mining is estimated at $8.00 per ton. Trucking ore to the mill costs an additional $2.00 per ton.

Milling Methods and Costs

The Toledo flotation mill with an estimated capacity of 60 tons per day has been in continuous operation by the applicants during 1950-51. Concentration cost is estimated at $4.00 per ton of crude ore. Trucking concentrates from the mill to the smelter at Leadville costs $4.50 per ton of concentrates.

Smelting Methods and Costs

Concentrates will be trucked to the American Smelting and Refining Company smelter, at Leadville, and classified under a lead concentrate schedule. All gold in excess of 0.03 ounce will be paid for at $32.3185 per ounce; 95 percent of the silver will be paid for at $0.9016 per ounce. After deducting 1.5 units, 90 percent of the remaining lead will be paid for at $2.996 per unit. Zinc will not be paid for or penalized. After deducting 1 percent of the copper assay, the remainder will be paid for at $3.515 per unit. A base charge of $5.25 is made for treatment. Standard deductions are made for insolubles and sulfur.

Miscellaneous Costs

At present, a royalty of 10 percent of the net smelter returns is paid to the Teller Basin Mining and Milling Company.

Estimated Profit

	Per ton of crude ore	
Net smelter payment		$18.07
Mining cost	$8.00	
Trucking, mine to mill	2.00	
Milling cost	4.00	14.00
Estimated profit on present ore		$ 4.07

Milling Methods and Costs

The Toledo flotation mill with an estimated capacity of 60 tons per day has been in continuous operation by the applicants during 1950-51. Concentration cost is estimated at $4.00 per ton of crude ore. Trucking concentrates from the mill to the smelter at Leadville costs $4.50 per ton of concentrates.

Smelting Methods and Costs

Concentrates will be trucked to the American Smelting and Refining Company smelter, at Leadville, and classified under a lead concentrate schedule. All gold in excess of 0.05 ounce will be paid for at $32.4165 per ounce; 95 percent of the silver will be paid for at $0.9015 per ounce. After deducting 1.5 units, 90 percent of the remaining lead will be paid for at $2.996 per unit. Zinc will not be paid for or penalized. After deducting 1 percent of the copper assay, the remainder will be paid for at $3.515 per unit. A base charge of $5.25 is made for treatment. Standard deductions are made for insolubles and sulfur.

Miscellaneous Costs

At present, a royalty of 10 percent of the net smelter returns is paid to the Tellar Basin Mining and Milling Company.

Estimated Profit

Per ton of crude ore

Net smelter payment		$18.07
Mining cost	$8.00	
Trucking, mine to mill	2.00	
Milling cost	4.00	14.00
Estimated profit on present ore		$ 4.07

PROPOSED FINANCING

The applicants expect to carry on exploration in conjunction with ore mining and milling activities with an enlarged crew. Their financial requirements will be made up from private capital and the profits of present mining activities. In addition, part of their contribution will be the depreciation of equipment already in service; this depreciation figured on a 60 months' basis will be $365.43 a month. The partners will be active in the project.

Net profit on ore now being mined is estimated at $4.07 per ton.

CONCLUSIONS

The Chatauqua vein structure is strong and persistent and several lenticular bodies of lead-zinc-copper-silver ore have been extensively stoped above the upper D level.

Chatauqua ore consists of galena with minor amounts of sphalerite, tetrahedrite, chalcopyrite, pyrite, gold, and silver. Ore is now being milled at 10:1 concentration ratio to a lead-zinc-copper-silver-gold bulk concentrate.

Average values for ore reserves, chiefly inferred, indicate a profit of $4.07 per ton of crude ore at present prices and costs.

Exploration at this property presents excellent possibilities of finding ore shoots along the two adit levels.

The program as modified by the examining team is believed best suited for this purpose.

PROPOSED PROGRAM

The applicants expect to carry on exploration in conjunction with ore mining and milling activities with an enlarged crew. Their financial requirements will be made up from private capital and the profits of present mining activities. In addition, part of their contribution will be the depreciation of equipment already in service; this depreciation figured on a 60 months' basis will be $305.45 a month. The partners will be active in the project.

Net profit on ore now being mined is estimated at $4.07 per ton.

CONCLUSIONS

The Chetaquo vein structure is strong and persistent and several lenticular bodies of lead-zinc-copper-silver ore have been extensively stoped above the upper 3 level.

Chetaquo ore consists of galena with minor amounts of sphalerite, tetrahedrite, chalcopyrite, pyrite, gold, and silver. Ore is now being milled at 13:1 concentration ratio to a lead-zinc-copper-silver-gold bulk concentrate.

Average values for ore reserves, officially measured, indicate a profit of $4.07 per ton of crude ore at present prices and costs.

Exploration at this property presents excellent possibilities of finding ore shoots along the two adit levels.

The program as modified by the operating team is believed best suited for this purpose.

Exploration will consist of 1,000 feet of drifting and 200 feet of raising on the vein structure at an estimated cost of $45,000.00 and can be accomplished in 7-1/2 months, operating two headings one shift a day.

RECOMMENDATIONS

The exploration program outlined by the examining team is recommended for approval at a total cost of $45,000.00, on a 50 percent participation basis.

The program should be kept flexible with revisions based on geologic control.

In the event that applicants Vinson and Harris have not completed purchase of the property at the time a contract is drawn up, their lease should be revised to conform with actual terms of the lease agreement with regard to royalty payments and milling charge at the Toledo mill.

Exploration will consist of 1,000 feet of drifting and 200 feet of raising on the vein structure at an estimated cost of $45,000.00 and can be accomplished in 1-1/2 months, operating two headings one shift a day.

RECOMMENDATIONS

The exploration program outlined by the examining team is recommended for approval at a total cost of $45,000.00, on a 50 percent participation basis.

The program should be kept flexible with revisions based on geologic control.

In the event that applicants Vinson and Martin have not completed purchase of the property at the time a contract is drawn up, their lease should be revised to conform with actual terms of the lease agreement with regard to royalty payments and milling charge at the Toledo mill.

MAILS
SURNAME COPY

R E Adams (meb)

Defense Minerals Exploration Administration
Robert E. Adams
2017

14X3923.970, Working Fund, Interior, DMEA
April 17, 1953
10:30 a.m.

W.H.King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colo.

Assignment of Contract Number

REURTEL 4-16-53, DOCKET NO. DMEA 2160, MIKE VINSON AND FRED HARRIS, A PARTNERSHIP, PROPERTY IN SUMMIT COUNTY, COLORADO, COMMODITY LEAD, ZINC. CONTRACT NUMBER IDM-E-509 ASSIGNED THIS CONTRACT.

N.S. in R.R.

C. O. Mitchell (for)

ADMINISTRATOR

READams/meb
cc to: Adm.Reading File
Mails & Files Br.
Audits Division
Miss Curtin

SENT
APR 17 1953
Clerical Service Section

BU

Mr. C.O. Mittendorf
4-16-53
3 22 P.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 17 1953

BUR MINES DN 235 4-16-53 1-16 PM

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET NO. DMEA 2160, A PARTNERSHIP CONSISTIN G OF MIKE VINSON AND FRED HARRIS, BRECKENRIDGE, COLORADO. COMMODITY LEAD, ZINC PROPERTY IN SUMMIT COUNTY, COLORADO. CONTRACT DATE D APRIL 15,1953. TOTAL AMOUNT OF CONTRACT $37,600.00. GOVERNMENT PARTICIPATION $18,800.00.

W H KING IDME-509

5090

Denver, Colo.

APR 17 8 25 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

September 9, 1952

Memorandum

To: C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 2160, Vinson and Harris, (Lead-Zinc) Breckenridge, Colorado

Mr. Vinson has stated that he has been unable to obtain Landlord's Subordination Agreements covering the Chataqua lode. He and Mr. Harris are purchasing the property and desire to have the Government enter into an exploration project contract with them as owners when the purchase is completed. We are holding this docket in abeyance until we hear further from Mr. Vinson.

W. H. King

W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 16 1952

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

224 New Customhouse
Denver 2, Colorado

July 31, 1952

Mr. Mike Vinson
Breckenridge, Colorado

Dear Mr. Vinson:

We have not received a reply to our letter dated May 27, 1952, requesting certain information necessary to complete our exploration project contract under docket DMEA-2160.

If we do not hear from you within 30 days, we will assume that you are no longer interested in exploration assistance and place your application in our inactive file.

Very truly yours,

W. H. King

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

JFS:jp
cc Subj
Chron
Secretary to the Operating Committee (2)
WMTraver
AHKoschmann (2)

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

224 New Customhouse
Denver 2, Colorado

March 24, 1952

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration, Attention: Code 210

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2160, Chatauqua Mine, Lead & Zinc, Mike Vinson and Fred L. Harris, Breckenridge, Colorado

Exploration assistance in the amount of $45,000 has been approved and the contract will be prepared by this office.

Four copies of the report will be forwarded you when the contract is signed.

The original and one copy of Form 3b is attached.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

J. H. East, Jr.

A. H. Koschmann

Enclosure

Region IV case.

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

224 New Customhouse
Denver 2, Colorado

March 24, 1952

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration, Attention: Code 210

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2460, Chatauqua Mine, Lead & Zinc, Mike Vinson and Fred L. Harris, Breckenridge, Colorado

Exploration assistance in the amount of $45,000 has been approved and the contract will be prepared by this office.

Four copies of the report will be forwarded you when the contract is signed.

The original and one copy of Form 3b is attached.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

J. H. East, Jr.

A. H. Koschmann

Enclosure

DMA Form 3b.

DEFENSE MINERALS ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMA Docket No. 2160

Change: From		To	
I 1	☐	I 1	☐
I 2	☐	I 2	☐
I 3	☐	I 3	☐
I 4	☐	I 4	☐
I 5	☐	I 5	☐
I 6	☐	I 6	☐
III 1	☐	III 1	☒ 3-24-52
III 2	☐	III 2	☐
III 3	☐	III 3	☐
III 4	☒	III 4	☐

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

Add:

II 7 $42,000

II 8 $45,000

II 8a % 50

Initials of person preparing sheet H.M.C.

Date sheet prepared 3/24/52

DMA Form 3b.

DEFENSE MINERALS ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMA Docket No. 2160

Change: From		To	
I 1	☐	I 1	☐
I 2	☐	I 2	☐
I 3	☐	I 3	☐
I 4	☐	I 4	☐
I 5	☐	I 5	☐
I 6	☐	I 6	☐
III 1	☐	III 1	☒ 3-24-52
III 2	☐	III 2	☐
III 3	☐	III 3	☐
III 4	☒	III 4	☐

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

Add:

II 7 $42,000

II 8 $45,000

II 8a % 50

Initials of person preparing sheet H.M.G.

Date sheet prepared 3/24/52

FILE ITEM OR INFORMATION REQUESTED	FRC BOX NO.
# 1951	8

DATE OF REQUEST	ACCESSION NO.	FOR RECORDS CENTER USE ONLY
	65A 784	LOCATION OF RECORD(S) TO BE SEARCHED 1158/5-7 mud

TO (Mail in window envelope)

General Services Administration
Federal Records Center, NARS

(City) (State) (Zip Code)

NATURE OF SERVICE

☐ FURNISH COPY OF RECORD(S) ONLY ☐ PERMANENT WITHDRAWAL

☐ OTHER (Specify) 320

FOR RECORDS CENTER USE ONLY

☐ RECORDS NOT IN CENTER CUSTODY ☐ MISSING (Neither record(s), information nor charge card found in container(s) specified)

☐ RECORDS PREVIOUSLY CHARGED OUT TO (Name, agency and date):

SERVICE	TOTAL	TIME REQUIRED	SEARCHER'S INITIALS
DOCUMENT	1		
INFORMATION			
RESEARCH			

REMARKS

12-7-66

FOR USE OF REQUESTER

NAME OF REQUESTER Miss Curtain

TELEPHONE NO.

NAME AND ADDRESS OF AGENCY (Include bldg. and room No.)

Supt Ty Interior
Rm 4450
Interior

RECEIPT OF RECORDS

REQUESTER PLEASE SIGN, DATE, AND RETURN THIS FORM, FOR FILE ITEM(S) LISTED ABOVE, ONLY IF THE BLOCK TO RIGHT HAS BEEN CHECKED BY THE RECORDS CENTER ☐

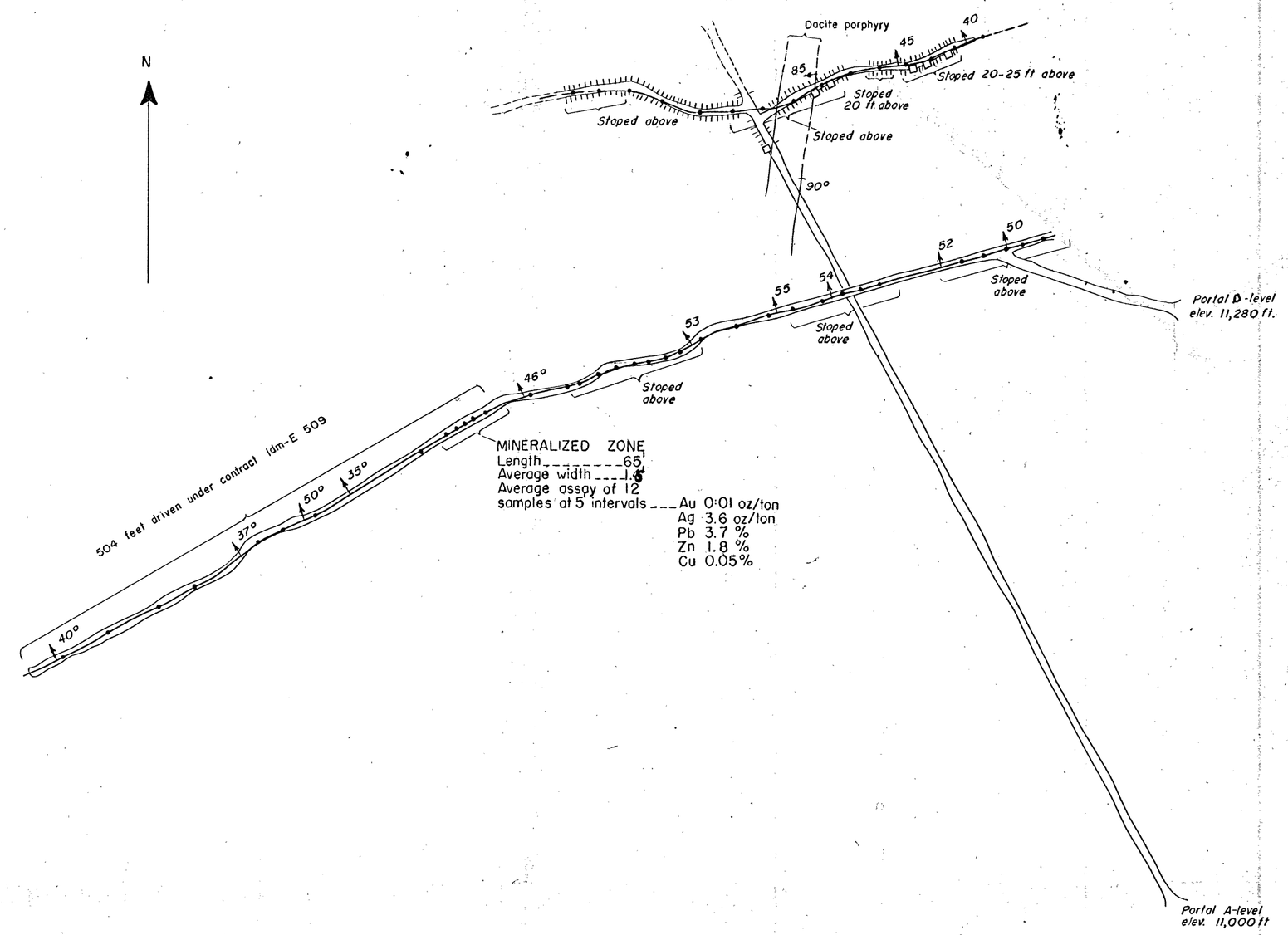
SIGNATURE	DATE

OPTIONAL FORM NO. 11
JULY 1959
PRESCRIBED BY
GEN. SERVICES ADMIN.
FPMR (41 CFR) 101-11.4

REFERENCE REQUEST—FEDERAL RECORDS CENTERS

☆ U.S. GOVERNMENT PRINTING OFFICE: 1965—766-585

5011-103



EXPLANATION

Timbered drift

Mineralized vein showing dip

Notes:

1. Brunton and tape survey
2. Wall rocks are predominantly gneiss of the Swandyke member of the Idaho Springs formation.

Geology by D. R. MacLaren

E. N. Harshman, May, 1955

FIGURE 3—. GEOLOGIC PLAN MAP OF THE CHATAQUA MINE SUMMIT COUNTY, COLORADO

100 0 100 200 300 Feet

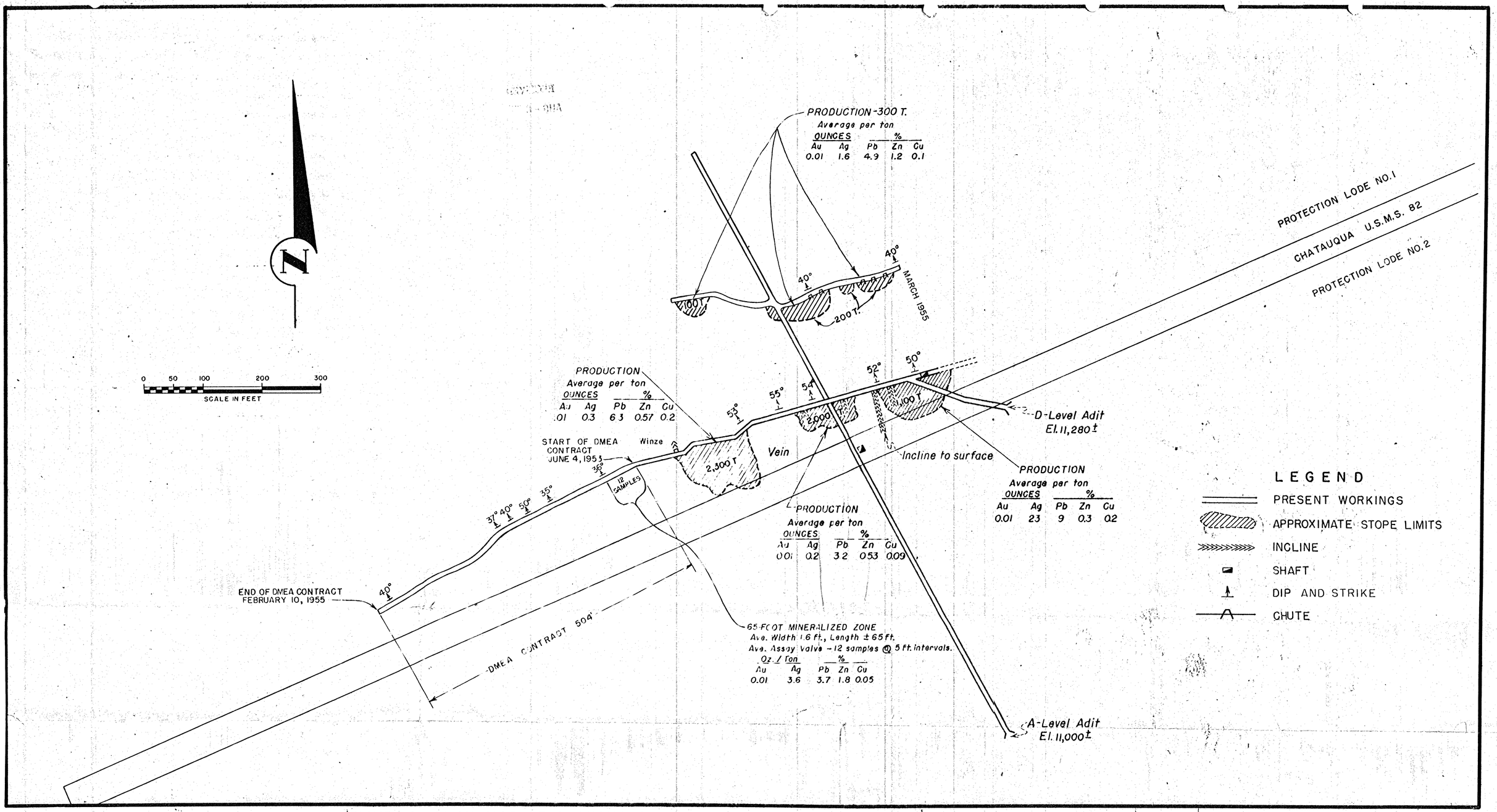
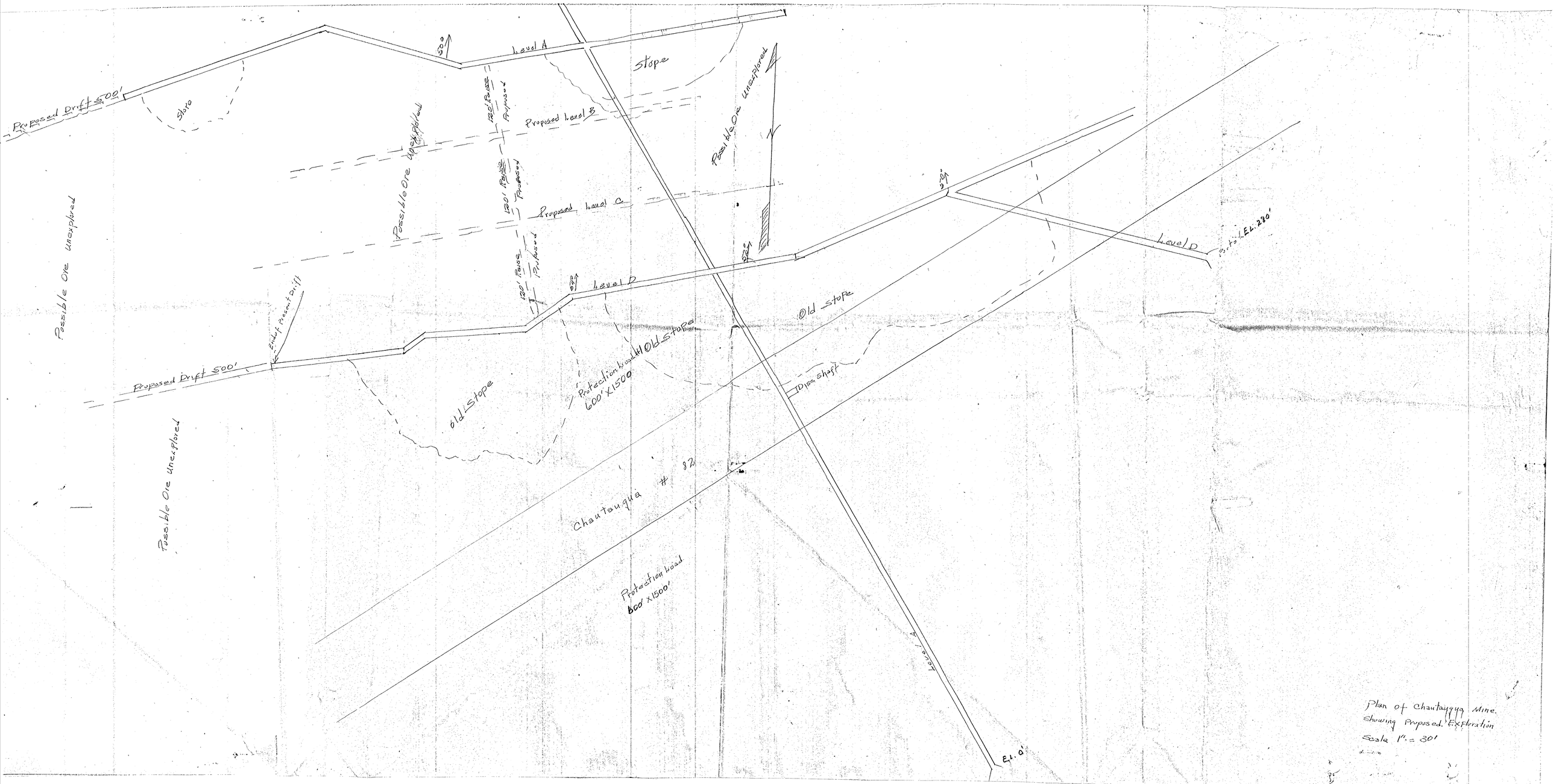
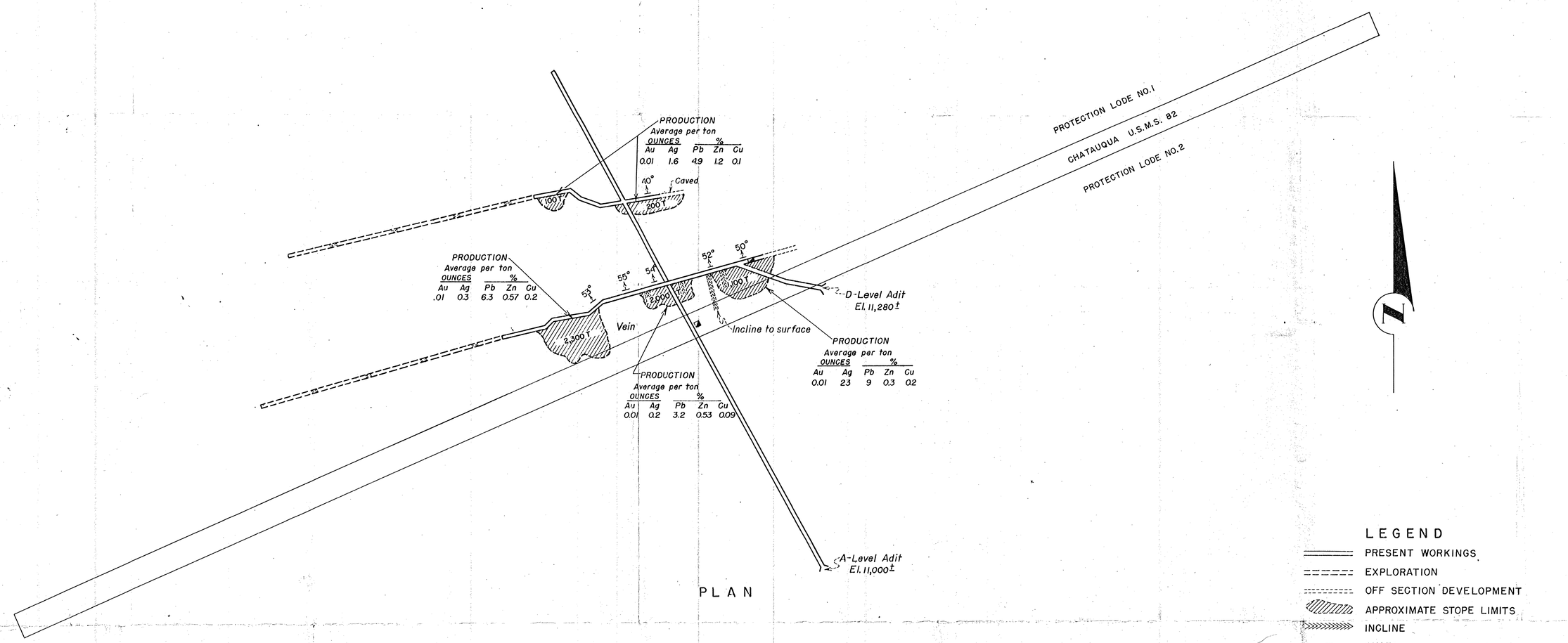


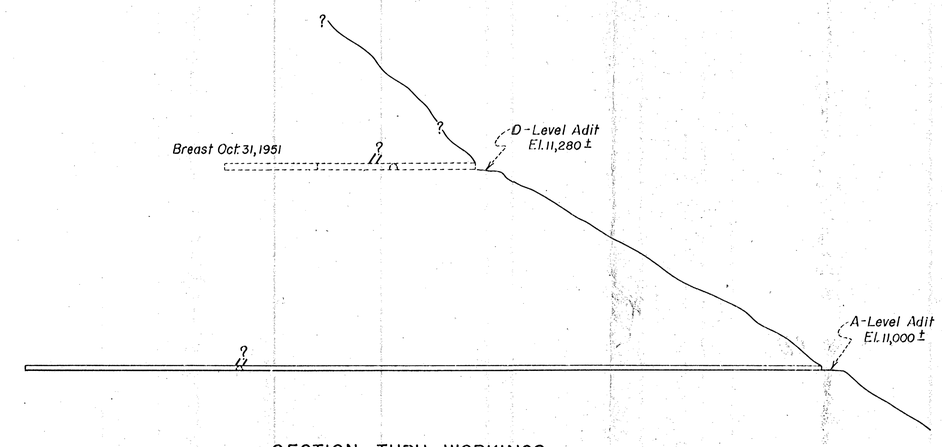
FIGURE 2 - PLAN MAP OF CHATAUQUA MINE, SUMMIT COUNTY, COLO. DMEA 2160, CONTRACT Idm-E509



Plan of Chautauqua Mine.
Showing Proposed Exploration
Scale 1" = 30'



PLAN



SECTION THRU WORKINGS

(LOOKING N 61° E)

100 0 100 200 300 400 500

SCALE OF FEET

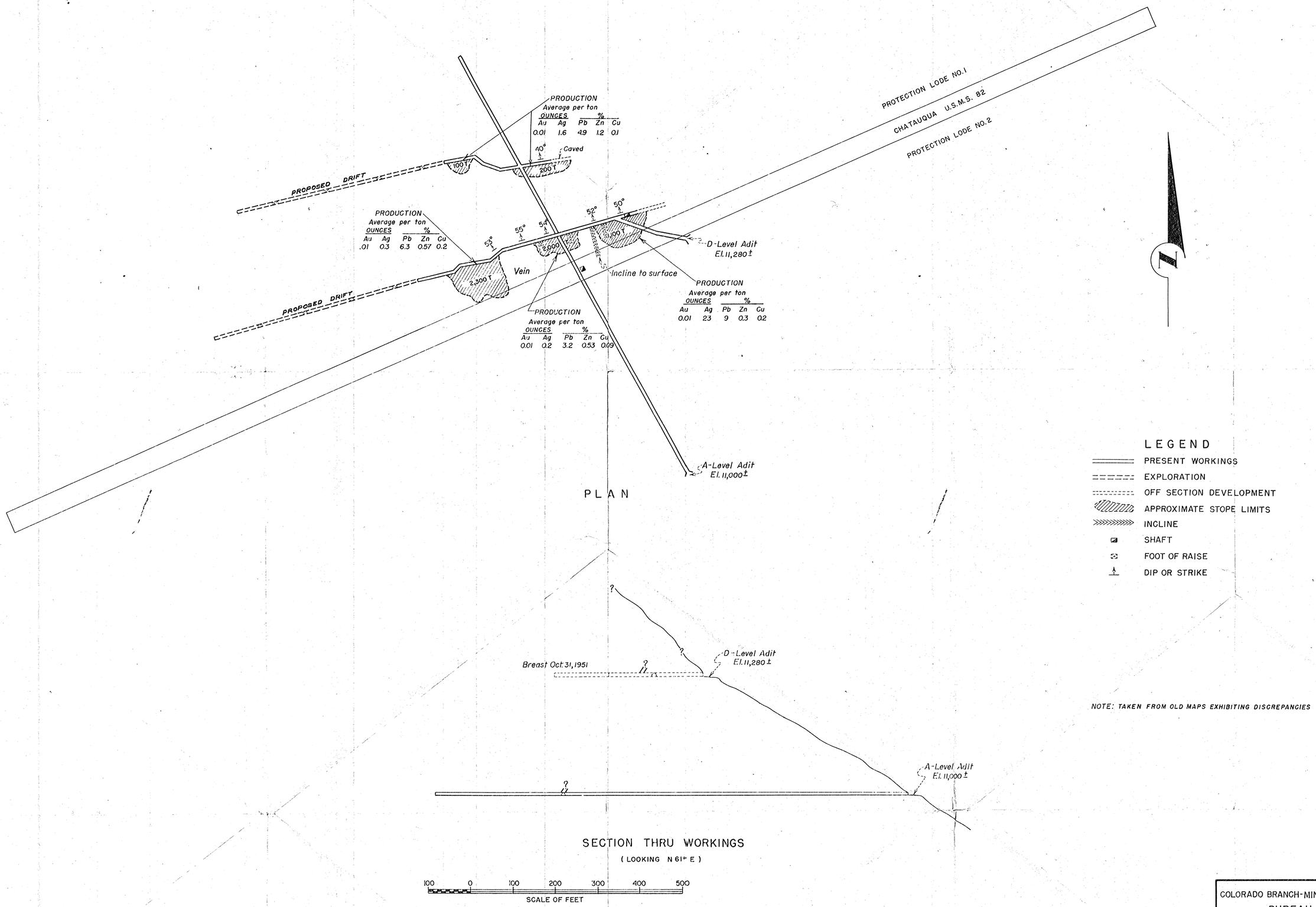
LEGEND

- PRESENT WORKINGS
- EXPLORATION
- OFF SECTION DEVELOPMENT
- APPROXIMATE STOPE LIMITS
- INCLINE
- SHAFT
- FOOT OF RAISE
- DIP OR STRIKE

NOTE: TAKEN FROM OLD MAPS EXHIBITING DISCREPANCIES

COLORADO BRANCH-MINING DIVISION-REGION IV
BUREAU OF MINES

FIG. 2-PLAN & SECTION OF EXISTING DEVELOPMENT, PROPOSED EXPLORATION & PRODUCTION DATA, CHATAUQUA MINE, SUMMIT CO, COLO., D.M.A.-2160



COLORADO BRANCH-MINING DIVISION-REGION IV
BUREAU OF MINES

FIG. 2—PLAN & SECTION OF EXISTING DEVELOPMENT, PROPOSED EXPLORATION & PRODUCTION DATA, CHATAUQUA MINE, SUMMIT CO., COLO., D.M.A.-2160