JUN 15 1959
O.M.E.

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 Idm-8261, Docket No. DMEA 270X, dated February 19, 1952, with

Montana Mining (?) and Development Company
P. O. Box 458
Idaho Springs Colorado

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Lead-Zinc, from property referred to as Lamartine Mine, located in Clear Creek County, Colorado, during the period February 19, 1952 to June 10, 1959.

Pseudo Certification was effected by Termination Agreement dated July 8, 1953, and accordingly royalty is payable on the net smelter returns or other net proceeds produced from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of Final Cost Audit dated January 22, 1954, indicated accepted costs under the Exploration Contract amounting to $8,748.64, with the Governments contribution on a 50 percent basis being $4,374.32.

No royalty has been paid to the Government to date in connection with this contract.

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

(a) According to the Field Team's Semi-Annual Report of certified project for the period January 1, 1954 to June 30, 1954, operation ceased about July, 1953; no ore subject to DMEA royalty has been shipped since February 19, 1952, (the date of the exploration contract). Subsequent semi-annual reports of Field Team during period July 1, 1954 to December 31, 1958 indicate no production subject to royalty and no operations or ore shipments are anticipated in 1959.

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

June 10, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/16	G	220
6/16	[illegible]	500
		225

JUN 15 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-270 (Lead-Zinc)
Montana Mining and Development Company
Contract No. Idm-E261

Your Report of Royalty Review on the subject contract is acceptable for regional distribution after correcting the word "subsequent" in the third line of reason (a) to "subject". This correction has been made in the Washington copies.

EDTalbert/ama
June 15, 1959

Copy to: Docket
Director's Reading File
Code 800

43683

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

March 30, 1954

PROJECT SUMMARY REPORT

By: J. W. Alt

1. Docket No. DMEA-270X (Lead-Zinc)
Contract No. Idm-E261
Property: Lamartine Mine
Location: Clear Creek County, Colorado

Operator: Montana Mining Development Company
P. O. Box 458
Idaho Springs, Colorado

Operator's Property Rights:
Lessee - Lease and Option - dated January 23, 1951
Landlord's Subordination Agreement - dated January 15, 1952

2. Contract dated February 19, 1952, To complete - 6 months

Work Authorized

1. Extend the Ben Harrison-Croesus drift on the Lamartine tenth level to an intersection to a distance not to exceed 260 feet.

2. Drill two diamond drill holes totaling 400 feet. These two holes are to be drilled northwesterly into the hanging wall of the Ben Harrison-Croesus drift to explore for possible parallel veins.

3. Unwater the Roberts winze and stopes below the Lamartine tenth level to make these workings available for sampling and geologic study.

Summary of Estimated Costs:

260 feet of drifting @ $35.00/ft.	$ 9,100.00
400 feet of diamond drilling @ $8.50/ft.	3,400.00
Allowance for cutting drill station	100.00
Equipment to be purchased	973.00
Equipment to be rented	762.00
Equipment to be furnished by Operator	665.00
Total	$15,000.00
Government participation @ 50%	$ 7,500.00

Amendments

No. 1, dated May 14, 1952 - changes commencing time from 60 to 120 days and changes completion time from 6 to 8 months.

No. 2, dated July 24, 1952 - Changes commencing time from 60 to 180 days and changes completion time from 6 to 10 months.

No. 3, dated December 29, 1952 - Changes completion time from 6 to 17 months.

Work Completed

Only item 1 of the contract was completed.

200.4 feet of drifting was completed at a total cost of $8,748.64 or $43.66/ft.

Total cost	$8,748.64
Government participation	$4,374.32

Work on contract was started August 18, 1952 and item 1 was completed in December 1952. Contract was terminated on July 8, 1953.

3. Audit Certificate - dated January 22, 1954

Total cost as billed by contractor	$ 9,138.64
Less: Salvage proceeds on rock drill	215.00
Net cost as claimed by contractor	$ 8,923.64
Exceptions	175.00
Total accepted cost	$ 8,748.64
Government participation	$ 4,374.32

4. Certification date - No certificate of discovery but the so called psudo certification was included in the Termination Agreement dated July 8, 1953.

5. The Field Team states: "In a period of about 4.4 months the Operator completed 200.4 feet of drifting for an average of 45.5 feet per month. The operation was considered efficient and well managed."

Drifting under item 1 of the contract did not result in a significant discovery. The drifting followed small, irregular, intersecting veins contained little lead-zinc mineralization. Quartz with disseminated pyrite made up a major portion of the vein material. Lead and zinc sulfides occured as very small irregular lenses within the veins with some dissemination within the wall rock near the vein intersection.

The Field Team states: "On May 25, 1953, the Operator requested termination of the contract due to lack of sufficient capital to continue. The contract was terminated by mutual agreement on July 8, 1953, wherein the Government established a lien on the property and established its right to a percentage royalty on all production for a period of 10 years, beginning as of the date of the contract."

J. W. Alt

J. W. Alt

☒ Audited

☒ Certified Pseudo in Termination 7/8/53.

Name Montana Mining Development Co.

State Colorado.

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/9/54.

Incl. Voucher for September 1952

Commodity Lead-Zinc

☒ Actual Cost

☐ Agreed Unit Costs

Docket No. DMEA-370X

Idm-E No. 261

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	260'	$9,100.00	200.4'	$7,014.00	$8,370.64
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond Station	400'	3,500.00			
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		973.00		593.00	378.00
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Equipment Rental		1,427.00		1,356.64	1,356.64
Totals		$15,000.00		$8,963.64	$8,748.64

Salvage on Rock Drill $315.00

Prepared by A. F. Hugenbard

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Montana Mining and Development Company
P. O. Box 458, Idaho Springs, Colorado

pertaining to Exploration Project Contract No. Idm-5261, Docket No. DMEA 270X, and including Amendments Nos. 1 to 3, covering a project for exploration of Lead-Zinc located in Clear Creek County, Colorado, and commonly known as the Lamartine Mine, for the months of August to December, 1952, and also the mutual termination agreement dated July 8, 1953, and the liquidation settlement dated January 15, 1954.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Field Team in charge of the project 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:

(a) The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract; and
(c) a major portion of the costs ($7,014.00 or 80.2%) covered work performed at unit rates under a sub-contract approved by the Executive Officer of the DMEA Field Team dated September 16, 1952.

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

Total cost as billed by Contractor		$9,138.64
Less: Salvage proceeds on Rock Drill		215.00
Net Cost as claimed by Contractor		$8,923.64
Exceptions:		
By DMEA Finance Officer	None	
Herewith (schedule attached)	$175.00	175.00
Total Accepted Cost		$8,748.64

The contract calls for a 50% participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four Thousand Three Hundred Seventy Four and 32/100 Dollars

- $4,374.32 -

is considered valid and proper.

Dated: January 22, 1954

Donald T. Finch

Donald T. Finch, Auditor

SCHEDULE OF EXCEPTIONS

Montana Mining & Development Co. DMEA 270X Idm-E261

Sub-contract drifting claimed by operator, 205.4 feet @ $35.00	$7,189.00
Sub-contract drifting approved by DMEA Field Team, 200.4 feet @ $35.00	$7,014.00
Disallowance for sub-contract drifting disapproved by DMEA Field Team, 5 feet @ $35.00	$175.00

Division Copy

TERMINATION OF WORK UNDER AN EXPLORATION PROJECT CONTRACT
BY AGREEMENT

It is agreed this 8th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Montana Mining Development Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E261, Docket No. DMEA-270X, dated February 19, 1952, that (1) all exploration work under the said contract shall be terminated as of the date first above written.

2. Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

3. The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

4. The Government's right to a percentage royalty on production and lien for its payment, and all provisions relevant thereto, are preserved with respect to all of the land described in the contract and any production therefrom, in the same manner and to the same extent as if the Government, as of the date first above written, had made its certification of discovery or development as provided in the Exploration Project Contract.

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

UNITED STATES OF AMERICA

By O. Meadors
Administrator, Defense Minerals
Exploration Administration

MONTANA MINING DEVELOPMENT COMPANY

By W. Berlinger, President

No. 3

AMENDMENT OF CONTRACT: No. Idm-[illegible]261

Contract Docket No. DMEA 270I, dated February 19, 1952, between the United States of America and Montana Mining Development Company is hereby amended as follows, effective as of the date of said contract:

Referring to Amendment No. 2, dated July 24, 1952, which voided Amendment No. 1, dated May 14, 1952, void said Amendment No. 2 in its entirety.

Refers to starting and completion time

Referring to Amendment No. 1 dated May 14, 1952, which amended Article 3, Exploration Project Contract Form MF-200, said Amendment is hereby voided.

Refers to starting and completion time.

Referring to Article "3. Exploration Project" of Exploration Project Contract Form MF-200, following the words "The Operator, within", delete "(60) sixty" and in lieu thereof substitute "(180) one hundred eighty"; and following the words "all properly designed to bring the project to completion within a period of", delete "six (6) months" and in lieu thereof substitute "seventeen (17) months".

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

Dated December 29 1952.

MONTANA MINING DEVELOPMENT COMPANY

By H. A. Bolinger Jr.
President

UNITED STATES OF AMERICA

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

Division Copy

No. 2

AMENDMENT OF CONTRACT: No. IdmE-261

Contract Docket No. DMEA 270X, dated February 19, 1952, between the United States of America and Montana Mining Development Company is hereby amended as follows, effective as of the date of said contract:

> Referring to Amendment No. 1 dated May 14, 1952, which amended Article 3, Exploration Project Contract Form MF-200, said Amendment is hereby voided.
>
> Referring to Article "3. Exploration Project" of Exploration Project Contract Form MF-200, following the words "The Operator, within", delete "(60) sixty" and in lieu thereof substitute "(180) one hundred eighty"; and following the words "all properly designed to bring the project to completion within a period of", delete "six (6) months" and in lieu thereof substitute "ten (10) months".

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

Dated July 24, 1952.

MONTANA MINING DEVELOPMENT COMPANY

By H.A. Bolinger Jr.
H.A. Bolinger, Jr., Secretary

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

Division Copy
Lead, Zinc
No. 1

AMENDMENT OF CONTRACT: No. IdaE-261

Contract Docket No. DMA 270X, dated February 18, 1952, between the United States of America and Montana Mining Development Company is hereby amended as follows, effective as of the date of said Contract:

> Referring to Article 3, Exploration Project Contract Form MP-200, captioned "Exploration Project", following the words: "The Operator, within", delete the following: "(60) sixty" and in lieu thereof substitute (120) one hundred-twenty.
>
> Referring to said Article following the words: "all property designed to bring the project to completion within a period of", delete the following: "six (6) months" and in lieu thereof substitute "eight (8) months".

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

Dated May 14, 1952.

MONTANA MINING DEVELOPMENT COMPANY

By W. A. Bolinger Jr.
Secretary

UNITED STATES OF AMERICA

By J. H. Ernst
Executive Officer - DMA

jwo

DEPARTMENT OF THE INTERIOR
Detroit Office
1952

MF-200
(June 1951)

Docket No. DMA DMEA-2701
Commodity Lead-Zinc

IdmE-261

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

✓DIVISION COPY

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 19th day of February, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]
Montana Mining Development Company, a Montana corporation
P. O. Box 458
Idaho Springs, Colorado

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Colorado, County of Clear Creek described as follows: [3]
The Ben Harrison and Crocetum Lode Mining Claims, U.S. Mineral Survey 6381, in the Trail Creek Mining District.

with respect to which the Operator represents and undertakes: [4]

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

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

3. *Exploration project.* The Operator, within (60) sixty days from the date of this contract shall commence work on a project of exploration for [5] Lead-Zinc; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] six (6) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

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

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

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

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

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

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

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

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

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $7,500.00, which is 50 percent of the agreed estimated total cost of this project, $15,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

MONTANA MINING DEVELOPMENT COMPANY

(Operator)

By W. A. Bolinger Jr.

THE UNITED STATES OF AMERICA

By C. O. Mitteneder

Acting Administrator
Defense Minerals Exploration
Administration

Robert Hoffland (for)

U. S. GOVERNMENT PRINTING OFFICE 16—41066-2

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Clear Creek, State of Colorado, described in a certain Exploration Project Contract dated February 19, 1952, between Montana Mining Development Co., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated August 23, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

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

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

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

Dated this 15th day of January, 1952.

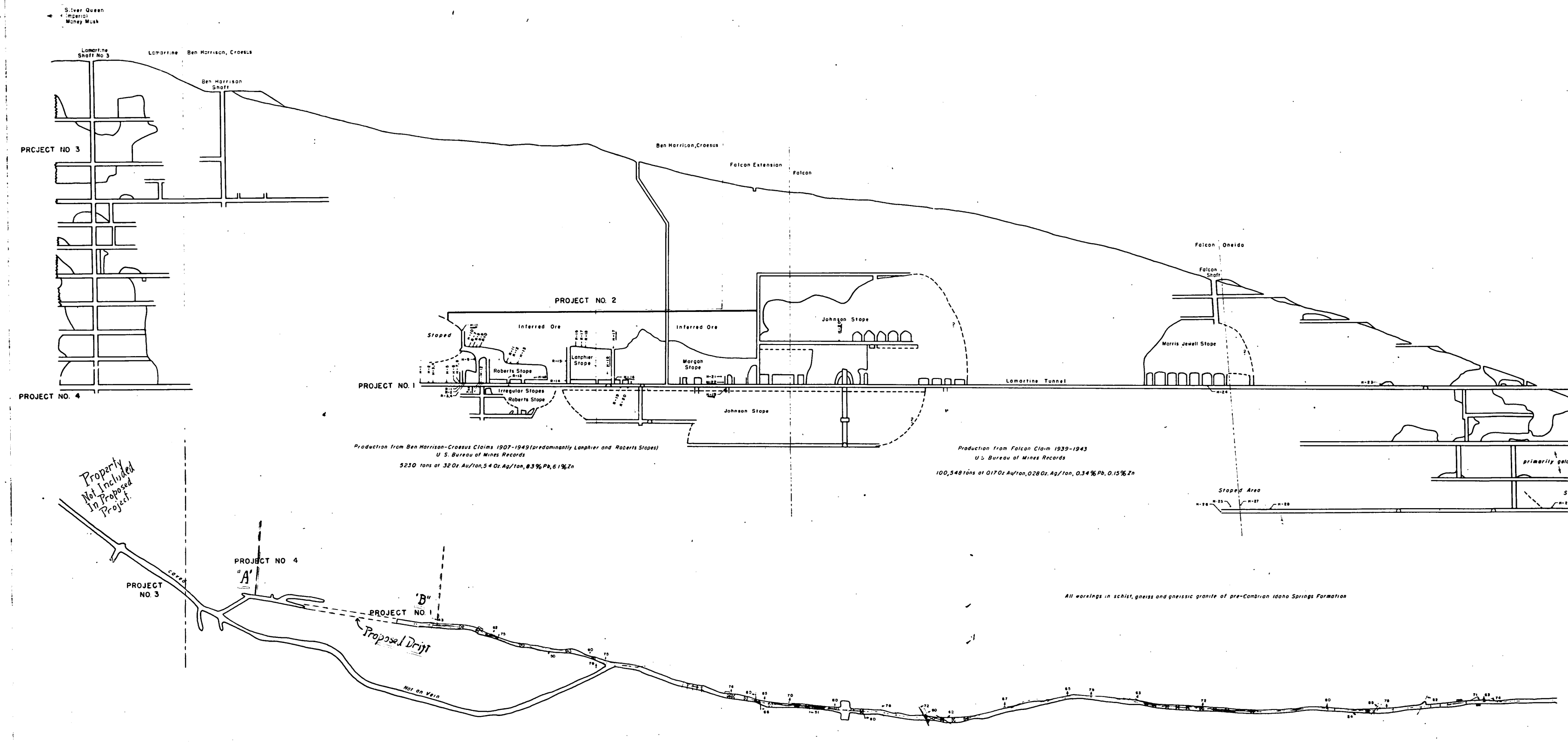
Katherine A. Clark

Charles Armstrong

Grace M. Robie Surv

U. S. GOVERNMENT PRINTING OFFICE

FEB 4 1952



Plan of Lamartine Tunnel - 10th Level

Department of Interior
U.S. Geological Survey

Longitudinal Section and Plan of workings on

LAMARTINE MINE - ONEIDA VEIN

near Idaho Springs, Colorado
showing geology, location of samples, Inferred Ore

Map based on Montana Mining Development Co maps, and tape and compass survey by O.D. Evans and M.R. Brock May, 1951

Sampling by U.S. Bureau of Mines: C.M. Harrer and D.L. Roberts, May 1951; and Reconstruction Finance Corp., E.V. Reinhardt, January 1943

Geology by Evans and Brock, May 1951

DMA DOCKET 270

Figure 3

EXPLORATION PROJECT CONTRACT
MONTANA MINING DEVELOPMENT COMPANY
DOCKET NO. DMEA-270X

EXHIBIT "A"

Statement of the Work

1. Extend the Ben Harrison - Croesus drift on the Lamartine tenth level along the vein southwesterly to an intersection or to a distance not to exceed 260 feet, the point of beginning being the present face of the drift which is 645 feet from the frog point at the "Y" in the drift.

2. Drill two diamond drill holes totaling 400 feet, each hole to be AX size or larger and approximately 200 feet in depth. These two holes are to be drilled northwesterly into the hanging wall of the Ben Harrison - Croesus drift to explore for possible parallel veins. The holes have been located by mutual agreement between the applicant and Defense Minerals Exploration Administration engineers. One hole has been located at the "Y", point B, and the other is to be drilled from the most advantageous location in the vicinity of point A, the exact location to be determined after an examination of the intersection area.

3. Unwater the Roberts winze and stopes below the Lamartine tunnel tenth level to make these workings available for sampling and geologic study.

Details of Estimated Costs

Fixtures and Improvements

None

Operating Equipment

a) To be purchased

1	Rock drill complete with necessary accessories	$973.00

b) To be rented

		Estimated rental per month	Estimated rental for 3 months
1	Mucking machine	$220.00	$660.00
1	Air pump for unwatering Roberts winze and stope	34.00	102.00
			$762.00

Operating Equipment (continued)

c) To be furnished by Operator

Monthly allowances are computed on a depreciation basis and allowed only when the items of equipment are used for the benefit of the project.

		Present Value	Allowance per month	
1	425 c.f.m. Ingersoll-Rand compressor, Imperial type 10, electric drive, 75 horsepower, General Electric induction type motor, 440 volt	$4,200.00	$ 70.00	
1	Storage battery locomotive with batteries and charger	4,000.00	70.00	
10	Mine cars	1,500.00	25.00	
	Allowance per month		$165.00	
	Allowance for 3 months			$495.00
	Diamond drill equipment	$3,000.00	$ 50.00	
	Allowance for 2 months			100.00
	Allowance for compressor use for one additional month for diamond drilling			70.00
	Total allowance for project			$665.00

If other mining operations are carried on at the same time, the compressor depreciation allowance will be prorated accordingly.

Rehabilitation and Repairs

None

Labor and Supervision

2 miners, one of which will also operate mucking machine
base rate $1.65 per hour, or $13.20 per day

1 trammer base rate $1.65 per hour, or $13.20 per day

1 motorman base rate $1.65 per hour, or $13.20 per day

1 diamond drill operator
base rate $2.25 per hour, or $18.00 per day

1 diamond drill helper
base rate $1.65 per hour, or $13.20 per day

The base rate is for an 8-hour day, 40-hour week of 5 days, with overtime allowed at time and one-half for time in excess of the 40 hours per week.

1 superintendent $450.00 per month
Amount charged per month to be prorated if full time is not spent on project.

Bookkeeping $ 50.00 per month

Summary of Estimated Costs

Footage charges for drifting and diamond drilling include all labor, supervision, engineering, accounting, sampling, assaying, power, supplies, repairs, pipe, rail, timber, explosives, and transportation.

260 feet of drifting, 6-foot by 8-foot cross section, at $35.00 per foot	$ 9,100.00
400 feet of diamond drilling, AX size or larger, at $8.50 per foot	3,400.00
Allowance for cutting drill station	100.00
Equipment to be purchased	973.00
Equipment to be rented	762.00
Equipment to be furnished by operator	665.00
	$15,000.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

DMEA
DEPARTMENT OF THE INTERIOR
JUL 8 1957
REGION III
DENVER, COLORADO

July 1, 1957

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Boseman, Montana

Re: Docket DMEA 270X (Lead-Zinc), Contract Idm-E261, Montana Mining Development Company (Lamartine Mine), Clear Creek County, Colorado

Dear Mr. Bolinger:

This office has received information which indicates your company is no longer lessee of property described in the above subject contract.

You are referred to Article 16 of Contract Idm-E261, and hereby requested to submit a statement relative to the status of your lease with the property owners. If the lease has been terminated, please include pertinent data as the owner's mailing addressess and termination date of the lease.

EXTRA COPY
DMEA
RECEIVED JUL 10 1957

DATE	INITIALS	
7/10	FEB	1'10
7/10	alt.	500

Very truly yours,

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

NOTE

The Montana Mining Development Company ceased operations, I believe, in December, 1953. It was in default in terms of its lease and the property was abandoned by it after a chattel mortgage was foreclosed against the equipment. I have no idea as to the present status of the property or its present lessees, if any.

Yours very truly,

H. A. Bolinger, Jr.

WO-2
DMEA/DFC ATTN: TESLER
CDRDSP
SARF-Rec III

ROYALTY FILE - REC. III

EXTRA COPY
DMEA
RECEIVED

DATE	INIT.	CODE
7/3	alb.	500

CERTIFIED MAIL

224 New Customhouse
Denver 2, Colorado

July 1, 1957

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: Docket DMEA 270X (Lead-Zinc), Contract Idm-E261, Montana Mining Development Company (Lamartine Mine), Clear Creek County, Colorado

Dear Mr. Bolinger:

This office has received information which indicates your company is no longer lessee of property described in the above subject contract.

You are referred to Article 16 of Contract Idm-E261, and hereby requested to submit a statement relative to the status of your lease with the property owners. If the lease has been terminated, please include pertinent data as the owner's mailing addresses and termination date of the lease.

Very truly yours,

Original signed by
W. H. KING

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

MHM/vj

cc: Royalty File E261
Corres. File E261
Sec. Opr. Comm. (2)
DMEA/DFC (2)
Marshall
Chron.

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

RECEIVED
SEP 1 7 1956

224 New Customhouse
Denver 2, Colorado

September 17, 1956

Betty

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: Docket DMEA 270X (Lead-Zinc), Contract Idm-E261, Montana Mining Development Company (Lamartine Mine), Clear Creek County, Colorado

Dear Mr. Bolinger:

This office has received information which indicates your company is no longer lessee of property described in the above subject contract.

You are referred to Article 16 of Contract Idm-E261, and hereby requested to submit a statement relative to the status of your lease with the property owners. If the lease has been terminated, please include pertinent data as the owner's mailing addresses and termination date of the lease.

Yours very truly,

W. M. TRAVER

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

MHM/vj

cc: Royalty File E261
Corres. File E261
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Marshall
Chron.

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

MAY - 9 1955

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

Re: Docket No. DMEA-270X (Lead-Zinc)
Montana Mining Development Co.
Lamartine Mine
Clear Creek County, Colorado
Contract No. Idm-8261

Dear Mr. Traver:

With reference to your memorandum of April 18, 1955, we quote in part, a memorandum from the Acting Assistant Solicitor, Defense Minerals, dated July 2, 1954, in regard to another contract which appears to answer the royalty question raised on this contract.

> "The contract is dated August 7, 1953, is on the short form, and contains a royalty annex which provides that the Operator shall pay royalty "...on all minerals mined or produced from the land described in Article 2 ..." It appears from the correspondence that the ore in question was produced before the date of the contract by stripping operations from land described in Article 2, was stockpiled on land described in Article 2, and after the date of the contract was shipped to a concentrator, blended with ore produced from land not described in Article 2.
>
> "The legal question is whether ore produced before the date of the contract from land described in the contract, and stockpiled on that land, can thereafter be subject to the Government's royalty claim.
>
> "In my opinion, it cannot. I think that the ore was "mined or produced" within the meaning of the contract when it was stockpiled, and that nothing that occurs thereafter can subject it to the Government's royalty claim."

The above quotation substantiates your interpretation of the contract that no royalty payments are due from production of concentrates from dump rock on the subject property.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures

APPROVED:

/s/ C. N. Johnson
Member, Bureau of Mines

/s/ R. D. Trace
Member, Geological Survey

JWAlt/er;JLChambers/wb 5/9/55

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

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

in regard to another contract (which appears to be assume the royalty raised on this contract

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

Re: Docket No. DMEA-270X (Lead-Zinc)
Montana Mining Development Co.
Lamartine Mine
Clear Creek County, Colorado
Contract No. Idm-E261

July 2, 1954.

Dear Mr. Traver:

in part With reference to your memorandum of April 18, 1955, we ~~are enclosing 2 copies of~~ a memorandum from the Acting Assistant Solicitor, Defense Minerals, dated ~~May 4, 1955.~~ This ~~memorandum~~ substantiates your interpretation of the contract that no royalty payments are due from production of concentrates from dump rock on the subject property. quote above

Sincerely yours,

Chairman, Operating Committee

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

April 18, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Base Metals Division

Subject: Interpretation of royalties due on Docket No. DMEA-270X, Contract No. Idm-8261, Montana Mining Development Company, Lamartine Mine, Clear Creek County, Colorado (Lead-Zinc)

Will you please give us your interpretation of the Contract and of the Termination Agreement, which contains a pseudo-certification, as to what royalties are due the Government. Please refer to the memorandum, dated April 5, from the Executive Officer, Region III, and to the memorandum, dated April 5, from John T. Shaw, Supervising Mining Engineer.

W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

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

224 New Customhouse
Denver 2, Colorado

April 5, 1955

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments - DMEA Docket 270X, (Lead-Zinc), Contract Idm-E261, Montana Mining Development Company, Clear Creek County, Colorado

Enclosed are the original and three copies of a memorandum prepared by John F. Shaw relative to royalties due from production of concentrates from dump rock on the subject property.

Based on this interpretation of the contract no royalty payments are due by this operator and our previous letters requesting royalty payment can be ignored.

We suggest that copies of this memorandum be filed with the Semi-Annual Report for the period July 1, 1954, to December 31, 1955, and also with royalty correspondence pertaining to DMEA Contract Idm-E261.

W. M. Traver

W. M. Traver

Enclosures

WMT:ld

Copy to: Royalty File w/enc.
Semi-Annual Report File w/enc.
T. H. Carlswenson w/enc.
J. F. Shaw w/enc.
R. D. Berkenbosch w/enc.
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado

April 5, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Semi-annual Report, Docket No. DMEA 270X, Contract Idm-E261, Montana Mining and Development Company, Clear Creek County, Colorado

Reference is made to the semi-annual report covering the period July 1, 1954, to December 1, 1954, which was prepared by C. M. Harrer. This report states that during 1953, about 2,000 tons of rock from old Lamartine dumps was milled and 35 tons of concentrates were produced.

Contract Idm-E261 was prepared on Form MF-200 (June 1951). Article 15 of this contract form states as follows:

> "Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced..."

According to our interpretation of the contract, the dump rock that was milled in 1953 is not subject to DMEA royalty.

John F. Shaw

John F. Shaw

JFS/mh

cc: 7 w/orig
Idm-E261
Chron

alb Bely

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

224 New Customhouse
Denver 2, Colorado

March 4, 1955

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: Royalty payments, DMEA Docket 270X (Lead-Zinc), Contract Idm-E2c1, Montana Mining Development Company, Lamartine Mine, Clear Creek County, Colorado

Dear Mr. Bolinger:

Reference is made to our previous letter to you dated February 4, 1955, a copy of which is enclosed.

According to our records several shipments of ore were made from the Lamartine Mine upon which royalty is due the United States Government.

If we do not hear from you by April 4, 1955, in answer to these requests for royalty payment, it will be necessary for us to refer this matter to the Washington DMEA office for their appropriate action.

Yours very truly,

W. M. TRAVER.

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

Enclosure

WMT:la

Copy to: Royalty File [illegible]
J. F. Shaw
T. A. Christensen
Sec. Opr. Contr. ( )
R. D. Berkenkotter
Chron

224 New Customhouse
Denver 2, Colorado

February 4, 1955

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: DMEA Docket 270X (Lead-Zinc),
Contract Idm-E261
Montana Mining Development Company
Lamartive Mine
Clear Creek County, Colorado

Dear Mr. Bolinger:

According to "Termination Agreement" of Contract Idm-E261, dated July 9, 1953, the Government's right to a percentage royalty on production from the Ben Harrison and Croesus Lode Mining claims, U. S. Mineral Survey No. 6381, is preserved as though a "Certification of Discovery" had been issued.

Royalty payments are therefore due on all production from the above mentioned claims from the date of Contract Idm-E261, February 19, 1952. The method of royalty calculation is fully explained in Article 10 of the enclosed copy of DMEA Order 1 - Amended.

Please send us four copies of all settlement sheets pertaining to ore shipments from this property since February 19, 1952. Any royalty payments due from this production should be paid by check sent to Executive Officer, DMEA, Region III, Room 224, New Customhouse, Denver 2, Colorado. Checks should be made payable to the Defense Minerals Exploration Administration.

Yours very truly,

W. M. TRAVER

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

RDB:pw

cc: Sec.Op.Comm. (2)
Royalty File E261
Shaw
Christensen
Berkenkotter
Chron

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

224 New Customhouse
Denver 2, Colorado

February 17, 1954.

Betty

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-270 (Lead-Zinc), Contract No. Idm-E261, Montana Mining Development Company, Lamartine Mine, Clear Creek County, Colorado.

Reference is made to your letter of February 9, 1954 wherein you request advice as to when you may expect to receive the final report by the Operator and the final Field Team report on the subject contract.

The final payment to the Operator was processed in this office February 16, 1954. The engineering and geologic reports necessary for formulating the Field Team report will not be available before some time late in March due to the present heavy work load of the personnel involved.

W H King

W. H. King

500

FEB - 9 1954

Mr. [illegible] H. King, Executive Officer
DMA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-270 (Lead-Zinc)
Montana Mining Development Co.
Lamartine Mine
Clear Creek County, Colorado
Contract No. IMA-3261

Dear Mr. King:

A review of the above contract, which was terminated on July 8, 1953, shows that in order for us to close the files on this contract we will need the final Field Team report and the final report of the Operator. Will you please advise us as to when we may expect to receive them.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Concurred:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

JWAlt/bjl (2/5/54)

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

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

224 New Customhouse
Denver 2, Colorado

November 10, 1953

Memorandum

To: C. C. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 270X (Lead-Zinc), Contract Idm-E261, Montana Mining and Development Co., Clear Creek County, Colorado

Enclosed is a copy of a letter dated November 10, 1953 which is self-explanatory of our efforts to resolve matters to enable closing accounts under the subject contract.

W. H. King

Enclosure

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

C O P Y

224 New Customhouse
Denver 2, Colorado

November 10, 1953

Mr. H. A. Bolinger, Jr., President
Montana Mining and Development Co.
Box 747
Bozeman, Montana

Re: Docket No. DMEA 270X
Contract Idm-E261

Dear Mr. Bolinger:

We are desirous of making finaal payment and enclosing our files on Contract Idm-E-261 at an early date. In order to do so we first must receive your final report and your proposal in the liquidation of the Government's interest in property acquired under the contract. As to your obligation under the terms of the contract, you are referred to article 17 of Exploration Project Contract Form MF-200 on which Contract Idm-E261 is prepared.

At the time of your visit to this office some time back, you were advised of the procedure to follow in disposing of the rock drill and accessories which were purchased under the contract at a reported cost of $593.00. You assured us at the time that you would expedite matters to enable closing the account.

We will appreciate your attention to the cited matters as soon as possible.

Very truly yours,

/s/ W. H. King

/s/ E. N. Harshman
For: A. H. Koschmann

DMEA Field Team, Region IV

JWT:jp
cc: Contract
Chron
WMTraver
AHKoschmann
JWTownsend
COMittendorf

12-19-52
5-19-53

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

224 New Customhouse
Denver 2, Colorado

September 18, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-270X (Lead-Zinc), Contract Idm-E261, Montana Mining Development Co., Clear Creek County, Colorado

Enclosed are the Government, Docket, and Division copies of the "Termination of Work Under an Exploration Project Contract by Agreement" which was executed by you relevant to the subject contract.

Copies of the termination agreement 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

Enclosures

500

JUL 9 1953

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

Re: Docket No. [illegible]-270 (Lead-Zinc)
Montana Mining Development Company
Lemartine Mine
Clear Creek County, Colorado
Contract No. Idm-[illegible]261

Dear Mr. King:

In response to your letter dated June 9, 1953, please find enclosed the original and five copies of the "Termination of Work under An Exploration Project Contract by Agreement", which have been signed by the Government.

When the termination agreement has been properly executed, please make the usual distribution of the copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

JWAlt/bjl (written 7/3/53)

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

Enclosures 6

July 3, 1953

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Justification for Termination of Work under An Exploration Project Contract by Agreement — Docket No. DMEA-270, Contract No. Idm-E261, Montana Mining Development Company, Lamartine Mine, Clear Creek County, Colorado (Lead-Zinc)

In concurrence with the Field Team, this office approves the termination, by agreement, of this contract.

The Operator admits to the lack of funds to continue the work under the contract. The Field Team states that it is doubtful that much can be gained by completing the diamond drilling and unwatering of the winze.

The contract provides for:

1.	260 feet of drifting - $35.00/ft.	$ 9,100.00
2.	400 feet of diamond drilling, AX size or larger, - $8.50/ft.	3,400.00
3.	Allowance for cutting diamond drill stations	100.00
4.	Equipment to be purchased	973.00
5.	Equipment to be rented	762.00
6.	Equipment to be furnished by the Operator	665.00
	Total	$15,000.00

The contract also provides for unwatering the Roberts winze to permit sampling of the sublevel drift. Pumping costs were included in compressor operation and equipment rental.

The Operator began drifting on August 18, 1952, which was just within the allowable starting time of 6 months, according to Amendment No. 3. After numerous difficulties and delays, drifting was finally completed in December 1952 at 200.4 feet where the drift holed into the old workings. The distance was less than the original estimate, indicating that the old maps were not up-to-date or were inaccurate.

Unwatering the Roberts winze was partially completed, but not enough to allow sampling of the bottom of the sublevel. The diamond drilling was not started.

Expenditures to date amount to $8,963.64, which is subject to final audit. Equipment purchase includes:

1 - Atlas rock drill, pneumatic, Conco Pacific Ltd.	New	$346.80
1 - Drill pusher, pneumatic, complete	New	158.10
1 - Complete set of air and water hoses for above	New	18.36
2 - Pieces Sandirk steel, 2 feet 7 inches	New	39.27
2 - Pieces Sandirk steel, 5 feet 3 inches	New	42.53
Total		$605.06

The only items of equipment to be considered for re-sale are the Atlas rock drill and drill pusher. The Field Team states that it is doubtful if a bid of more than $200.00 can be obtained for the machine and pusher.

The work done under the terms of the contract did not expose mineralization of any significance.

SIGNED

W. P. Griswold

JWAlt/bjl

Copy to: Docket
Op. Committee
Base Metals
Chron.

June 25, 1953

Memorandum

To: Chief Counsel

From: Chief, Base Metals Division

Subject: Termination of Contract, Docket No. [illegible]-27[illegible] (Lead-Zinc)
Montana Mining Development Company
Lamartine Mine, Clear Creek County, Colorado
Contract No. [illegible]-c261

The work of Item 1 of Exhibit "A" of the contract was completed. No work was done on Items 2 and 3.

The work completed in Item 1 did not result in any discovery, but the objective or the target as set forth in Exhibit "A" of the contract was not reached. We cannot state definitely if the completion of this work would have or have not resulted in a discovery. However, to be secure, it might be well to stipulate that the Government retained the privledge of making a certification at a later date if it so desired.

W. H. Griswold

Attachment
JWAlt/hmj
(6/25/53)
CC to: Docket
Base Metals
Chron.

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

Transmitted
Betty
6/16/53 - Keep

224 New Customhouse
Denver 2, Colorado

June 9, 1953

Memorandum

To: C.C. Mittendorf, Administrator, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMA-270X (Lead-Zinc), Contract Idm-E261, Montana Mining Development Company (Lamartine Mine), Clear Creek County, Colorado

Enclosed is the following matter pertaining to the termination of Contract Idm-E261 by mutual agreement after start of work.

1. Three copies of a letter from the operator, dated May 25, 1953, requesting termination of the contract.

2. Three copies of a memorandum report and transmittal thereof, dated June 4, 1953, from the Mineral Resources Branch, Mining Division, Region IV, recommending that the contract be terminated.

We concur in the recommendations that the contract be terminated by mutual agreement.

The matter is forwarded for your consideration and appropriate action.

for John F. Shaw
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

COPY

MONTANA MINING DEVELOPMENT CO.
P.O. Box 747
Bozeman, Montana

May 25, 1953

U.S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 270X
Contract Idm-E261

Attention: W.H. King
Executive Officer
Field Team, Region IV

Dear Mr. King:

I am writing this letter to request that the government terminate this contract by mutual agreement, for the reason that the operator is financially unable to proceed with the contract. The liabilities of this corporation are far in excess of its assets, and it has no moneys available at this time to carry on any exploration work.

A second reason for requesting that this contract be terminated is that the decline in metal prices has made it impossible to interest additional capital in going ahead with mining work, and a third reason for requesting this is that it would take a large amount of money to reinforce and recondition the tunnel in this mine back to the point where the exploration work was to be carried on. The condition of this mine would probably make it unprofitable to mine any ore that might be developed as a result of this exploration work.

I can see no reason for the government spending any further money under this contract, and the operator is not in a position to do so.

Yours very truly,

/s/ H.A. Bolinger, Jr.

H.A. Bolinger, Jr.
President

HAB/g

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 4, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company, (Lamartine mine), Clear Creek County, Colorado

Please find enclosed the original and five copies of Scott W. Hazen, Jr.'s memorandum recommending cancellation of the subject contract by mutual agreement, prepared in accordance with your memorandum of May 27, 1953. I am in accord with the recommendation.

Scott W. Hazen, Jr.
Scott W. Hazen, Jr., for
W. M. Traver

enclosures

WMT/pam

cc 5
E261
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

June 4, 1953

Memorandum ✓

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

From: Scott W. Hagen, Jr.

Subject: DMA 27QX, Contract Idm-E261, (lead-zinc) Montana Mining Development Company, (Lamartine mine) Clear Creek County, Colorado

H. A. Bolinger, Jr., president of the subject company, has, by letter dated May 25, 1953, requested termination of Contract Idm-E261 by mutual agreement before completion.

The contract provides for:

1.	260 feet of drifting, at $35.00 per foot	$9,100.00
2.	400 feet of diamond drilling, AX size or larger, at $8.50 per foot	3,400.00
3.	Allowance for cutting diamond drill station	100.00
4.	Equipment to be purchased	973.00
5.	Equipment to be rented	762.00
6.	Equipment to be furnished by operator	665.00
TOTAL		$15,000.00

The contract also provides for unwatering the Roberts winze to permit sampling of the sublevel drift. Pumping costs were included in compressor operation and equipment rental.

The operator began drifting on August 18, 1952, which was just within the allowable starting time of 6 months, according to Amendment No. 3. After numerous difficulties and delays, drifting was finally completed in December, 1952, at 200.4 feet where the drift holed into the old workings. The distance was less than the original estimate, indicating the old maps were not up-to-date or were inaccurate.

Unwatering of the Roberts Winze was partially completed but not completely enough to allow sampling of the bottom of the sublevel. Diamond drilling has not been started.

Expenditures to date amount to $8,963.64, which is subject to final audit. Equipment purchase includes:

1 - Atlas rock drill, pneumatic, Copco Pacific, Ltd., Stock No. RH 656-2W, Serial No. 431682	New	$346.80
1 - Drill pusher, pneumatic, complete. Stock No. BMK 41A2	New	153.10
1 - Complete set of air and water hoses for above.	New	18.36
2 - Pieces Sandvik steel, 2 feet 7 inches	New	39.27
2 - Pieces Sandvik steel, 5 feet 3 inches	New	48.53
TOTAL		$605.06

This includes 2 percent sales tax, thus reducing the amount to about $593.00, which is claimed on the MF-104 forms. Discounting the steel as used and of no particular value, it is doubtful if a bid of more than $200.00 can be obtained for the machine and pusher, but the operator should be requested to obtain bids. This would give a Government equity of $100.00 as the rail and pipe installed are negligible in value compared with the cost of ventilating the mine and the labor cost for recovery.

Bolinger has recently requested conversion of the remaining funds, plus additional funds, to change the objectives of the exploration to raising and to consider drifting on the lower Stag level. None of this work was on property covered in the contract, although Bolinger claimed he could get agreements on the area. These same two objectives were denied as part of the original application (DMA 270X) and were again denied as a request for additional funds. The unwatering of the Roberts Winze would be necessary to pass on the merits of extending the lower Stag level.

Bolinger now admits the lack of funds to continue the contract and desires termination. It is doubtful if much can be gained

by completing the diamond drilling and unwatering the winse. Therefore, it is recommended that the contract be terminated by mutual agreement.

Scott W. Hazen, Jr.
Mining Engineer

SWH:ld

cc: 5
RR61
DMA clrcn.

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

224 New Customhouse
Denver 2, Colorado

May 7, 1953

Mr. H.A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: Docket DMEA 270X
Contract Idm-E261

Dear Mr. Bolinger:

Reference is made to our letter of March 26, 1953, particularly to the last paragraph concerning the completion of the work as outlined in contract Idm-E261 or termination of the contract at the present status of the work.

The Defense Minerals Exploration Administration is not willing to terminate the contract by mutual agreement at this time. They request that the work be completed as outlined in the contract. They further advise that for an operator to refuse to complete the work he may be subject to a claim by the Government for refund of its share of the costs of the exploration work to date.

Please advise this office the date when project operations are or will be resumed.

Very truly yours,

W. H. King

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

JWT:jp
cc Chairman Oper. Comm. w/copy their ltr 4/27/53
JWTraver w/copy Chairman's ltr 4/27/53
AHKoschmann
JWTownsend
Contract
Chron

C
O
P
Y

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

Re: Docket No. DMEA 270X (Lead-Zinc)
Montana Mining Development Co.
Lamartine Mine
Clear Creek County, Colorado
Contract No. Idm-E261

Dear Mr. King:

In reply to your memorandum of March 31, 1953, we are in accord with Mr. Scott W. Hazen Jr., Mining Engineer, who states in his memorandum of March 23, 1953:

> "Item 2 of the contract provides for two diamond drill holes which were mutually agreed upon by the Applicant and the DMEA engineers. There has been no change in the conditions which were the basis for these holes. The fact that ore was not found in drifting under contract item 1 has no bearing on the possibilities of parallel veins in the hanging wall. Both holes should be drilled as agreed upon and called for by the contract. The objective of this particular exploration is as important as the completed drifting under item 1."

In your memorandum of March 31, 1953, you state:

> "The work completed to date has not resulted in a discovery but there are possibilities for a discovery if the work is completed as stipulated in the contract."

We are in agreement with Mr. Hazen that this contract should not be amended to do the additional work as proposed by the Operator.

It is suggested that you advise the Operator that we are not willing to terminate the contract by mutual agreement at this time. We feel that the work of the contract should be completed. If the Operator refuses to complete the work he may be subject to a claim by the Government for its share of the cost of exploration work to date.

Sincerely yours,

/s/ George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ J. H. Hedges
Member, Bureau of Mines

/s/ A. R. Kinkel, Jr.
Member, Geological Survey

500

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

Mr. [illegible] King, Executive Officer
DMEA Field Team, Region I
224 New Customs House Building
Denver 2, Colorado

APR 27 1953

Re: Docket No. [illegible] 270[illegible] (Lead-Zinc)
[illegible] Mining Development Co.
Lawrence Mine
Clear Creek County, Colorado
Contract No. Ia[illegible]-261

Dear Mr. King:

In reply to your memorandum of March 31, 1953, we are in accord with Mr. [illegible] [illegible] Hazen Jr., Mining Engineer, who states in his memorandum of March 23, 1953:

> "Item 2 of the contract provides for two diamond drill holes which were mutually agreed upon by the applicant and the [illegible] engineers. There has been no change in the conditions which were the basis for these holes. The fact that ore was not found in drifting under contract item 1 has no bearing on the possibilities of parallel veins in the hanging wall. [illegible] holes should be drilled as agreed upon and called for in the contract. The objective of this particular exploration is as important as the completed drifting under item 1."

In your memorandum of March 31, 1953, you state:

> "The work completed to date has not resulted in a discovery but there are possibilities for a discovery if the work is completed as stipulated in the contract."

We are in agreement with Mr. Hazen that this contract should not be amended to include additional work as proposed by the operator.

It is suggested that you advise the operator that we are not willing to terminate the contract by mutual agreement at this time. We feel that the work of the contract should be completed. If the operator refuses to complete the work he may be subject to a claim by the Government for its share of the cost of exploration work to date.

Sincerely yours,

SIGNED

Chairman, Operating Committee

APPROVED:

SIGNED

Member, Bureau of Mines

SIGNED

Member, Geological Survey

Base Metals
Mr. Kinkel
Mr. Bishop

JWAlt/hmj
(4/21/53)
CC to: Docket
Adm. R. File
Op. Committee

April 2, 1953

MEMORANDUM to G. C. Selfridge

From: W. R. Griswold, Chief, Base Metals Division

Subject: DMEA Docket 270X, Contract Idm-E261, (Lead-Zinc) Montana Mining Development Company, Clear Creek County, Colorado

Time extensions given both as to starting date and completion date.

Operator states that he "was discouraged" but it would appear from the fact that field wrote the amendment that he plans to resume work.

There are both depreciation and rental items in this contract. However, I am advised by Mr. Chambers that field certifying officers understand that such items are not allowable during idle periods unless a special arrangement has been made.

W. R. Griswold

W. R. Griswold

No. 3

AMENDMENT OF CONTRACT: No. Idm-E261

Contract Docket No. DMEA 270X, dated February 19, 1952, between the United States of America and Montana Mining Development Company is hereby amended as follows, effective as of the date of said contract:

> Referring to Amendment No. 2, dated July 24, 1952, which voided Amendment No. 1, dated May 14, 1952, void said Amendment No. 2 in its entirety.
>
> Referring to Amendment No. 1 dated May 14, 1952, which amended Article 3, Exploration Project Contract Form MF-200, said Amendment is hereby voided.
>
> Referring to Article "3. Exploration Project" of Exploration Project Contract Form MF-200, following the words "The Operator, within", delete "(60) sixty" and in lieu thereof substitute "(180) one hundred eighty", and following the words "all properly designed to bring the project to completion within a period of", delete "six (6) months" and in lieu thereof substitue "seventeen (17) months."

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

Dated December 29, 1952.

MONTANA MINING DEVELOPMENT COMPANY

By /s/ H. A. Bolinger Jr.
President

UNITED STATES OF AMERICA

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

BOLINGER & HORKAN
416 Commercial Nat'l Bank Bldg.
Bozeman, Montana

December 12, 1952

Defense Minerals Exploration Administration
U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Attention: W. H. King

Re: DMEA-270 X Contract Idm-E261

Dear Sir:

The expiration date of the above contract is December 19, 1952, which was one reason that I thought it advisable to discontinue work as of the first of December, but since you have requested that we continue driving the drift under this project, which is agreeable with us, it will be necessary to have an extension of this contract for that purpose until December 31, 1952. On behalf of the Company, I desire to make application for this extension.

The Company would like very much to have the time extended for completing the core drilling under this contract until July 1, 1952, and I am also applying for that extension.

I appreciated very much your calling me and I was sorry that it was impossible for me to contact you personally before deciding to quit on this but did the next best thing and called Mr. Travers' office early Monday morning to report this fact and obtain information about it.

The reason I was discouraged about continuing the extension of this drift was that in the 172 feet that we had driven this drift, we had received no encouragement whatsoever and the work done behind this drift indicates that the defined vein which exists through most of the tenth level of this mine is broken up and that by their previous work they were unable to locate any ore of sufficient value to mine.

There is a very good gamble in this mine which would not require too large an expenditure to develop and I would appreciate it if you would have your men consider the advisability of extending this project to include doing work on this.

At the Y, being the intersection of the drift on the vrain on the Ben-Harrison claim and the drainage tunnel from the Lamartine shaft, our Company heretofore made a raise on the vein between the Morgan stope and the Lamphear stope. This raise is 110-20 feet above the tenth level and was done in a substantial manner on ore of some value

assays showing eight to twenty-eight dollars has been followed in making this raise. On the Morgan stope side of this raise, we did some mining on a vein which had considerable lead ore.

Approximately 200 feet toward the portal from this raise a raise was made to the surface in connection with a boundary line dispute. I have talked with L. Hanchett in Salt Lake City on two occasions, who is the man in charge of making this raise to the surface. He informs me that mineable ore was disclosed practically through the entire length of this raise. By extending this raise 50 to 70 feet, a drift could be made in both directions above the Morgan stope and also above the Lamphear stope.

I understand that ore which appears to be practically solid lead, approximately a foot wide, can be viewed in the top of the Morgan stope at the present time but is inaccessible and that there is also a fair vein of lead ore showing in the top of the Lamphear stope.

The history of these two stopes involves the compromise line which is 205 feet above the tenth level and is probably the reason that mining was not carried on above these stopes.

From Looking at a map of the work done on these mining claims, it sppears that the owners of the Falcon claim worked up to, and there is some indication into, the portal side of the Ben-Harrison claim and that the owners of the Lamartine claim worked up to the far boundary line of the Ben-Harrison claim and that this work was done primarily above the eighth level.

If this work should be approved, I believe the shaft and any drifting that is done should be as small in size as practicable for doing discovery work which could be enlarged if necessary when paying ore was discovered.

I am enclosing an extra copy of this letter for your convenience in referring it to your engineers if you deem it advisable.

Yours very truly,

/s/ H. A. Bolinger, Jr.

H. A. Bolinger, Jr.

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

224 New Customhouse
Denver 2, Colorado

March 31, 1953

4/7/53. Received by [illegible]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-270X (Lead-Zinc), Contract Idm-E261, Montana Mining Development Company, Clear Creek County, Colorado

Enclosed, in triplicate, is the following matter pertaining to the work under the subject contract:

1. Request from the operator, dated February 9, 1953, for a revision of the project work outline.

2. Memorandum report, dated February 25, 1953, by the Bureau of Mines relative to the operator's request which was transmitted to this office by the Chief, Mineral Resources Branch under date of February 26, 1953.

3. Telegram to the operator dated February 20, 1953, advising him of the denial of his request.

4. Letter to the operator, dated March 11, 1953, confirming the telegraphic advice of denial and advice to him that DMEA is desirous of completing the work as originally approved.

5. Letter from the operator, dated March 16, 1953, to the attention of John F. Shaw, wherein the operator indicates a desire to terminate the project rather than complete the work as originally approved.

6. Memorandum report and transmittal, dated March 23, 1953, from the Bureau of Mines recommending that at least the diamond drilling be completed as originally scheduled.

7. Letter to the operator, dated March 26, 1953, with reference to his letter of March 16, 1953.

As stated in the Operator's letter of March 16, 1953, he desires to terminate the contract rather than complete the unwatering of the winze and drilling the hole into the hanging wall of the barren drift.

The operation was recessed about January 6, 1953 on completion of the work under Item 1 of the contract, further work being deferred until Spring.

Subsequent to the date the project was recessed the operator submitted the request for a change in the work outline, which lead to the enclosed reports and correspondence.

The Operator's Form MF-104, Monthly Report and Voucher for the month of December 1952, has been received and is withheld from processing for reimbursement to him pending resumption of work in the Spring, or termination of the contract which ever the case may be.

The December report indicates that 200.4 feet of drift was completed at a total allowable cost of $8,370.64, in addition to which equipment purchases were charged in the amount of $593.00.

The work completed to date has not resulted in a discovery but there are possibilities for a discovery if the work is completed as stipulated in the contract.

We are in doubt as to how to proceed, therefore, the matter is forwarded for you consideration and appropriate action or advice to us as to how to proceed in requiring the operator to complete the work.

W. H. King

W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

March 26, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: Docket No. DMEA 275X
Contract Idm-8261

Dear Mr. Bolinger:

Reference is made to your letter dated March 16, 1953, directed to the attention of John F. Shaw, wherein you indicate a lack of desire to complete a part of the work authorized under Contract Idm-8261. Moreover, the last paragraph of your letter states to the effect that rather than do the work you prefer to terminate the contract.

Particular reference is made to item 2 of the contract which provides for two diamond drill holes to explore in the hanging wall of the Harrison-Croesus drift for the possibility of parallel veins, a part of which work you are reluctant to accomplish. The two drill holes were located by mutual agreement between yourself and DMEA engineers. There has been no change in the conditions which were the basis for their inclusion in the exploration project. The fact that ore was not found in the drifting under item 1 of the contract has no bearing on the possibilities of parallel veins existing in the hanging wall of the barren drift.

Incidentally, the Jack Harris you mention as a USGS geologist must in fact be Jack Harrison who is associated with the Trace Elements Branch of the USGS and not DMEA.

The matter relative to completion or termination of the contract has been referred to Washington for appropriate action.

Very truly yours,

W. H. KING

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

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann (2)
JWTownsend
DMEA, Washington

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 23, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company (Lamartine mine), Clear Creek County, Colorado - Supplemental memorandum regarding a request for amendment

Enclosed please find the original and five copies of Scott W. Hazen, Jr.'s, supplemental memorandum on the request for an amendment to the Montana Mining Development Company contract.

Hazen recommends that the contractor be required to complete the exploration, at least the core drilling, as originally proposed. I concur.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc 5
E261
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 23, 1953

Memorandum

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

From: Scott W. Hasen, Jr.

Subject: DMEA 270X, Contract Idm-2261 (Lead-zinc), Montana Mining Development Company (Lamartine mine), Clear Creek County, Colorado - Supplemental memorandum regarding a request for amendment

Reference is made to a letter dated March 16, 1953, signed by H. A. Belinger, president of the Montana Mining Development Company, which again discusses the proposals for an amendment to the subject contract. The proposed amendment was fully covered in my memorandum of February 25, 1953.

Under the proposed amendment the contractor desires to add development work in the nature of raising and sublevel drifting on ground not controlled by or included in the original contract. This same plan was denied in the original application as being development and not exploration and not on ground controlled by the applicant. There should be no question concerning the final denial of this proposal.

Item 2 of the contract provides for two diamond drill holes which were mutually agreed upon by the applicant and DMEA engineers. There has been no change in the conditions which were the basis for these holes. The fact that ore was not found in the drifting under contract item 1 has no bearing on the possibilities of parallel veins in the

hanging wall. Both holes should be drilled as agreed upon and called for by the contract. The objective of this particular exploration is as important as the completed drifting under item 1. There would be no objection, from an exploration standpoint, to drilling the third hole near the Johnson shaft as requested by the applicant, but it is not on property covered by the contract.

The applicant's request concerning the Roberts winze is at odds with the contract. Item 3 of the contract requires unwatering of the Roberts winze to make these workings available to sampling and geologic study. This includes the bottom of the lowest drift and involves sampling along the bottom of this drift. The unwatering mentioned as being accomplished did make the upper workings in the immediate vicinity of the winze available to preliminary study and sampling but not to the extent necessary to arrive at any conclusion regarding the amount and extent of lead-zinc mineralization existing in the bottom winze workings. Jack Harrison, the USGS geologist mentioned as Jack Harris, is associated with their Trace Elements Branch and not DMEA.

The final paragraph of Bolinger's letter is to the effect that he will terminate the contract if the remaining items are to be completed. I believe that the items should be completed as called for in the contract. I do not believe it is within Bolinger's prerogative to terminate the contract.

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

cc: 5, E261, DMEA Chron.

MONTANA MINING DEVELOPMENT CO.

P. O. Box 747

Bozeman, Montana

COPY

March 16, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

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

Re: Docket No. DMEA 270X
Contract Idm-E261

Attention: John F. Shaw

Dear Mr. Shaw:

In regard to the above contract, we apparently just haven't got together with our ideas and I wouldn't know how to proceed at the present time.

The work remaining to be done under this contract is pumping out the Roberts' winze and digging two core drill holes. Jack Harris was down at the Roberts' winze when it was pumped out within about five feet of the bottom and was able to examine this winze. I think that he could make a sufficient report on this to avoid having to pump it out again. Our men could also make a report of their exploration of this and the assays taken by them. This work was done while we were waiting for the contract approval.

I would like to drill a core drill hole at the Y in this tunnel, but I can see no advantage in drilling one at the end of the barren ground that we drove the drift through. Jack Harris would like to have one drilled at the Y and another one out at the Johnson shaft, depending on what was revealed by drilling the first one.

If you gentlemen agreed that we did not have to unwater the winze again and agreed to the one core drill hole, with possibility of wanting to drill another one, then there would still be money enough to drive the raise and drift as asked in my proposed amendment, and certainly I do not want to run the air compressor to do the core drilling without also using it for mining at the same time.

If I understand your position to be that I have to unwater the Roberts' winze and put a core drill hole in at the back end of the drift that was driven, I will get bids on the Swede drill that was purchased, so we can terminate our contract.

Yours very truly,

/s/ H. A.Bolinger, Jr.
H. A. Bolinger, President

HAB/g
c.c. W.M. Traver, Jr., Chief

C
O
P
Y

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

224 New Customhouse
Denver 2, Colorado

March 11, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1953

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Company
P. O. Box 747
Bozeman, Montana

Re: Docket No. DMEA 270X
Contract Idm-E261

Dear Mr. Bolinger:

Confirming our telegram of February 20, 1953, the request for a change in the work outlined under Contract Idm-E261 contained in your letter of February 9, 1953, is denied. The DMEA is desirous of completing the work as originally approved.

The work you have outlined for the Stag Tunnel may be submitted in the form of a separate application when the problems of finance and ownership have been settled to comply with DMEA requirements.

Very truly yours,

/s/ John F. Shaw

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

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 26, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 270, Contract Idm-E261 (lead-zinc), Montana Mining Development Company (Lamartine mine), Clear Creek County, Colorado - Request for amendment

Please find enclosed the original and five copies of Scott W. Hazen, Jr.'s memorandum on the above amendment request.

The contractor is requesting in this case essentially the program that was denied in his original application. It is our opinion that he should complete the exploration as outlined under the DMEA contract.

Hazen recommends denial of the request for amendment and explains his reasons adequately in his memorandum. I am in complete agreement.

W. M. Traver

W. M. Traver

enclosures

WMT/mmh

cc: 5
E261
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
February 25, 1953

Memorandum

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

From: Scott W. Hansen, Jr.

Subject: RMEA 270, Contract Idm-2861, (Lead-Zinc) Montana Mining Development Company (Lamartine Mine) Clear Creek County, Colorado - Request for Amendment

The subject applicant, by letter of February 9, 1953, requested an amendment to provide for changes in the existing contract. These changes include deletion of one 200-foot diamond drill hole from point "A", as shown on the map (Fig. 1), which is near the holing point of the exploration drift recently completed. The reason for the deletion is based on the fact that the exploration drift did not find commercial-grade ore and that the area is one in which the vein has split and divided. The diamond drill hole was proposed at this location because splits were known to occur (Fig. 2) and they were considered worthy of exploration by drilling. Conditions have not changed since the original proposal and the drill hole is still considered justified.

The second deletion, involving unwatering the Roberts winze, is based on the fact that the winze has already been partially unwatered and ore found. The unwatering was not completed to the extent that sampling of the bottom of old workings could be accomplished. Water in the adjoining Johnson stope could be practically all drained and regulated

by a few diamond drill holes from the Roberts winze workings. The applicant has made no effort to mine or sample the lead and zinc ore revealed by partially unwatering the Roberts winze.

A proposal, which is now presented as a means for spending the remaining funds plus the savings from deleting certain phases of the existing exploration contract, is outlined as rehabilitating an existing raise above the main level near the "Y" at point "B" on the map (Fig. 1), advance the raise 60 feet, and there start a sublevel and drift 180 feet eastward to a second raise known to extend through to surface. The original application contained a similar proposal which was denied as being development rather than exploration. A sample, taken across 2.0 feet of vein in the back of the raise which is to be extended, assayed 0.10 ounce gold and 6.2 ounces of silver per ton and 0.17 percent copper, 11.80 percent lead, and 9.23 percent zinc. In this instance, the proposed work as outlined is within a claim which is not included in the present DMEA contract (Fig. 1). The raising and sublevel drifting are all within an area which cannot be mined by the applicant because of ownership conflicts. A resultant agreement has specified mining limits for the parties concerned. The applicant cannot mine until the second raise is reached and rehabilitated for 40 or 50 feet above the proposed sublevel. It will then be necessary to drift from the second raise to explore for ore. The existence of ore in the second raise is predicated on hearsay evidence only.

The applicant again requests consideration of the 2,500 feet of drifting on the Stag level to develop lead-zinc ore at a depth of 350 feet below the Lamartine level. This proposal was denied previously on the basis that much of the drifting would be within a gold ore zone and through an area involving claims other than the Ben Harrison-Croesus and nothing was definitely known about the lead-zinc ore

below the Johnson winze sublevels. The ore was not developed below these winze sublevels when mining was being carried on in these workings. The Roberts winze was selected for unwatering and sampling in order to determine the value of ore in that one accessible winze sublevel area. The examining team, at the time of the original examination in 1951, concluded that "the field evidence of the existence of lead-zinc ore bodies in quantity below the Lamartine tunnel level is inconclusive although there is reason to believe that lead-zinc mineralization extends below the lowest workings of the Roberts and Johnson stopes."

The applicant has indicated the company may be unable financially to complete the existing contract, if it is amended, without reorganization and reassignment of the DMEA Contract.

It is recommended that the amendment request be denied in all respects at this time. The diamond drilling should be completed as now specified in the DMEA exploration contract. The contract can be terminated with or without the completion of unwatering the Roberts winze.

The other request for exploration by extending the Stag level should be considered as a new application because the work proposed will require company financial reorganization and involves different mining claims.

Floyd L Everett for

Scott W. Hazen, Jr.

SWH:oc

cc: 5
E-261
DMEA Chron.

C
O
P
Y

WESTERN UNION TELEGRAM

Bureau of Mines, Reg. IV (DMEA -6970.001)
Denver, Colorado STRAIGHT TELEGRAM
2/20/53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

H. A. BOLINGER, JR.
COMMERCIAL BANK BUILDING
BOZEMAN, MONTANA

YOUR APPLICATION FOR AN AMENDMENT TO CONTRACT E-261 IS BEING DENIED.

W. H. KING

cc: Accounts
Sub
Chron
W.M. Traver

xxx 747

BOZEMAN, MONTANA
XXXXXXXXXXXXXXXXX

February 9, 1953

Department of the Interior
Defense Minerals
FEB 13
1953

U. S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Attention: W. H. King
Executive Officer, DMEA

Re: Docket DMEA 270X
Contract Idm-E261

Dear Sir:

On behalf of Montana Mining Development Co., I hereby make application to amend Contract Idm-E261, Docket DMEA-270X, as follows:

Delete from the present contract as approved:

1. Drilling diamond drill hole designated as Project No. 4 "A" on the map attached to the application.

2. Delete the project to unwater Roberts winze and stopes below Lamartine Tunnel.

In lieu thereof and with the remainder of the money appropriated for this project, to do the following:

1. Complete diamond drill hole 200 feet in length at "Y" designated as Point "B" under Project 4 on the map attached to the contract.

2. Extend the raise that has been started at the "Y" and which is now 110 feet above the Lamartine Tunnel, an additional 60 feet.

3. Drift from the top of the extension of the raise proposed in Paragraph 2 above, to the east 180 feet to connect with the high raise that now exists in the Ben Harrison Claim, extending from the top of the Morgan stope to the surface.

The costs already expended in connection with this contract, and the proposed expenditures to be as follows:

Total cost of project to date, as reported by operator		$9,138.64
Disallowed on December work	175.00	
Disallowed on October report for rent of slusher	53.04	228.04

W. H. King
Defense Minerals Exploration Administration 2/9/53

Total approved costs under contract to date	$8,910.60
Cost of diamond drill hole, 200 feet at $3.00 per foot	600.00
Entire cost of raise by contract, 60 feet at $25.00	1,500.00
5x7 drift, 180 feet at $20.00	3,600.00
Rent of air compressor, 2-1/2 months at $70.00	175.00
Rent of electric trammer, 2-1/2 months at $70.00	175.00
Rent of 10 mine cars, 2-1/2 months at $15.76	39.40
Total	$15,000.00

The reasons for desiring to delete the core drilling at Point "A" under Project 4 is that no valuable minerals are disclosed at this point in the Lamartine Tunnel and from the drifts that have been completed in this portion of the mine, it appears that the vein is split and divided, and I am of the opinion that the chances of developing mineable ore by construction of this drilling hole are not encouraging.

The reason for not desiring to unwater the Roberts winze is that the operator has already pumped this winze out within approximately six feet of the bottom, and because of the water-filled stopes adjoining these workings, the operator does not consider it practical to mine these workings even though ore is disclosed through a shaft. The correct mining procedure for removing any ores that may be located in this winze is by extending the Stag Tunnel, which is approximately 350 feet below the Lamartine Tunnel, and raising on this ore body which would eliminate the definite hazard that exists from the water in these stopes and make the mining of the same more economical.

The operator feels that the projects requested to be carried on under this contract are very desirable and practical for the purpose of developing lead and zinc ore.

1. Project 4 "B", being the drill hole to be completed to the north at the "Y", is in that portion of the mine where valuable deposits of lead and zinc were mined from the Morgan stope and the Lanphier stope. From old workings on the third level, a parallel vein is indicated to the north of the Lamartine Tunnel and there is no indication that it has intersected the Lamartine Tunnel. This drill hole might develop such a vein.

2. It appears to the operator that the best chance of developing lead and zinc ore in this mine for the money to be expended is by carrying out Projects 2 and 3 as proposed, being extending the present raise and then drifting to the high raise that exists in the mine for the following reasons:

W. H. King
Defense Minerals Exploration Administration

2/9/53

(a) In extending this raise the 110 feet, the operator did intersect a vein of galena ore approximately 30 feet in length, which at one time was nearly a foot in width, which was stoped out and which did not continue above the stoping, but a definite vein exists upon which this raise is constructed with a solid footwall and hanging wall, and the ore at the back of the raise at the present time contains some scattered lead.

(b) There are small deposits of lead and zinc ore disclosed on the back of both the Lanphier and Morgan stopes which adjoin this raise, but which ore is inaccessible either for further exploration or mining without the completion of this raise.

(c) By connecting with the high raise above the Morgan stope, considerable exploration of this mine can be made at low cost through this riase. This raise is not accessible at the present time and cannot be reached without doing the proposed work. The information obtained from Lafayette Hanchett, who was in charge of constructing this raise, is that it follows the vein to the surface and goes through considerable ore of such value as to permit mining the same.

Mr. Marshall, of Idaho Springs, is available at this time and has agreed to complete the diamond drilling at $3.00 per foot if the operator will furnish the air pressure. Mr. Harold Anderson, who has been acting as foreman for the operator, is available at this time and will contract to pay all expenses and drive the proposed raise for $25.00 per foot, and the proposed drift at the top of the raise for $20.00 per foot.

I am of the opinion that both of these men are very reliable and would complete this work as rapidly as possible, and desire to sub-contract with them for this work and get the work started in the near future. If these amendments to the contract are approved, I would greatly appreciate your expediting their approval so that these men can be hired while they are available.

It may be necessary in connection with the operator carrying on this work, that a new company be formed and all of the assets of Montana Mining Development Co. assigned to the new company. I presume if that was done there would be no objection to assigning this contract to the new company which will complete the work.

The proposed drift at the top of the raise would extend below the compromise line and be on the Falcon Claim rather than the Ben Harrison Claim, however this drift would be about 45 feet below the compromise line and the ore developed above that would be on the Ben Harrison Claim. The operator needs no further permission from the owners of the Falcon Claim to do this work, but if the

W. H. King
Defense Minerals Exploration Administration

2/9/53

Government will require a subordination agreement from the Falcon owners, I would appreciate your sending them to me by return mail so that I can get them signed up. The owners of this claim have told me they would be willing to do this.

In connection with consideration of the foregoing and the amendment to this contract, I would like your department to consider a future amendment and enlargement of this contract to cover extending the Stag Tunnel. At the present time the operator has men working to determine a means of extending the airline from the Lamartine Tunnel to the Stag Tunnel through the old workings that have been stoped out between these tunnels. This undoubtedly can be done at not too great a cost, so that air will be available at the face of the Stag Tunnel as it now exists, extending about 60 feet into the Falcon Claim. The Stag Tunnel is in fairly good repair at this time and can be reconditioned and used without too large an expenditure. While all of the mineable ores in this mine carry some lead, it is probably true that the ore in the vicinity of the present face of the Stag Tunnel carries its largest value in gold, but the indications are that the ores extending downward from the Lamartine Tunnel further back in the mine are primarily lead and zinc ores as were mined in the Morgan, Lanphier and Roberts stopes. It appears to the operator that by an expenditure not to exceed $5,000.00, the airline can be extended into the Stag Tunnel and this tunnel reconditioned, and that my contract in the Stag Tunnel could be extended under the lead and zinc ores as disclosed in the Lamartine Tunnel for a total cost of approximately $50,000.00. The indications are that such an extension would disclose a large body of lead and zinc ore.

I believe that the operator can arrange to finance its part of such a project and that such a project is very practicable from the Government's standpoint of developing lead and zinc ores which undoubtedly would be lost in the event that mining operations cease for any period of time on these properties, which require constant attention to prevent caving.

Yours very truly,

Montana Mining Development Co.

HAB/g

H. A. Belinger, Jr., President

April 2, 1953

MEMORANDUM to G. C. Selfridge

From: W. R. Griswold, Chief, Base Metals Division

Subject: DMEA Docket 270X, Contract Idm-E261, (Lead-Zinc) Montana Mining Development Company, Clear Creek County, Colorado

Time extensions given both as to starting date and completion date.

Operator states that he "was discouraged" but it would appear from the fact that field wrote the amendment that he plans to resume work.

There are both depreciation and rental items in this contract. However, I am advised by Mr. Chambers that field certifying officers understand that such items are not allowable during idle periods unless a special arrangement has been made.

W. R. Griswold

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

224 New Customhouse
Denver 2, Colorado

January 28, 1953

Keithwin
Betty

Mr. H. A. Bolinger, Jr., President
Montana Mining Development Co.
P. O. Box 747
Bozeman, Montana

Re: Docket DMEA 270X
Contract Idm-E261

Dear Mr. Bolinger:

This office is in receipt of your Form MF-104, Monthly Report and Voucher, which constitutes your claim for reimbursement for the amount of the Government's participation in the costs of work performed during the month of December 1952.

We have been informed by our inspecting engineer that work was recessed on about January 6, 1953, and that the December report will be the last until work under Contract Idm-E261 is resumed at some later indefinite date.

Inasmuch as the Government has no guarantee that work will be resumed, we are obligated to withhold from the final payment such amounts, up to 10% of the total amount of Government participation, to safeguard the Government's interest in jointly owned property, and until the final report and accounting have been received.

A review of your December report indicates that the allowable reimbursement to you would be as follows:

Total amount claimed	$1,554.00
Deduction - overclaim of 5 foot of work accomplishment @ $35.00 per foot	175.00
Corrected total amount allowable	$1,379.00
Reimbursement - 50% Government participation	689.50

Inasmuch as the reimbursable amount falls below 10% of the total authorized Government participation, which would be $750.00, the entire amount due you is withheld pending resumption of work.

Very truly yours,

W. H. King

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

JWT:jp
cc Contract
Chron
Sec. to Oper. Committee (2)
WMTraver
JWTownsend

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
1952

224 New Customhouse
Denver 2, Colorado

December 29, ~~1952~~ 1953

1/6/53 Received by [illegible]

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 3 to Contract Idm-E261, Docket DMEA 270X, Montana Mining Development Company

Enclosed are the original and two copies of Amendment No. 3 to Contract Idm-E261. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment.

W. H. King

W. H. King

Enclosures

December 12, 1952

Defense Minerals Exploration Administration
U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Attention: W. H. King

Re: DMEA-270 X Contract Idm-3261

Dear Sir:

The expiration date of the above contract is December 19, 1952, which was one reason that I thought it advisable to discontinue work as of the first of December, but since you have requested that we continue driving the drift under this project, which is agreeable with us, it will be necessary to have an extension of this contract for that purpose until December 31, 1952. On behalf of the Company, I desire to make application for this extension.

The Company would like very much to have the time extended for completing the core drilling under this contract until July 1, 1953, and I am also applying for that extension.

I appreciated very much your calling me and I was sorry that it was impossible for me to contact you personally before deciding to quit on this but did the next best thing and called Mr. Travers' office early Monday morning to report this fact and obtain information about it.

The reason I was discouraged about continuing the extension of this drift was that in the 172 feet that we had driven this drift, we had received no encouragement whatsoever and the work done behind this drift indicates that the defined vein which exists through most of the tenth level of this mine is broken up and that by their previous work they were unable to locate any ore of sufficient value to mine.

There is a very good gamble in this mine which would not require too large an expenditure to develop and I would appreciate it if you would have your men consider the advisability of extending this project to include doing work on this.

At the Y, being the intersection of the drift on the drain on the Ben-Harrison claim and the drainage tunnel from the Lamartine shaft, our Company heretofore made a raise on the vein between the Morgan stope and the Lamphear stope. This raise is 110-20 feet above the tenth level and was done in a substantial manner or of some value

assays showing eight to twenty-eight dollars has been followed in making this raise. On the Morgan stope side of this raise, we did some mining on a vein which had considerable lead ore.

Approximately 200 feet toward the portal from this raise a raise was made to the surface in connection with a boundary line dispute. I have talked with L. Hanchett in Salt Lake City on two occasions, who is the man in charge of making this raise to the surface. He informs me that mineable ore was disclosed practically through the entire length of this raise. By extending this raise 50 to 70 feet, a drift could be made in both directions above the Morgan stope and also above the Lamphear stope.

I understand that ore which appears to be practically solid lead, approximately a foot wide, can be viewed in the top of the Morgan stope at the present time but is inaccessible and that there is also a fair vein of lead ore showing in the top of the Lamphear stope.

The history of these two stopes involves the compromise line which is 205 feet above the tenth level and is probably the reason that mining was not carried on above these stopes.

From looking at a map of the work done on these mining claims, it appears that the owners of the Falcon claim worked up to, and there is some indication into, the portal side of the Ben-Harrison claim and that the owners of the Lamartine claim worked up to the far boundary line of the Ben-Harrison claim and that this work was done primarily above the eighth level.

If this work should be approved, I believe the shaft and any drifting that is done should be as small in size as practicable for doing discovery work which could be enlarged if necessary when paying ore was discovered.

I am enclosing an extra copy of this letter for your convenience in referring it to your engineers if you deem it advisable.

Yours very truly,

H. A. Bolinger, Jr.

HAB:pt

Enclosure

TRANSLATION BY Betty J. Lackhoff

12/16/52

270X

Mr. Keller:

King advised that operator was closing property down but had no valid reason. He thought they should continue. I told him he could inform operator that he was obligated to complete the contract and to withhold payments. Also, that if a phone call did not accomplish the purpose to follow up with a registered letter. He said he would follow that procedure. Evidently the phone call got results.

FEJ

12/16/52

Mr. Heller:

King advised that operator was closing property down but had no valid reason. He thought they should continue. I told him he could inform operator that he was obligated to complete the contract & to withhold payment. Also, that a phone call did not accomplish the purpose to follow up with a registered letter. He said he would follow that procedure. Evidently the phone call got results.

J.E.J.

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

224 New Customhouse
Denver 2, Colorado

December 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

Memorandum

To: Frank E. Johnson, Deputy Administrator, DMEA

From: Executive Officer, Field Team, Region IV

Subject: Contract E261, Docket DMEA 270X, Montana Mining and Development Company

In reference to our telephone call to you on Friday, December 5 relative to DMEA 270X, Contract E-261, we called Mr. Bolinger of the Montana Mining & Development Company and stated our ideas in regard to his suspension of operations under this contract.

Operations were resumed on December 8.

W. H. King

W. H. King

Diary

Copy

December 5, 1952

4:20 PM

Mr. King of Denver phoned regarding Montana Mining and Development Company, Idaho Springs - DMEA-270X, Idm-E261.

Understand - intend closing - and would shut down for winter (substantiated by King). No excuse for closing down. Cannot evaluate.

Completed 172 feet of drifting
Paid $1,219.32 - still some due.

Told King to notify them they were obligated to complete the work under the contract and to withhold any payments due. He wanted to know if O.K. to phone from Denver as they might go ahead if they knew our position. I said "all right to phone but follow up with letter by registered mail, return receipt requested." King said "what if they could not go ahead, was out of money; or other reasons", I said "we could demand the return of what we had paid but not to mention this step until we had received their reaction or reply, that we might want to insist on continuing; depending on the circumstances. I also told him I would put it in the hands of our Legal Division as to what we would do if they failed to respond or comply. King said "O.K. they would proceed accordingly.

270X

APPROVAL OF SUBCONTRACT

To: Montana Mining Development Company

That certain contract, a copy of which you have submitted with your request for approval, dated August 16, 1952, between you and Leonard Abbot, to extend the Ben Harrison-Croesus drift on the Lamartine tenth level, which is all or a specific element of the work described in an Exploration Project Contract dated February 19, 1952, IdmE-261, Docket No. DMEA 270X, is hereby approved by the United States of America, subject to the following terms and conditions:

1. The Government shall not be nor be considered to be a party to said independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of said independent contract.

2. Regardless of the provisions of said independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary.

3. The said independent contract shall not have the effect of increasing the estimated total cost of the exploration project contract or the maximum amount which the Government will pay as provided in the exploration project contract.

Dated: September 16, 1952.

THE UNITED STATES OF AMERICA

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

A G R E E M E N T

This agreement made and entered into this 16th day of August, 1952 by and between Montana Mining Development Company, a corporation, Party of the First Part and Leonard Abbot of Idaho Springs, Colorado, Party of the Second Part, WITNESSETH:

That the Party of the First Part has entered into a Contract with the United States of America under an Exploration contract ~~IMMA-2761~~, IdmE-261 which contract as amended, requires First Party to commence work on or before August 19th, 1952, and to complete the work of extending the Lamartine drift through the Ben Harrison Crocus Mining claim on or before December 19th, 1952, and that the parties hereto desire to enter into an agreement under the terms of which second party will do said mining work in accordance with and in compliance with said contract of First Party with the Government.

L. & A.
MMDevCo
by [illegible]
Pres

In consideration of the premises, the parties hereto agree as follows:

1. Second Party agrees to immediately commence to mine at the face of the Lamartine drift as now extended in the Ben Harrison Crocus Mining Claims. To continue mining with due diligence in extending said drift approximately two hundred and sixty (260) feet in accordance with the specifications of and time requirement of said Government contract and to furnish all labor, supervision, engineering, accounting, sampling, assaying, power, supplies, repairs, pipe, rail, timber, explosives, transportation and equipment ~~[illegible]~~ incident to said work except such equipment as is to be furnished by the First Party as hereinafter provided.

2. First Party agrees to furnish to Second Party the following equipment now located at said mine: Air compressor and air line as now installed; electric tramper with batteries and charger and ten (10) mine cars in present state of repair, one rock drill, one mucking machine, if such machine can be rented for an amount not to exceed Two Hundred Twenty ($220.00) per month, or in the event Second Party shall rent one at a higher rental, to pay Second Party Two Hundred Twenty Dollars ($220.00) per month as rental.

3. Second Party agrees to keep said equipment in good repair and to return the same to first party in as good a condition as the same is now in at the expiration of this contract.

4. Second Party agrees to keep the Lamartine Tunnel in such repair as is necessary to carry on and complete the work to be done under this agreement, except for major caveins of old workings.

5. Second Party agrees to perform and complete said work without any expense to First Party other than the payments herein provided to be paid by first party.

6. First Party agrees to pay Second Party the sum of Thirty-five Dollars ($35.00) per lineal foot of drift. Payment to be made on the first and fifteenth of each month for work done in previous fifteen days, all monies advanced by First Party to Second Party to be deducted from such payments.

7. Payment shall not be made for any work not approved by Government supervisors as being in compliance with Government contract.

8. Second Party agrees to carry workman's compensation insurance on all men employed by him in doing said work and to save First Party harmless from any liability of any kind in connection with Second Party doing said work.

9. It is agreed that in the event that Second Party shall fail to extend the drift in which the mining is to be done at least fifteen feet in each ten day period of time commencing September 1, 1952 that then in that event this contract shall terminate and end and First Party shall be under no further obligation to Second Party except for payment of work already completed by Second Party.

IN WITNESS WHEREOF the Party of the First Part has caused these presents to be executed by its duly authorized officers and the Party of the Second Part has signed his name executing eight copies of this agreement the day and year first above written.

Attest:

Florence M. Bolinger
Secretary

Montana Mining Development Company

By H A Bolinger Jr.
President

Party of the First Part

Leonard A Gilchrist
Party of the Second Part

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

224 New Customhouse
Denver 2, Colorado

September 16, 1952

Memorandum

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

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 270X, Contract IdmE-261, (Lead-Zinc) Montana Mining Development Company, Clear Creek County, Colorado

Enclosed, in triplicate, for inclusion in the subject contract is Government approval of the attached copy of an agreement between the operator and Leonard Abbot, for performance of drifting authorized in Contract IdmE-261.

W. H. King
W. H. King

Enclosures

SEP 17 1952

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

224 New Customhouse
Denver 2, Colorado

September 8, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 11 1952

Memorandum

To: Chairman, Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Docket DMEA 27C, Contract Idm-E261, Montana Mining Development Co. (Lead-Zinc)

Work under Contract Idm-E261 started on August 18, 1952. According to our records, Amendment No. 2 dated July 24, 1952 extended the starting date until August 19, 1952. The operator was unable to start sooner because of a shortage of labor.

W. H. King

W. H. King

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

AUG 2 1 1952

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

Re: Docket No. DMEA-270 (Lead-Zinc)
Contract No. Idm-5261
Montana Mining Development Co.

Dear Mr. King:

We have received the two amendments to the above-referenced contract, both pertaining to the time when the work on the project will commence and when it will be completed.

There seems to be considerable delay in starting the work on this project. According to Amendment No. 2, dated July 24, 1952, work should have commenced on August 17, 1952.

Please advise us if the Operator has started work on this project and the reasons for the delays.

Sincerely yours,

S. C. Selfridge
ACTING Chairman, Operating Committee

APPROVED:

C. N. Johnson
Member, Bureau of Mines

S. M. Lemmon
Member, Geological Survey

JWAlt/bjl (written 8/20/52)

Copy to: Docket
Admr. R. File
Op. Committee
W. F. Keller
Mr. Bishop
Mr. McKnight
Chron.

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

224 New Customhouse
Denver 2, Colorado

July 24, 1952

Memorandum

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

From. Executive Officer, Field Team, Region IV

Subject: Amendment No. 2 to Contract IdmE-261, Docket DMEA 270, Montana Mining Development Company

Enclosed are the original and two copies of Amendment No. 2 to Contract IdmE-261. Copies of this amendment 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

Enclosures

JFS:ld

cc: Contract, chron.
Koschmann

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

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

224 New Customhouse
Denver 2, Colorado

May 14, 1952

Memorandum

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

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract IdmE-261, Docket DMEA 270X, Montana Mining Development Company

Enclosed are the original and two copies of an amendment to Contract IdmE-261, Docket DMEA 270X, Montana Mining Development Company. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

JHE:ld

cc: Contract, chron.
Kosch

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

224 New Customhouse
Denver 2, Colorado

April 18, 1952

REGISTERED MAIL

Memorandum

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

From: Executive Officer, Field Team, Region IV

Subject: Contract IdmE-261, Docket DMA 270X, Montana Mining Development Company

Enclosed are the original and three copies of the above contract. All copies have been signed by the Acting Administrator, DMEA, and by the Secretary of the Montana Mining Development Company.

One copy of this contract has been given to the Operator and one copy has been retained for our files.

J. H. Ernst, Jr.

Enclosures

JHSild 4 P.S.

cc: Contract, chron.
Koschmann

Mr. J. H. Faust, Jr.
Executive Officer, Region IV
DMEA Field Area
224 New Customs House Building
Denver 2, Colorado

Re: DMA Docket No. 2701 (Lead-Zinc)
Montana Mining Development Co.

Dear Mr. Faust:

In reply to your memorandum of April 1, 1952, referring to the subject Docket, there apparently is a misunderstanding of the intent expressed in the two letters relative to procedure in event the contract was not satisfactory. It was our intent, however, that if this contract was not satisfactory to you, or the operator, you would proceed to draw up and finalize a satisfactory contract within your delegated authority. The letter from Frank E. Johnson was merely enclosed to show you that the DMEA Operating Committee had approved this contract.

We have reviewed Exhibit "A" as proposed by your office and we are in accord with the changes in equipment, location of diamond drill holes and dewatering project.

We are, therefore, returning the contract incorporating your proposed Exhibit "A" for completion by your office in the normal manner.

Sincerely yours,

(signed) FRANK E. JOHNSON

for Acting Administrator
Defense Minerals Exploration
Administration

JWAlt/bmj
4-11-52
CC to: Adm. Pending File
Operating Committee
Docket File Copy
Region IV
Mr. Bishop
Mr. McKnight
Mr. Moulds
Mr. Alt

Mr. J. H. Fast, Jr.,
Executive Officer
DMEA Field Team, Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Re: DMA Docket No. 270X (Lead-Zinc)
Montana Mining Development Co.
Exploration Project

Dear Mr. Fast:

In connection with the subject application, the exploration program recommended by the Field Team differed from the applicant's proposal. Also, suggestions from Mr. Allsman and Mr. Traver are at variance with each other and with the program recommended by the Field Team.

The application and Field Team report were reviewed by the Commodity Group here in Washington. As a result of this review the Commodity Group have agreed on an Exploration Project in the amount of $15,000.00, which is considerably less than that proposed by the applicant or recommended by the Field Team. Although a project of $15,000.00 would normally fall within the authority delegated to you, in order to expedite its completion, a contract has been prepared in this office which I have signed and the original and five copies are enclosed with letter from the Operating Committee.

If the proposed contract is not satisfactory to you, or the applicant, it is suggested that you attempt to come to some agreement with the applicant for a contract in an amount within your delegated authority.

FEJohnson/bih
2/19/52
cc to: Docket
Admr's Reading File
Messrs.Moulds
Alt
FEJohnson

Sincerely yours,

[illegible]

Acting Administrator
Defense Minerals Exploration
Administration

Enclosures (7)

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

Re: Docket No. DMA 270X, Lead-Zinc
Montana Mining Development Co.
Exploration Project Contract

Dear Mr. Mast:

We are enclosing the original and five copies of the above subject contract, signed by this office for the Government, together with Exhibit "A" (3 pages), one map and one Landlord's Subordination Agreement.

If the terms and conditions of this contract meet your approval and are satisfactory to the Operator, all copies are to be signed by a duly authorized official of the Company. One copy is to be given to the Operator, one copy retained by your office and the original and three copies returned to this office. However, if any changes are required, all the contract copies are to be returned to this office with your comments regarding the proposed changes.

Sincerely yours,

(signed) FRANK E. JOHNSON
Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures-6
APPROVED:

J. H. Hedges
Member, Bureau of Mines

L. P. Thayer
Member, Geological Survey.

JWAlt/hmj
2-14-52
cc to: Adm. R. File
Docket File Copy
Mr. Bishop
Mr. McKnight
Mr. Moulds
Mr. Alt
Region IV

FEB 8 1952

Mr. James E. Anderson, Manager
Montana Mining Development Co.
P. O. Box 458
Idaho Springs, Colorado

Re: Docket No. DMA 270Y

Dear Mr. Anderson:

This is to acknowledge receipt of your letter of January 31, 1952 with the enclosed Landlord's Subordination Agreements for the Ben Harrison and Croesus Claims.

The work that was originally planned to be done on the Almrod property which was one 200-foot drill hole could be done on the Ben Harrison and Croesus Claims. This would allow you the 400 feet of diamond drilling(2 holes) as recommended by the letter to you of August 30, 1951 from Don Lyon, Director, Supply Division.

With this in mind, we will proceed to draw up a contract for the work approved.

Sincerely yours,

D. E. Moulds

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

JWAlt/mch/hmj
2-6-52
cc to: Adm. Reading File
Docket File Copy
Mr. Bishop
Mr. McKnight
Mr. Alt
Mr. Moulds

JAN 9 - 1952

Mr. R. A. [illegible]linger, Secretary
Southern [illegible] Development Company
Box 458
Idaho Springs, Colorado

Re: Lock [illegible] [illegible]

Dear Mr. [illegible]:

[illegible] of the Defense Minerals Administration files indicate that on October [illegible], 1951, James [illegible] Anderson, Manager of your Company wrote to Mr. Tom Lyon, Director, Supply Division, supplying him with information and stated: "The subordination of interest (Form DM-202) will be forwarded as soon as they are executed."

To date we have not received these executed forms. In order that we may process your application we will, appreciate at your earliest convenience the receipt of these forms or your request to withdraw the application in the event you do not desire the exploration assistance under the requirements of General Order 5, a copy of which is enclosed for your information.

Sincerely yours,

SIGNED

[illegible] Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

Enclosure - 1
JAlt:wp 1/[illegible]/52
cc to: Adm. Handling File
Mailing Files
Docket
Field Office, Region IV
Mr. Hillendorf
Mr. [illegible]
Mr. [illegible]
Mr. Moulds
Mr. [illegible]

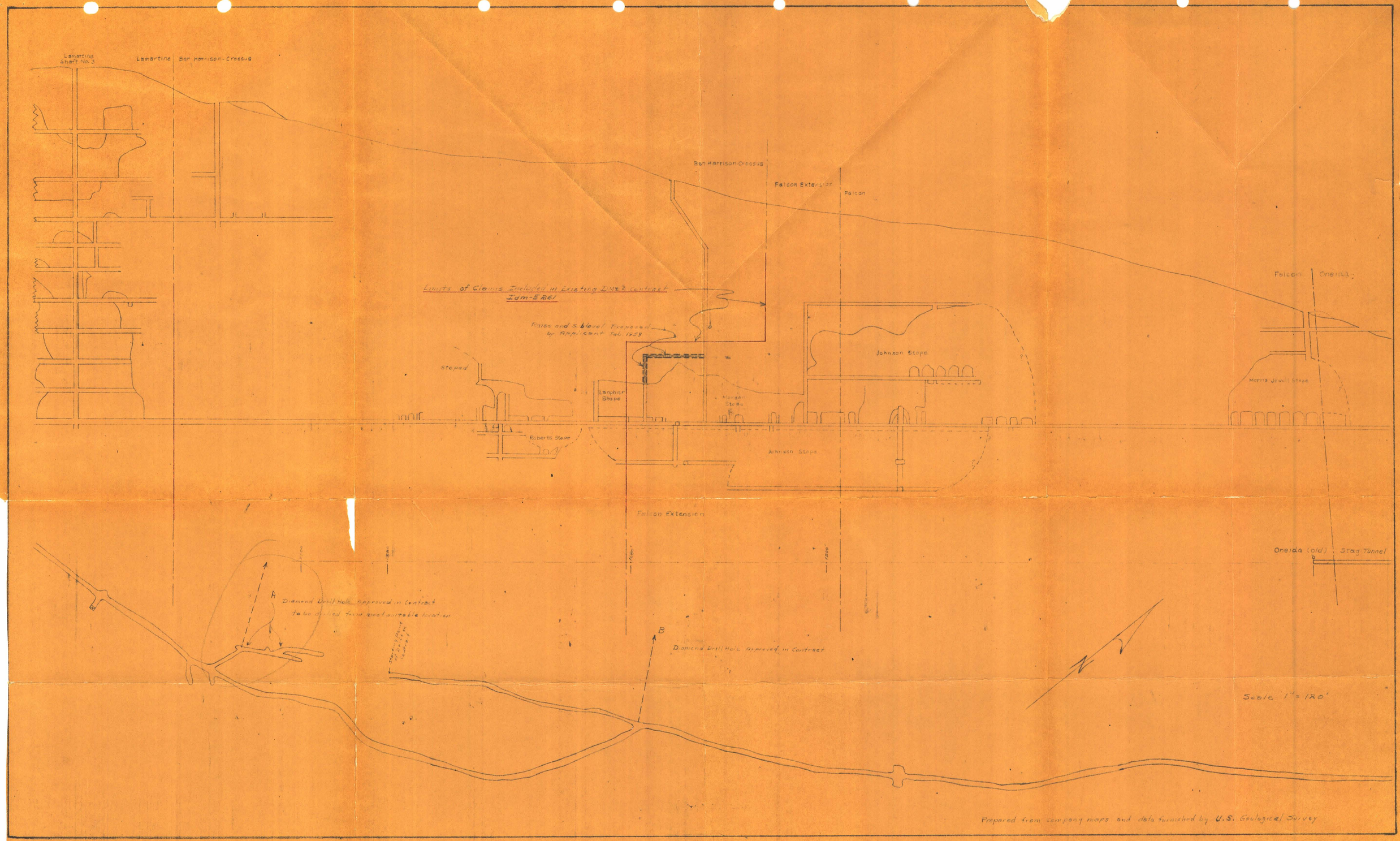
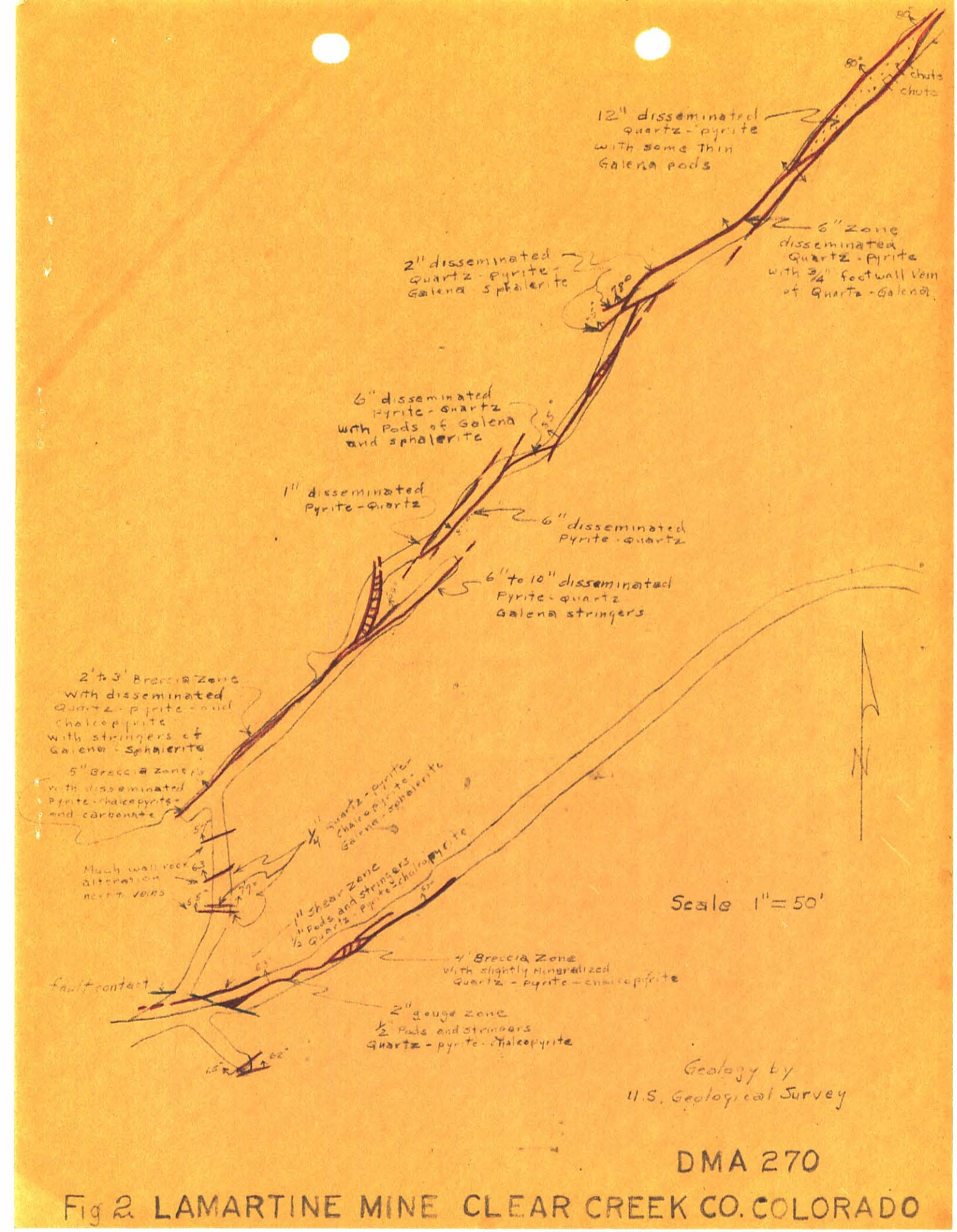


FIG. 1 LAMARTINE MINE CLEAR CREEK COUNTY, COLORADO DMA 270



DMA 270

Fig 2 LAMARTINE MINE CLEAR CREEK CO. COLORADO