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-E261, 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

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

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.
Lenwhine Mine
Clear Creek County, Colorado
Contract No. Idm-3261

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,

s/ H. S. Martin
Acting Chairman, Operating Committee

Enclosures

APPROVED:

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

s/R. D. Trace
Member, Geological Survey

JM:lt/er; JChambers/ab 5/9/55

cc to: Admr. R. File, Docket, Oper. Committee,
Lead Metals, Mr. Bishop, DMEA, Mr. Killegard, DCS
Chron., Hopkins 5/11/55

C
O
P
Y

Mr. Champion
Posted file
file
court folder

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

Enclosures

RDB:ld

Copy to: Royalty File E261 w/enc.
Semi-Annual Report File w/enc.
T. A. Christensen w/enc.
J. F. Shaw w/enc.
R. D. Berkenkotter w/enc.
Chron.

C
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P
Y

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.

Signed/ John F. Shaw
John F. Shaw

JFS/mh

cc: 7 w/orig
Idm-E261
Chron

C
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Y

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
Boseman, Montana

Re: Royalty payments, DMEA Docket 270X (Lead-Zinc), Contract Idm-E261, 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,

/s/ W. M. Traver

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

Enclosure

RDB:ld

Copy to: Royalty File E261
J. F. Shaw
T. A. Christensen
Sec. Opr. Comm. (2)
R. D. Berkenkotter
Chron

C
O
P
Y

224 New Customhouse
Denver 2, Colorado

February 4, 1955

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

Very truly yours,

/s/ 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

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-E261, 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

JAN 26 1954

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

Re: Idm-E261, DMEA-270X
Montana Mining and
Development Company
Clear Creek County, Colorado

Dear Mr. Finch:

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

The Report is acceptable and normal distribution of the copies may be made.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
January 26, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

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

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

Month of December, 1952 Docket No. DMEA 270X Contract No. Idm-E261
Operator's Name Montana Mining Development Co. Minerals Lead-Zinc
Address Idaho Springs, Colorado
Contract Amount, $ 15,000 Government Participation: 50 % Amount, $ 7,500

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,168.00	6,020.00	7,189.00	994.00	6,020.00	7,014.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	220.00	476.64	696.64			
Purchase		503.00	503.00			
Depreciation	165.00	495.00	660.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,554.00	7,584.64	9,138.64	1,379.00	7584.64	8,963.64
				- 215.00		- 215.00
				- 12.06		- 12.06
				1,151.94	7584.64	8,736.58
				$ 575.97		

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

Date 1/19/53 *Payee Montana Mining Development Co.

Per W. A. Bohnger Title President

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

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

(Instructions on reverse)

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

Signature _____ (Authorized Certifying Officer)

Date 2/26/54 Voucher No. 54-84

(See other side)

* Liquidation of Property

** Underclaim by operator in totals to date.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tam-E261 in accordance with the terms of the contract.

Signature M L Dare #68950 Title Mining Engineer Date 1/23/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W R King Title Executive Officer Date FEB 16, 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 270X Contract No. Idm-E261
Operator's Name Montana Mining Development Co. Minerals Lead - Zinc
Address Idaho Springs, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	1594.00	33.4	8,545.64	205.4	41.60	260	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	- - -	- - -	- - - -	- - -	- - -	400	8.50
Churn								
Auger								
Drill Station		- - -	- - -	- - - -	- - -	- - -	1	100.00
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		1594.00	33.4	8,545.64				
Operating Equipment Purchased				593.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1594.00		9,138.64				

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

Date January 19, 1953 Operator Montana Mining Development Co.

Per W. B. Bolinger Jr. Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

U. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: February 17, 1954
Payee's
Reference: Progress Report

December, 1952 - FINAL

Montana Mining Development Co.,
P O Box 158
Idaho Springs, Colo.
IGs-F261

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

Amount Claimed $ 1,554.00

Difference $ 402.06

Amount Approved $ 1,151.94

The reason for the difference was due to:

In conformance with the Report of Review by Contract Administration and Audit Division dated Jan. 22, 1954, the following reconciliation was made.

Settlement of liquidation of property $215.00
Under-claim by operator in totals to date 12.06
Sub-contract drifting claimed by operator
205.4 feet @ $35.00. 200.4 feet at $35.00
approved by field team, leaves a difference
of 5 feet at $35.00 per foot 175.00
402.06

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

February 16, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 270X (Lead-Zinc), Contract No. Idm-E261, Montana Mining Development Company (Lamartine Mine), Clear Creek County, Colorado - Operator's Monthly Progress Report for the month of December 1952. **FINAL PAYMENT**

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report and Engineer's Report for the above period, which constitutes the Operator's final accounting report under the terms of the contract.

Also enclosed with each copy of the report are data relative to the disposition of jointly-owned property acquired under the contract.

Work has been accomplished as authorized in the contract and the Operator has complied with all requirements.

Final payment is recommended as follows, which is in conformance with the Report of Review by the Contract Administration and Audit Division, dated January 22, 1954.

Basis for Final Payment

Total accepted cost by Report of Review	$8,748.64
Government participation at 50%	4,374.32
Total prior payments	3,798.35
Balance due the Operator	$575.97

Reconciliation with Operator's Form MF-104 Report for the month of December 1952

Gross amount of claim		$1,554.00
Settlement of liquidation of property	$215.00	
Under claim by Operator in totals to.date	12.06	
Disallowed by Report of Review	175.00	
	$402.06	402.06
Balance -		$1,151.94
Government participation at 50%		575.97
Balance due the Operator		575.97

W. H. King

Enclosures

JWT:cwm

cc: Contract; WMTraver; Secretary to the Oper. Comm. (2); Chron.; JWTownsend.

224 New Customhouse
Denver 2, Colorado

January 15, 1954.

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:

Consistent with the authority delegated to this office under Order No. 2684 from the Office of the Secretary, Department of the Interior, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, does hereby accept your bid and proposal dated December 24, 1953, in the amount of $215.00 in the liquidation of the jointly-owned property acquired under Contract No. Idm-E261.

The sum of $215.00, reflecting both yours and the Government's interest in the property, will be deducted from the gross amount of claim by you on Form MF-104, Operator's Monthly Progress Report and Voucher for the month of December 1952, thereby automatically making a deduction of the amount of $107.50 due the Government as its interest in the property.

Form MF-104 for the month of December 1952 will be placed in line for reimbursement to you under the terms of the contract upon release of a Report of Review or Audit Report of Contract Expenditures by the Contract Administration and Audit Division. The audit will be scheduled just as soon as an auditor is available for the assignment.

Very truly yours,

W H King

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

JWT:cwm

cc: Contract
WMTraver
AHKoschmann
MF-104 (5)
JWTownsend
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 14, 1954

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 270X, Contract Idm-2861 (Lead-zinc), Montana Mining Development Company (Lamartine mine), Clear Creek County, Colorado

Enclosed are the original and seven copies of a memorandum by M. H. Salsbury recommending acceptance of the contractor's bid of $215.00 for jointly owned property on the above contract. The recommendation has my approval.

W. M. Traver

W. M. Traver

enclosure

WMT/kp

cc: 7
2861
Chron

MAYNARD SINTON
PRESIDENT

JAMES E. ANDERSON
MANAGER

HAL BOLINGER
SECRETARY

MONTANA MINING DEVELOPMENT CO.

P. O. Box ~~XXX~~ 747

BOZEMAN, MONTANA
~~IDAHO SPRINGS, COLORADO~~

Mining Division
DEC 1953
BUREAU OF MINES

December 24, 1953

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

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

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

Dear Mr. King:

I am enclosing three bids on the Atlas rock drill purchased under the above-entitled loan, half of the purchase price being paid by the government and half by Montana Mining Development Co. The bid of Thomas Otter is for $200.00, the bid of George H. Anderson is $210.00, the bid of Montana Mining Development Co. is $215.00.

I attempted to get bids from machinery dealers in Denver and sent them forms to sign and received a reply from one of them, Harry L. Sinclair, saying that he would not make a bid on any of this equipment, and I failed to receive a return to the letter I wrote to Copco Pacific, Ltd. asking them for a bid. I presume that the bid of Montana Mining Development Co. can be deducted from the balance owing on the loan to our company.

I am also enclosing the final narrative report which I trust will be sufficient.

Yours very truly,

H. A. Bolinger, Jr.

HAB/g
enclosures

MAYNARD SINTON
PRESIDENT

JAMES E. ANDERSON
MANAGER

HAL BOLINGER
SECRETARY

MONTANA MINING DEVELOPMENT CO.

P. O. Box ~~858~~ 747

BOZEMAN, MONTANA
~~IDAHO SPRINGS, COLORADO~~

December 4, 1953

Gentlemen:

Montana Mining Development Co. is the owner of one drill described as follows:

	Cost
Model RH 656 2W Atlas Rock Drill	$340.00
Pneumatic Pusher BMK 61A2 @ $165.00(Used)	148.50
One hose set w/lubricator	18.00
Two pieces Sandvik Coromant Steel 2'7"	38.50
Two pieces Sandvik Coromant Steel 5'3"	41.70

which was purchased from Copco Pacific, Ltd. in September, 1952 under a government loan.

Under the requirements of this loan, it is necessary that the mining company receive bids for the purchase of this drill. Will you please submit a bid to us on this equipment?

Yours very truly,

HAB/g

H. A. Bolinger, Jr.,
President

Montana Mining Development Co. bids $215.00 on the above-described equipment.

H. A. Bolinger Jr.
President

MAYNARD SINTON
PRESIDENT

JAMES E. ANDERSON
MANAGER

HAL BOLINGER
SECRETARY

MONTANA MINING DEVELOPMENT CO.

P. O. Box ~~438~~ 747

BOZEMAN, MONTANA
~~BOZEMAN, COLORADO~~

December 4, 1953

Gentlemen:

Montana Mining Development Co. is the owner of one drill described as follows:

	Cost
Model RH 656 2W Atias Rock Drill	$340.00
Pneumatic Pusher BMK 61A2 @ $165.00 (Used)	148.50
One hose set w/lubricator	18.00
Two pieces Sandvik Coromant Steel 2'7"	38.50
Two pieces Sandvik Coromant Steel 5'3"	41.70

which was purchased from Copco Pacific, Ltd. in September, 1952 under a government loan.

Under the requirements of this loan, it is necessary that the mining company receive bids for the purchase of this drill. Will you please submit a bid to us on this equipment?

Yours very truly,

H. A. Bolinger, Jr.

HAB/g

H. A. Bolinger, Jr.
President

I am submitting a bid for the above as follow $210.00

George H Anderson

MAYNARD SINTON
PRESIDENT

JAMES E. ANDERSON
MANAGER

HAL BOLINGER
SECRETARY

MONTANA MINING DEVELOPMENT CO.

P. O. Box ~~XXX~~ 747
BOZEMAN, MONTANA

December 4, 1953

Gentlemen:

Montana Mining Development Co. is the owner of one drill described as follows:

	Cost
Model RH 656 2W Atlas Rock Drill	$340.00
Pneumatic Pusher BMK 61A2 @ $165.00 (Used)	148.50
One hose set w/lubricator	18.00
Two pieces Sandvik Coromant Steel 2'7"	38.50
Two pieces Sandvik Coromant Steel 5'3"	41.70

which was purchased from Copco Pacific, Ltd. in September, 1952 under a government loan.

Under the requirements of this loan, it is necessary that the mining company receive bids for the purchase of this drill. Will you please submit a bid to us on this equipment?

Yours very truly,

H. A. Bolinger, Jr.
President

HAB/g

COPY

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

December 4, 1953

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

Re: Docket No. DMEA 27OA
Contract Idm-82o1

Attention: [illegible] King

Dear Mr. King:

I am trying to obtain bids on the equipment in which the government participates in purchasing, in connection with our loan.

I am sending you some more bid forms today and hope I can secure bids. Enclosed is one that we attempted to obtain, but you will note that this machinery dealer would not bid on it. I hope to have these others within the next week.

Yours very truly,

/s/ H.A. Bolinger, Jr.

H.A. Bolinger, Jr.

HAB/g
enclosure

COPY

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

September 23, 1955

Harry L. Mitchell Company
P.O. Box 2597
Denver 1, Colorado

Gentlemen:

Montana Mining Development Co. is the owner of one drill described as follows:

Model RH 650 2" Atlas Rock Drill	$340.00
Pneumatic Pusher BMK 61A2 @ $165.00 (Used less 10%)	148.50
One hose set w/lubricator	18.00
Two pieces Sandvik Coromant Steel 2'7"	33.50
Two pieces Sandvik Coromant Steel 5'3"	41.70

which was purchased from Copco Pacific, Ltd. in September, 1952 under a government loan.

Under the requirements of this loan, it is necessary that the mining company receive bids for the purchase of this drill. Will you please submit a bid to us on this and return it in the enclosed envelope?

Yours very truly,

/s/ R.A. Bolinger, Jr.

R.A. Bolinger, Jr.
President

RAB/g
enclosure

Gentlemen:

We are indeed sorry that we cannot make you a bid on the above listed equipment. We are dealers for Gardner-Denver products and do not handle a general line of used machinery, thus we would have no idea what the apparatus you have for sale is worth.

HARRY L. (HARLCO) MITCHELL CO.

by /s/ F. Vanhatter
F. Vanhatter - Manager

FV/rf

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 26, 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 - Progress report for December 1952

Please find enclosed five copies of the subject progress report--forms MF-104 and MF-104A, with narrative, progress sketch, mucking machine receipted invoice, and subcontractor's receipted invoice--and seven copies of W. L. Dare's memorandum covering inspection of the underground progress and accounts.

Actual drifting progress on the Ben Harrison-Croesus vein on the Lamartine tenth level measured 28.4 feet instead of the 33.4 feet claimed. The contractor's representative, George Anderson, was so advised and, accordingly, the amount of $175.00 for 5.0 feet of work is disallowed. Otherwise the accounts are correct.

Although we have not received official notification, it is our understanding the $53.04 disallowance for slusher rental for October 1952 has been adjusted.

Dare's disallowance of $175.00 for this period reduces the amount of $1,554.00 claimed by the contractor to $1,379.00. Of this sum, 50 percent, or $689.50, is approved for payment.

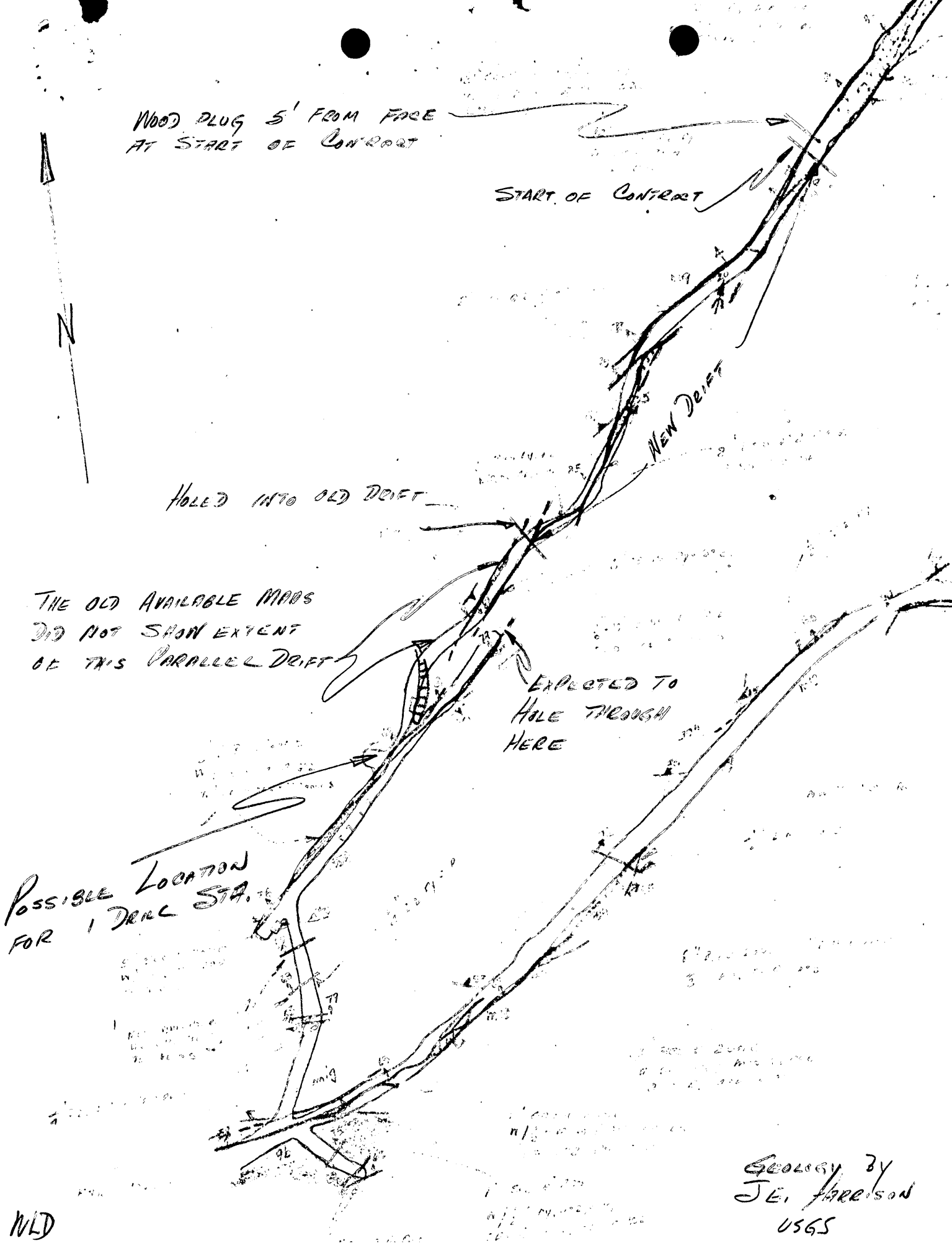
W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/ash

cc: 4
E261
DMEA Chron.


WOOD PLUG 5' FROM FACE
AT START OF CONTRACT
START OF CONTRACT
N
NEW DRIFT
HOLED INTO OLD DRIFT
THE OLD AVAILABLE MAPS
DID NOT SHOW EXTENT
OF THIS PARALLEL DRIFT
EXPECTED TO
HOLE THROUGH
HERE
POSSIBLE LOCATION
FOR 1 DRILL STA.
GEOLOGY BY
J.E. HARRISON
USGS
NLD

NARRATIVE PROGRESS REPORT

December 1, 1952 to January 1, 1953.

DMEA 270X, Contract Idm-E261

During the month of December, Sub-contractor Leonard Abbott extended the drift on the Ben Harrison-Croesus mining claim 83. 4 feet and at that time broke in to the old drift on the Ben Harrison Claim lying to the north of the drift that it was anticipated would be intersected.

The last 10 or 15 feet of the drift extended by Abbott disclosed a narrow vein of ore in the middle of the drift, which was not of sufficient width to be valuable for mining purposes.

This concluded the work on the project as far as the drifting in the Ben Harrison Claim is concerned. Total extension of this drift was 205. 4 feet, and doing this work failed to disclose any valuable ore deposits.

MONTANA MINING DEVELOPMENT CO.

By W A Bolinger Jr.
President.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Nov.1- Nov.30, 195 2 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible], Colorado
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	3,115	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	120	[illegible]	[illegible]			
Purchase		[illegible]	[illegible]			
Depreciation	105	330.00	[illegible]			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
				3,390.00	4,194.64	7,584.64
				*153.04		*153.04
					**-40.98	**-40.98
TOTALS	3,3[illegible]	[illegible]	[illegible]	3,443.04	4,153.66	7,596.70

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

Date Nov. 12, 1952 Payee [illegible]

Per W. A. Bolinger Jr. Title President

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

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

(Instructions on reverse)

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

$ 1721.52

Signature [illegible]
(Authorized Certifying Officer)

Date 1/23/53 Vou. No. DMA 53-88
(See other side)

* Reinstated (erroneously disallowed)
** Previous disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMM-E261 in accordance with the terms of the contract.

Signature C. M. Farrer Title Mining Engineer Date January 8, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.B.B.

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1-Nov. 30 1952 Docket No. DMEA 270 Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	[illegible]	—	—	—	—	—	[illegible]	[illegible]
Churn								
Auger								
Sampling [illegible]	—	—	—	—	—	—	1	100.00
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		[illegible]		[illegible]				Total Costs Authorized by Contract
Operating Equipment Purchased				[illegible]				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		[illegible]		[illegible]				

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

Date Dec. 12, 1952 Operator [illegible]

Per [illegible] Title [illegible]

Remarks: [illegible]

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

NARRATIVE PROGRESS REPORT

November 1st to November 30,1952.

DMEA 270X, Contract Idm-2251

During the month of November Sub-contractor Leonard Abbott extended the drift on the Ben Harrison-Crossers Mining Claim 89 feet. Approximately the first 40 feet of this extension was made through vein material with a definite hanging wall. The next 35 feet had a well-defined hanging wall and also footwall. On the footwall was a narrow vein of ore containing some lead. The last 24 feet of this extension was made without any definite hanging wall or footwall and through rock disclosing no valuable minerals. The face of the drift disclosed approximately a foot of vein material on the hanging wall which carried no values at the time upon completion of this work.

No mineralized veins were disclosed of sufficient width or length to warrant assays of the values.

MONTANA MINING DEVELOPMENT CO.

By W. A. Bolinger Jr.

January 23, 1953

Progress
Report - November 1952

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

3,390.00

53.04

3,443.04

Previously disallowed for rental of slusher.

Reinstated as a mucking machine, allowed by contract, was not available for rent and the slusher was substituted.

[illegible]

[illegible]

[illegible]

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

New Customhouse
Denver 2, Colorado

January 20, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 270X, Contract Idm-EB61, (Lead-Zinc) Montana Mining Development Company, Clear Creek County, Colorado Operator's Monthly Progress Report for the period of November, 1952

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

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Mucking machine rental is charged for one half month to bring this charge into a percent-month-only basis. Reinstatement of $53.04 to Operating Equipment Rental which was previously disallowed through error is requested. This charge was for rental of a Slusher in place of the mucking machine.

Remarks:

Date of Report - December 12, 1953
Date Received in Field Office - December 15, 1953
Date Received in Region Office - January 12, 1953
Date Processed for Payment - January 19, 1953

W. H. King
W. H. King

Enclosures

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

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 8, 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, Clear Creek County, Colorado - Progress report for November 1952

Please find enclosed the original and four copies of the subject progress report--forms MF-104 and MF-104A, with narrative and other required documentation--and seven copies of C. M. Harrer's memorandum covering inspection of the underground drifting progress and the accounts.

The drifting progress is correctly reported in the operator's narrative, and documentation--consisting of receipts from the subcontractor for 89 feet of drifting and for rental of a mucker for one-half month--is in order.

Item (4), Operating Equipment: Rental - The operator has charged only $110.00 for mucker rental instead of the $125.00 which he paid. The amount of $220.00 per month allowed by the contract is estimated.

You are reminded of the disallowance of $53.04 from the October account for slusher rental which we consider in error and entitled to adjustment.

Payment is approved of $1,695.00, or 50 percent of the total $3,390.00 claimed by the contractor, subject to verification of the correctness of applicable rates and arithmetical accuracy by the Audit and Accounts Section.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc: 4, E261, DMEA Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 6, 1953

Memorandum

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

From: C. M. Harrer

Subject: DMEA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company, Clear Creek County, Colorado - Progress report for November 1952

G. H. Anderson, manager of Montana Mining Development Company's Lamartine mine, near Idaho Springs, Colorado, was contacted on December 5, 1952, and progress inspected with W. L. Dare. Advance was 89 feet, as reported in the operator's narrative and on form MF-104A.

The operator submitted receipts necessary to document his expenditures for the month on January 7, 1953. This resulted in considerable delay.

Expenditures of $3,390.00 by Montana Mining Development Company for November 1952 are approved. Government participation of 50 percent is $1,695.00.

C. M. Harrer
C. M. Harrer
Mining Engineer

CMH/cb

cc 6
E261
DMEA Chron

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct 1-Oct 31, 1952 Docket No. DMEA 2703 Contract No. Idaho 261
Operator's Name Montana Mining Development Company Minerals Lead-zinc
Address Idaho Springs, Colorado
Contract Amount, $ 15,000 Government Participation: 50 % Amount, $ 7,500

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,330	1,573	2,903			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	273.04	93.60	366.64	220.00	93.60	313.60
Purchase	--	503.00	503.00			
Depreciation	165.00	165.00	330.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,768.04	2,426.60	4,194.64	1715.00	2426.60	4141.60
				*	+ 12.06	+ 12.06
				1715.00	2438.66	4153.66

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

Date Nov. 29, 1952 *Payee Montana Mining Development Company

Per W. A. Balinger Jr. Title President

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

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

(Instructions on reverse)

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

$ 857.50

Signature (Authorized Certifying Officer)

Date 12/17/52 Vou. No. DMA 53-73

(See other side)

*Totals erroneously carried forward by operator

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E261 in accordance with the terms of the contract.

Signature C. M. Harper Title Mining Engineer Date Dec 4, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct 1-Oct 31 1952 Docket No. DMEA 270X Contract No. Idaho 261

Operator's Name Montana Mining Development Company Minerals Lead-zinc

Address Idaho Springs, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				3,601.64		43.39		
Drifting	feet	1,76[illegible].04	3[illegible]	4,1[illegible].64	[illegible]3	50.[illegible]3	260	3[illegible].00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	--	--	--	--	--	400	[illegible].50
Churn								
Auger								
~~Drill~~ station	--	--	--	--	--	--	1	100.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,76[illegible].04	3[illegible]	3,601.64 ~~4,1[illegible].64~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				503.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				~~330.00~~				
TOTAL COSTS		1,76[illegible].04		~~5,1[illegible].64~~ 4,767.64				

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

Date Nov. 29, 1952 Operator Montana Mining Development Co

Per W. Bolinger Jr. Title Pres

REMARKS: Rental on machine machine is $250.00 per month but only $220.00 charged as allowable under contract.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Dec. 12, 1952

Progress Report

Montana Mining Development Co.,
Idaho Springs
Colorado

October, 1952

[illegible]	1763.04
[illegible]	53.04
[illegible]	1715.00

Rental of crusher hoist not allowed by contract.

Any claim for deductions made above must be reported by the ORIGINAL of this form.

Very sincerely yours,

R. E. Stokes
Audit Section

[illegible] Form No. 1

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

[illegible] New Customhouse
Denver 2, Colorado

December 11, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 270X, Contract Idm-[illegible]61 (Lead-Zinc) Montana Mining and Development Company, Clear Creek County, Colorado Operator's Monthly Progress Report for the period of October, 1952

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

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Charges of $53.04 for rental of slusher hoist by L. S. Abbott, the subcontractor of the subject contract, is not an allowable cost to the project. It is neither allowed by the original contract nor by the subcontract for drifting.

W. H. King

W. H. King

Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
December 8, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company, Clear Creek County, Colorado - Progress report for October 1952

Please find enclosed five copies of the above progress report--forms MF-104 and MF-104A, with required documentation--and seven copies of C. M. Harrer's memorandum covering inspection of underground progress and accounts.

Payment of $884.02, or 50 percent of the total $1,768.04 claimed by the operator, is approved.

for H. M. Traver, Jr.

enclosures

HMT/amh

cc: 4
AHKoschmann
E261
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
December 8, 1952

Memorandum

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

From: C. M. Harrer

Subject: DMEA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company, Clear Creek County, Colorado - Progress report for October 1952

G. H. Anderson, manager of Montana Mining Development Company's Lamartine mine near Idaho Springs, Colorado, was contacted on November 3, 1952, and progress inspected. Progress during October was 38 feet as reported in the operator's narrative and form MF-104A.

Analysis of expenditures on the report for October, received December 4, 1952, shows that the operator claims $273.04 under Item 4, Operating Equipment, Rental, and submits receipts for $303.04 actual costs. He has used the estimated monthly rental of $220.00 for a mucking machine under "Exhibit A" of the contract as a maximum allowance. The operator's claim for $273.04 is allowed, although it appears that he is entitled to the full amount of $303.04.

Expenditures of $1,768.04 by Montana Mining Development Company for October 1952 are approved. U. S. Government participation of 50 percent is $884.02.

C. M. Harrer
C. M. Harrer
Mining Engineer

CMH/amh

cc: 6
AHKoschmann
E261
DMEA Chron.

NARRATIVE PROGRESS REPORT

October 1st to October 31st, 1952.

DMEA 270X, Contract Idm-E261

During the month of October Sub-contractor Leonard Abbott extended the drift on the Ben Harrison-Croesus Mining Claim 38 feet.

On October 15th he rented a mucking machine and most of this work was done in the last fifteen days of the month.

The drift was extended through vein material but disclosed no ore shoots or minerals of value. The only mineralization appeared to be white iron. The vein had a definite hanging wall but was without a well-defined footwall.

No mineralized veins were disclosed to warrant assays being taken.

MONTANA MINING DEVELOPMENT CO.

By W. A. Bolinger Jr.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug 18-Sept 30, 1952 Docket No. DMEA 270X Contract No. IdmE 261
Operator's Name Montana Mining Developement Company Minerals Lead-zinc
Address Idoho Springs, Colorado
Contract Amount, $ 15,000 Government Participation: 50 % Amount, $ 8,500

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1,575	None	1,575			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	93.60		93.60			
Purchase	889.24		889.24	605.06		605.06
Depreciation	165.00		165.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,722.84		2,722.84	2,438.66		2,438.66

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

Date Oct. 15th 1952 *Payee Montana Mining Developement Company

Per W. A. Bolinger Jr. Title President

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

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

(Instructions on reverse)

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

$ 1219.33

Signature [illegible]
(Authorized Certifying Officer)

Date 11/21/52 Vou. No. DMA 53-63

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E26 in accordance with the terms of the contract.

Signature C. M. Harper $1219.83 $1219.83 Title Mining Engineer Date Nov. 4, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. R. Kaing Title [illegible] Date 11/18/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

Defense Minerals Administration

1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug. 18-Sept. 30. 1952 Docket No. DMEA 270K Contract No. Idm 261
Operator's Name Montana Mining Development Company Minerals Lead-Zinc
Address Idaho Springs, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	feet 45'	1575.00	45'	1575.00	45'	35.00	260	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1575.00	45'	$1575.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		889.24		889.24	Rock Drill & ess's			$993.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		93.60		93.60	Slusher Hoist			$660.00
Depreciation		165.00		165.00	Compressor-Trenner			$495.00
TOTAL COSTS		2,722.84		2,722.84	& Gers			

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

Date Oct. 15th Operator Montana Mining Development Company

Per W A Bolinger Jr. Title President

REMARKS: Slusher rented as Mucking Machine not available- but mucking machine was rented on October 15th and will be used in future

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

November 21, 1952

Progress Report
Aug. & Sept. 1952

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

2,722.84

284.18

2,438.66

The following equipment and repair parts listed on Copco Pacific, Ltd. invoice are not reimbursable under the terms of the contract.

2 - 714-0840 - Sandvik Coromant Steel, Series IV, 2' 7"	$ 38.50	
2 - 714-1639 " " " " " 5' 3"	41.70	
2 - BBC-158 - Side Bolt	5.20	
1 - 9653, Packing	.35	
2 - 69133, Double Concave Washer	.50	
2 - 1224-H, Nut	.50	
1 - A-12813, Water Flushing Tube	2.45	
4 - 9140-32, Spiral Spring	.80	
4 - 13159, Ratchet	4.00	
4 - 9641-1, Pin	.60	
3 - 13688-3, Packing	1.05	
2 - 68231, Cup Leather	1.10	
1 - 8895-1, Rotation Chuck	18.00	
1 - 10691, Drill Steel Retainer	8.75	
1 - BMK-61A2, Pneumatic Pusher, Complete w/attachment	148.50	
2 - 71-514, Grinding Wheels	6.60	
		278.60
		5.58
		284.18

[illegible]

Very [illegible]

[illegible]

[illegible] Form No. 6

[illegible] Stone
Asst. [illegible]

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

224 New Customhouse
Denver 2, Colorado

November 17, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 270X, Contract Idm-E261 (Lead-Zinc) Montana Mining Development Company, Clear Creek County, Colorado - Operator's Monthly Progress Report for the period from August 18, 1952 through September 30, 1952

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

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallowance of equipment and repair parts not authorized by the contract - $284.18

Remarks - Errors in the manner of reporting on Form MF-104A will be corrected on the October report.

W. H. King
W. H. King

Enclosures

JWT:oc
cc: Contract
Secretary to the Operating Committee (2)
WMTraver
Chron.
AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 7, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company, Clear Creek County, Colorado - Progress report for August and September 1952

Please find enclosed five copies of the initial progress report on the above contract—forms MF-104 and MF-104A, with narrative and proper documentation—and seven copies of C. M. Harrer's memorandum covering inspection of the underground progress and accounts.

Deduction of $284.18 made by the inspector under Item 4, Operating Equipment Purchased, is correct as explained in our letter of October 28, 1952, to the operator. In the same letter he was instructed regarding preparation of his October forms MF-104A and it is presumed they and subsequent forms will be in order.

Harrer recommends payment of $1,219.83, or 50 percent of the total $2,722.84 claimed by the contractor less $284.18 disallowed, which is $2,438.66. The correct amount approved for payment should be $1,219.33.

W. M. Traver Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 4
AHKoschmann
E261
DMEA Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 7, 1952

Memorandum

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

From: C. M. Harrer

Subject: DMEA 270X, Contract Idm-E261 (Lead-zinc), Montana Mining Development Company, Clear Creek County, Colorado - Progress report for August and September 1952

G. H. Anderson, manager of the Montana Mining Development Company's Lamartine mine near Idaho Springs, Colorado, was contacted on November 3, 1952, and progress for the months of September and October was examined; the project was activated August 18. A measuring point consisting of a wood plug and 60-penny nail was established in the northwest wall of the drift, near its top. This point is 5 feet back from the start of the contract.

Progress for September was 45 feet, as reported on forms MF-104A and the narrative.

Analysis of expenditures listed on form MF-104 for September 1952 reveals that charges are correct and allowed by the contract except as follows:

Item 4 (Operating equipment purchased, $889.24)

Under the terms of the contract, only $605.06 is allowed for the purchase of one Copco Pacific rock drill complete with accessories, as follows:

1 Atlas rock drill-serial number 431682	$ 346.80
1 Pneumatic pusher for above	158.10
1 set hoses for above	18.36
2 pieces Sandvik Coromant steel—2-foot, 7-inch length	39.27
2 pieces Sandvik Coromant steel—5-foot, 3-inch length	$ 42.53
Total	$ 605.06

Disallowances total $284.18 and include all other items on the submitted invoice which are considered as supplies and repair parts—the obligation of the subcontractor. The extra pneumatic pusher is a stoper feed disallowed under the contract.

Recapitulation

Expenditures MF--104	$ 2,722.84
Disallowances, MF-104, Item 4	- 284.18
Expenditures approved for September 1952	$ 2,438.66

Expenditures of $2,438.66 by Montana Mining Development Company for September 1952 are approved. U. S. Government participation of 50 percent is $1,219.83.

C. M. Harrer

C. M. Harrer,
Mining Engineer

CMH/cb

cc 6
AHKoschmann
E261
DMEA Chron.

NARRATIVE PROGRESS REPORT

August 18th to September 30th, 1952.

DMEA 270X, Contract Idm-E261

Sub-contractor Leonard Abbott drilled and shot one round at the face of Lamartine Tunnel on Ben Harrison-Croesus Mining Claim on August 18th, which was mucked by hand. Another round was drilled and shot by him, then he spent considerable time trying to locate a mucking machine to rent. He was unable to rent a mucking machine and rented a slusher and used this in doing the remainder of the work reported for this period of time.

He rented a mucking machine as of October 15th which he is now using, and work at this time seems to be proceeding with diligence.

The 45 feet of drifting as reported for this period of time was on vein material on a vein a little more than six feet wide. The first fifteen feet of this work disclosed two and three narrow seams of lead up to an inch in width. The remainder of the work disclosed no minerals of value.

No mineralized veins of sufficient size were disclosed to warrant assays being taken.

Progress of the sub-contractor was not satisfactory to October 1st. It appears that the work will progress satisfactorily since the renting of the mucking machine.

MONTANA MINING DEVELOPMENT CO.

By H. A. Barlinger Jr.

MAY 2 1962

Miss Katherine A. Clark
Canon City, Colorado

Miss Grace M. Robinson
Denver, Colorado

Mr. Charles D. Armstrong
Canon City, Colorado

Re: IMEA-278X (Lead-Zinc)
Montana Mining and Development Company
Lamartine Mine
Clear Creek County, Colorado
Contract Ide-8261

Dear Misses Clark and Robinson, and Mr. Armstrong:

By the terms of the subject Exploration Project Contract and Paragraph 4 of the "Termination of Work Under an Exploration Project Contract by Agreement," dated July 8, 1953, all minerals mined or produced from February 19, 1952, to February 19, 1962, were subject to the Government's percentage royalty as set forth in said contract.

On January 15, 1952, you signed a Landlord's Subordination Agreement covering certain property in the project area. As the period during which production from that property was subject to royalty has now expired, the Government according to its present records retains no claim or lien against your property or any future production therefrom.

Sincerely yours,

George Furnich, Jr

Director

GLAult/a
4-25-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 500

800

Building 20 - Federal Center
Denver 25, Colorado

April 23, 1962

Memorandum

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

From: Acting Field Offiver, OME, Region III

Subject: DMEA 270X (Lead-Zinc)
Contract No. Idm-E261
Montana Mining and Development Company
(Lamartine Mine)
Clear Creek County, Colorado
EXPIRATION OF DMEA CONTRACTS PAYING ROYALTY

The final examination of this property was completed on April 20, 1962. The property is idle and I believe no work has been accomplished on the Lamartine Mine since the project was terminated by agreement dated the 8th day of July 1953.

The Humphreys Exploration Company is presently making arrangements to explore the Mc Peek property which joins the Lamartine Claims on the west.

I recommend that the file be closed on this exploration project.

Original signed by

Hugh M. Connors

Government's 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. Meisenbach
Administrator, Defense Minerals
Exploration Administration

MONTANA MINING DEVELOPMENT COMPANY

By W. A. Barlage Jr. President

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 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

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, 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION 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 270, 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

Government 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

Government Copy
Seal, Zinc

No. 1

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 Article 3, Exploration Project Contract Form MF-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. B. Bolinger Jr.
Secretary

UNITED STATES OF AMERICA

By
Executive Officer - DMA

Jwo

Government Copy
Lock, Zone

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. Kling
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 MMSA-2701, 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 Crocsus 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.

IdmE-261
L.S.A.
MM&Co
by Hab Jr.
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 Crocsus 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 tramer 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 feet 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 than in that event this contract shall terminate and and 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:

Montana Mining Development Company

Florence M. Bolinger
Secretary

by H. A. Bolinger Jr.
President

Party of the First Part

Leonard S. Gable Jr.
Party of the Second Part

Docket No. 270

Commodity Lead- Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 261

Date of Contract or Amendment: January 27, 1954

Name and Address of Operator:
Montana Mining Development Company
P.O.Box 458
Idaho, Springs, Colorado

Amount of Government participation ____ $ 7,500.00

Percent of Government participation 50 %

Region: IV State: Colorado

Note; Please release $ 3,125.68 ; Advice Contract Administration and Audit Division

J. L. Chambers, (Name)
Chief Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. January 27, 1954

54458

Docket No. 270

Commodity ~~Lead-Zinc~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 261

Date of Contract ~~or Amendment~~: February 19, 1952

Name and Address of Operator:

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

Amount of Government participation $ 7,500.00

Percent of Government participation 50 %

Region: IV State: Colorado

J. L. (Name) Chambers
Chief, Contract, Audit and Administration Division

(Title)

Date Delivered to Bureau of Mines, Washington. 13908
February 19, 1952

MF-200
(June 1951)

DMEA-270X
Docket No. DMA
Commodity Lead-Zinc
IdmE-261

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GOVERNMENT'S 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 Croesus 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, encumbrances, and exceptions which are set forth in the abstract of title 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.

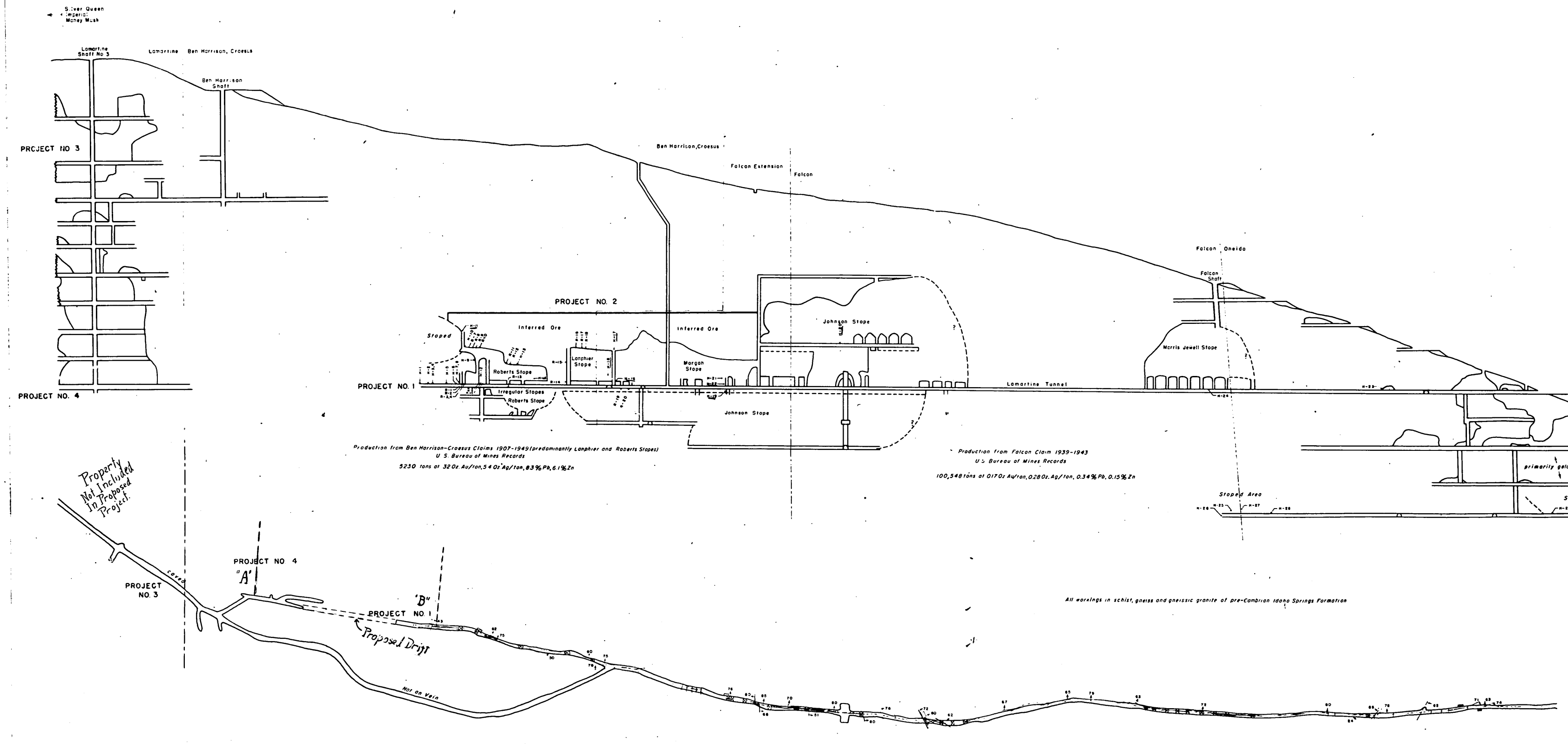
MONTANA MINING DEVELOPMENT COMPANY
(Operator)

By W. A. Bolinger Jr.
Secretary

THE UNITED STATES OF AMERICA

By O. Mitchendory
Acting Administrator
Defense Minerals Exploration Administration

U.S. GOVERNMENT PRINTING OFFICE 16—61066-2



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

~~Scale: 1 inch = 1.70 feet~~

DMA DOCKET 270

Figure 3

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, 195 2, 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, 195 2

Katherine A. Clark

Charles Trumpington

Grace M. Robinson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1952

U. S. GOVERNMENT PRINTING OFFICE 16—64182-1

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