800

Building 20 - Federal Center
Denver 25, Colorado

November 13, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2280 (Lead-Zinc)
Contract Idm-E448
The Utze Lode Company
(Madonna Mine)
Chaffe County, Colorado
EXPIRATION OF DMEA CONTRACT PAYING ROYALTY

I visited the subject property November 6, 1962 and found the windows and the doors of the mine builings all boarded up. I have passed this property many times in the past two years and I have never seen any signs of mining activities.

The Report of Royalty Review dated July 20, 1962 indicates that no royalty is due the Government. I recommend that the files be closed on this contract.

Original signed by

Hugh M. Connors

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E448, Docket DMEA-2280 (lead-zinc), dated November 17, 1952, with

The Utza Lode Company
P. O. Box 500
Salida, Colorado

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Madonna Mine located in Chaffee County, Colorado, during the period June 12, 1959, through June 27, 1962.

A certification of discovery or development was issued on June 22, 1953, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated May 8, 1953, indicated accepted costs under the exploration contract amounting to $49,362.00 with the Government's contribution on a 50 percent basis being $24,681.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 11, 1959. Accordingly, as of June 27, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

July 20, 1962

Idm-E448 The Utne Lode Company DMEA-2280

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 28 patented claims located in sec. 4, T. 49 N., R. 6 E., Monarch Mining District. At the time the contract was executed, the Operator was the owner of the claims, all of which also were included in Contract Idm-835, Docket DMA-1050, dated June 28, 1951, with the same Operator. A certification of discovery or development under the prior contract, to which the Government contributed $10,000.00, was issued on June 20, 1952; however, no minerals were produced during the 10 year royalty repayment period under that contract.

Exploration work under this contract was completed on February 27, 1953, but some exploration work was continued into March 1953 by the Operator on its own account. However, the pumps were pulled and the mine was closed down about May 1, 1953.

No ores were produced during the exploration work. Subsequent inspections of the property and inquiries have disclosed no activity on the property. In a June 27, 1962, letter the Operator advised that "We have not sold the mine nor have we shipped since the exploration work was done", but adds that "the property has been purchased for two years of back taxes".

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

(1) The files indicate that the property has been inactive since 1953; and

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

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED JUL
DATE
1800

July 24, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2280 (Lead-Zinc)
Contract Idm-E448
The Utah Lode Company
(Madonna Mine)
Chaffe County, Colorado

Attached is the original Report of Royalty Review on the subject contract dated July 20, 1962 covering the period June 12, 1959, through June 27, 1962.

Original signed by

Hugh M. Connors

Attachments

HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E448
Chron

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMSA-2230 (Lead-Zinc)
The Utze Lode Company
Madonna Mine
Chaffee County, Colorado
Contract Idm-5448

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 7-20-62

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

JUL 5 1962

Mr. Harold R. Koster
The Utne Lode Company
P. O. Box 500
Salida, Colorado

Re: DMEA-2280 (Lead-Zinc)
The Utne Lode Company
Madonna Mine
Chaffee County, Colorado
Contract Idm-2448

Dear Mr. Koster:

Thank you for forwarding us the MRE Form 63 report. Concerning the time limit you mention on the property, the Government's lien expires November 17, 1962.

You may be very sure that we sincerely regret that the project resulted in "lost money" to your group. We realize that you tried most sincerely to make the project a success. However, we are sure you realize that the OME cannot participate to an extent greater than 50 percent of the cost in an exploration project; hence, we could not consider further work on this property unless you were prepared to carry half of the cost.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

WRGriswold/hb
7/3/62)
cc to: Docket DMEA-2280
Director's Reading File
Region III (2)
CA&A Division
Code 500 (blue)

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

JUN 19 1959
O.M.E.

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Idm-[illegible], Docket No. DMEA 9280, dated November 17, 1952, with

The Utze Lode Company
P. O. Box 500
Salida, 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 Madonna Mine, located in Chaffee County, Colorado, during the period November 17, 1952 to June 11, 1959.

A Certification of Discovery or Development was issued on June 22, 1953 and accordingly royalty is payable on all production 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 indicated accepted costs under the exploration contract amounting to $49,362.00 with the Government's contribution on a 50 percent basis being $24,681.00.

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, 1953 to June 30, 1953, operation ceased about March, 1953; no ore has been shipped since November 17, 1952, (The date of the exploration contract). Subsequent semi-annual reports of the Field Team during the period July 1, 1953 to December 31, 1958, indicate the property inactive 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 11, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

JUN 19 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-2280 (Lead-Zinc)
The Utzo Lode Company
Contract No. Idm-2448

Your Report of Royalty Review on the subject contract is acceptable and distribution of the regional copies is authorized.

EDTalbert/ama
June 19, 1959

Copy to: Docket
Director's Reading File
Code 800

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Utze Lode Company
Salida, Colorado

pertaining to Exploration Project Contract No. Idm-E448, Docket No. 2280 DMEA ~~2820~~, and amendment No. 1, covering a project for exploration of Lead & Zinc, for the months of November, 1952 to February, 1953.

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 Government representative who visited and examined 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:

(1) The administrative costs to the Government of an audit would be excessive in relation to the estimated amount of the possible disallowances thereunder.

(2) The contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor	$49,362.00
Exceptions:	None
Total Accepted Cost	$49,362.00

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Twenty-four thousand six hundred eighty-one and 00/100 Dollars

-$24,681.00-

is considered valid and proper.

Dated: May 8, 1953

T. H. Brading

T. H. Brading, Auditor

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAY 18 1953

Month of February, 1953 Docket No. DMEA 2280 Contract No. Idm-E448
Operator's Name The Utze Lode Company Minerals Lead & Zinc
Address Box 500, Salida, Colorado
Contract Amount, $ 49,500.00 Government Participation: 50% Amount, $ 24,750.00

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	14,832.00	6030.00	20,862.00			
Bulldozing						
Crosscutting						
Drifting		26,000.00	26,000.00			
Diamond Drill Stations		2,500.00	2,500.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	Contract given by price unit per foot of drifting, price per foot for diamond drilling, and price unit for each station.					
Purchase						
Depreciation						
(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	14,832.00	34,530.00	49,362.00	14,832.00	34,530.00	49,362.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-3-53 *Payee The Utze Lode Company
Per Howard R. Foster Title Treasurer

*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:

$7416.00

Signature [illegible]
(Authorized Certifying Officer)
Date 5/11/53 Vou. No. DMA 53-136
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 448 in accordance with the terms of the contract.

Signature Lt Col Hagen jr 7416 ... Title Mining Engineer Date May 10 1953

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

Signature W. H. King Title Executive Officer Date MAY 8 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

MAY 18 1953

Month of February 195-3 Docket No. DMEA 2280 Contract No. Idm-E448
Operator's Name The Utze Lode Company Minerals Lead & Zinc
Address Box 500, Salida, 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	Foot	None	None	26,000.00	400'	$65.00	400'	$65 a foot
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	14,832.00	1236'	20,362.00	1733.5	$12	1750'	$12 a foot
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations	2	None	None	2,500.00	3	833.33	3	833.33 unit
TOTAL DISTRIBUTED COSTS		14,832.00		49,362.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		14,832.00		49,362.00				

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 3-3-53 Operator The Utze Lode Company

Per Harvey R. Eaton Title Treasurer

REMARKS: Work done by contract as outlined above.

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

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

224 New Customhouse
Denver 2, Colorado

May 8, 1953.

FINAL

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2280, Contract Idm-2448 (Lead-Zinc), Utze Lode Company (Madonna Mine), Chaffee County, Colorado. Operator's Monthly Progress Report for the period February 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

This report constitutes the Operator's final claim under the contract and is recommended for payment in conformance with the final Report of Review by the Contract Administration and Audit Division dated May 8, 1953.

Amount claimed by Operator this report	$14,832.00
Payment to Operator at 50 percent	7,416.00
Total payment including Feb. 1953	$24,681.00

Remarks:

Date of Report	March 3, 1953
Date Received in Field Office	March 9, 1953
Date Received in Region Office	March 13, 1953
Date Processed for Payment	May 8, 1953

Held up pending receipt of Report of Review.

W. H. King
W. H. King

Enclosures
RDB:cwm
cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 12, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2280, Contract Idm-E448 (Lead-zinc), Utze Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for February 1953

Please find enclosed the original and four copies of the above progress report—forms MF-104 and MF-104A, with narrative, drill logs, and assay reports—and the original and six copies of Scott W. Hazen, Jr.'s, memorandum verifying the 1,236.0 feet of underground core drilling claimed and reported in the narrative and correctly entered and extended on the reporting forms. Payment is approved under the terms of the short-form contract.

The amount approved and certified on the MF-104 form is $7,416.00, or 50 percent of the total $14,832.00 claimed. There remains a balance in the account of $138.00 of the contract amount, $49,500.00.

The attached letter from W. E. Burleson revises some of the factual data in the narrative but in no way affects the report or memorandum.

Floyd V Everett
for

W. M. Traver

enclosures

WMT/cb

cc 4
E448
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 12, 1953

Memorandum

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

From: Scott W. Hasen, Jr.

Subject: DMEA 2280, Contract Idm-2448 (Lead-zinc), Utse Lode Company (Madonna mine), Chaffee County, Colorado. Progress report for February 1953

A field inspection was made on February 26, 1953, in company with Nelson Harshman of the Geological Survey. All the core, except the last 50 feet of hole 104, was roughly logged and inspected at that time. Hole 104 was being extended and was completed on the morning of February 27 before we left Salida. All the core, except the last portion of hole 104, was loaded and transferred to the core storage library at the Denver Federal Center. The Utse Lode Company split the core from mineralized zones and had the split assayed after the original core had been examined by representatives of DMEA.

Drill hole 107 encountered ore on the granite-limestone (dolomite) contact.

		Ounces per ton		Percent		
Sample	Interval, feet	Gold	Silver	Copper	Lead	Zinc
107-1	60.0 - 64.0	0.015	0.7	trace	0.4	7.9
107-2	64.0 - 66.0	0.02	0.8	0.3	0.6	17.5
107-3	66.0 - 69.0	0.015	0.7	0.4	0.7	16.6
107-4	70.0 - 73.0	0.02	0.6	0.015	0.6	0.9
107-5	73.0 - 75.0	0.045	3.2	0.3	0.5	1.8
107-6	75.7 - 76.7	0.04	2.7	0.3	0.6	2.7
107-7	85.8 - 87.0	0.065	6.9	3.1	0.7	15.1

Drill holes 108, 110, and 111 all encountered pyrite mineralization. A north-south fault is indicated by drill holes 108 and 111. Drill holes 109 and 112 did not reach the granite-limestone contact. This indicates at least a 100-foot drop in the section west of the

end of the drift on the 590 winze level. If this north-south fault does not offset the Madonna fault, the drop to the west may be sufficient to have at least one, if not both, walls of the Madonna fault in limestone on the 590 winze level at a point west of drill hole 107. There is a good possibility for ore west of hole 107. The Utze Lode Company is driving to cut the ore found in drill hole 107 but its stockholders have voted to do no more than cut the ore and then plan to pull the pumps. The copper values are encouraging for ore at depth but zinc is too low in price to justify mining the ore at present.

The operator has had some difficulty with the drill subcontractor in getting maximum possible core recovery at some contacts. The driller argues he had to use what drillers were available in order to drill three shifts per day, 7 days per week, as requested by the operator. Actual drilling costs to the operator have exceeded the allowed $12.00 per foot.

The work, as specified in the contract, has been completed. All but 12 feet of the allowed core drilling was used. Drill holes 111 and 112 were given prior written approval and the other holes were already shown in their tentative locations on the map accompanying the contract. Drill hole 104 was deepened on approval of the DMEA representatives. It was apparently directed too high to cut the ore previously found and which is now known to be on the Madonna fault and not on the granite-limestone contact as previously suspected.

A total of $49,362.00 of the allowed $49,500.00 was expended. The operator will submit a final engineering report as soon as the drift to hole 107 is completed. The company has purchased the Mistletoe holdings which gives it a complete block of claims.

Approval is recommended for one-half of the expenditures made in February, or $7,416.00. This is the final amount due the contractor.

Russell L. McLellan
for
Scott W. Hazen, Jr.

SWH/cb

cc 6
E448
DMEA Chron

March 10, 1953

Mr. William M. Traver, Jr.
U. S. Bureau of Mines
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Re: Exploration Project Contract No.
Idm-E448, Docket No. DMEA 2280
Utze Lode Co., Salida, Colorado

Dear Mr. Traver:

In my report of the exploration work accomplished at the Madonna mine during the month of February 1953, I wish to correct one statement. I stated that diamond-drill hole #111 was drilled S 40° E whereas it should have been S 50° E. It had been planned to drill this hole S 40° E and later it was changed to S 50° E. I will assume the responsibility of this error.

Yours very truly,

W. E. Burleson

W. E. Burleson

WEB:JB

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

224 New Customhouse
Denver 2, Colorado

May 14, 1953.

MAY 18 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2280, Contract Idm-E448 (Lead-Zinc), Utze Lode Company (Madonna Mine), Chaffee County, Colorado.

Enclosed are two copies of the Operator's Final Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of February 1953, pertaining to DMEA Docket 2280, Contract Idm-E448 (Lead-Zinc), Utze Lode Company (Madonna Mine), Chaffee County, Colorado. There was no jointly-owned property purchased under this contract. The contract was a short form one prepared on Form MF-200A.

Forms were processed for payment in conformance with the Report of Review by the Contract Administration and Audit Division dated May 8, 1953.

Government's full contribution amounted to $24,681.00 as allowed by the contract.

Copies of Engineer's Final Report, Geologist's Final Report, and Operator's Final Report will be transmitted at a later date after all data has been assembled in this office.

W. H. King

W. H. King

Enclosures

Results of Mineralization
Recovered

Sample	Footage	Core Recovered	Au	Ag	Pb	Zn	Cu
107-1	60-64	1.1	0.015	0.10	0.40	7.30	Tr.
107-2	64-66	2.0	0.02	0.30	0.60	17.50	0.30
107-3	66-69	1.4	0.015	0.70	0.70	16.30	0.40
107-4	70-71.6	1.6	0.02	0.60	0.60	0.90	0.15
107-5	73.5-75.2	1.7	0.045	3.20	0.50	1.80	0.30
107-6	76-77	1.0	0.04	3.70	0.60	2.70	0.30
107-7	85.7-87.2	1.6	0.065	3.70	0.70	15.10	3.10

It cannot be said at this date the extent of this mineralized area. However, a cross-cut tunnel is being advanced to intersect this section. The results will be reported at a later date.

Diamond Drill Hole #108 was drilled from station number 3 at a vertical angle downward. Hole #110 preceded this hole but owing to the results of Hole 110, this hole 108 was drilled. This hole was drilled 141 feet.

0-10 NX
10-119 BX
119-141 AX

0 - 7 Altered Limestone
7 - 54 Limestone slightly altered
54 Limestone - granite contact
55-60 Small amount Mineralization (small core recovery)
60-75 Small amount mineralization altered granite
75 Granite - Limestone contact
75 - 78 Small amount Fe
78-122 Limestone slight alteration
122-130 Limestone with some Fe
130-135 No core reported more mineralization.
135-141 Limestone with small amount of Fe

It would seem that the results of this hole reveal that faulting is in evidence. Otherwise you would not intersect the granite contact and then go back into limestone. The recovered mineralization throughout was weak.

Diamond Drill Hole #109 was drilled S77°W at a plus 3° angle. The total footage was 129.

0 - 5 NX Limestone (altered)
5 - 129 BX Limestone
10 - 11 Oxidized Limestone
24 - 47 Oxidized seams
4 - 129 Small oxidized crevices

Some cherty material was present in this hole. Between 54 and 76 feet a few flecks and small seams of pyrite was present.

Diamond Drill Hole #110 was drilled N 7° E at a minus 65 degree angle. This hole was drilled a total of 230 feet.

0 - 8 NX
8 - 153 BX
153 - 230 AX

[illegible] - [illegible] Granite
[illegible] Water source - calculated
91 - 92 Oxidized limestone
146 - 173 Small seams of chert
189 - 210 Small amount of pyrite
212 Pale
212 - 215 14 inches of heavy pyrite (sampled)
215 - 230 Granite (altered)

Results of this hole reveals that limestone granite contact is of a greater angle than assumed. First calculations expected this contact at about 150 to 175 feet. Sampled zone will be reported later.

Diamond Drill Hole #111 was drilled S 40° E at a minus 45 degree angle. Owing to some of the holes not been drilled, authorized permission was granted for the location of this hole. The total footage was 72.

0 - 4 NX
4 - 46 BX
46 - 72 AX

0 - 7 Oxidized Limestone
28 Oxidized Limestone
44 1 foot Oxidized Limestone
45 - 57 Slight mineralization (mostly Fe)
57 Granite contact

Results of hole showed that limestone-granite contact was of a greater angle than expected.

Diamond Drill Hole #112 was drilled N 42° W at a minus 50 degree angle. This hole was authorized by approved agencies. This hole was drilled 277 Ft.

0 - 5 NX Limestone
5 - 185 BX Limestone
185 - 277 AX Limestone
0 - 26 Oxidized-altered limestone
30 - 34 Oxidized & small crevides present
43 - 72 Oxidized seams
75 - 97 Firm limestone
97 - 115 Oxidized seams and small crevices.
115 - 120 Highly oxidized and porus.
120 - 128 Firm limestone
128 - 131 Porus
131 - 141 Slightly porus.
141 - 162 Firmer limestone
162 - 166 Broken up limestone
166 - 170 Firm limestone
170 - 175 Oxidized crevices
175 - 185 Firm light-colored limestone
185 - 231 Small chert seams present (blue limestone)
m205 Small showing of pyrite
1852 - 266 Small flecks of pyrite present
231 - 276 Hard blue limestone

This hole was drilled a greater distance than expected. It was assumed that the back or granite contact would be intersected at approximately 200'. All samples were analyzed by W. H. Smith, Leadville, Colorado.

[illegible] Property has [illegible] to have a [illegible] drill to [illegible] [illegible] for [illegible] [illegible] 1957.

The [illegible] report will not be submitted until the above mentioned [illegible] are completed. This will reveal valuable information.

In addition, there were 2235 feet of diamond drilling accomplished during the month of February, 1953.

Respectfully submitted,

W. E. Burleson

W. E. Burleson

[illegible] Night Shift

[illegible]	[illegible]	[illegible] - 5' [illegible] Limestone [illegible]	Core Recovered - [illegible] 2-20-53 Day Shift 8 - 4
[illegible]	[illegible]	[illegible]	Core Recovered - [illegible] 2-20-53 Evening Shift 4 - 12
[illegible]	[illegible]	[illegible] AX Limestone	Hard spots in formation Core Recovered - 35'
			2-20-53 Night Shift 12 - 8
[illegible]	[illegible]	[illegible] Limestone	Core Recovered - 14'
			2p21-53 Day Shift 8 - 4
[illegible]	[illegible]	[illegible] AX [illegible]	Had hard delay on [illegible] and replaced one BX coupler. Core Recovered - 15'
			2-21-53 Evening Shift 4 - 12
[illegible]	[illegible]	[illegible] BX Limestone	1 hr. setting up 15-18 on Proposed [illegible] Core Recovered - 31'
			2-22-53 Day Shift 4 - 4
[illegible]	[illegible]	[illegible] AX Limestone	Core Recovered - 26'
			2-22-53 Evening Shift 4 - 12
[illegible]	[illegible]	[illegible] BX Broken Line	Hole making water, some cave, very fine Core Recovered - 7'
			2-22-53 Night Shift 12 - 8
[illegible]	[illegible]	[illegible] AX Limestone	Core Recovered - 6'
			2-23-53 Day Shift 8 - 4
[illegible]	[illegible]	[illegible] AX Limestone	Core Recovered - 10'
			2-23-53 Evening Shift 4 - 12
[illegible]	[illegible]	[illegible] Broken [illegible] [illegible] AX Limestone	Core Recovered - 16' Machine freezing, reducing to AX.
			2-23-53 Night Shift 12 - 8
[illegible]	[illegible]	[illegible] AX Limestone	Machine keeps freezing up. Core Recovered - 8'
			2-24-53 5 Day Shift 8 - 4
[illegible]	[illegible]	[illegible] AX Limestone	Core Recovered - 2 feet
			2-24-53 Evening Shift 4 - 12
[illegible]	[illegible]	[illegible] AX Limestone	Limestone hard and broken with quartzite Core Recovered - 10'
			2-24-53 Night Shift 12 - 8
[illegible]	[illegible]	[illegible] AX Quartzite	Core Recovered - 4'
			2-25-53 Day Shift 8 - 4
[illegible]	[illegible]	[illegible] AX Limestone	[illegible] come iron at bottom of hole Core Recovered - [illegible]

ROLLIN SCHMITZER DIAMOND DRILLING COMPANY
W. A. Rogers
Daily Drill Report

Company Mine Lease Co. Date February 2, 1953 Place Monarch, Colorado

Drill No. ____ Type 11S-15 Prospect No. 104 Angle of Hole 40° plus S 16 E

Day Shift _____ Evening Shift _____ Night Shift 12-8-

From	To		
0'	5'	NX Lime	Core Recovered - 3' 2 hrs. delay for blasting drill station. 2-2-53 Day Shift 8 - 4
5'	17'	12' BX Lime	Core Recovered 11' 2-3-53 Evening Shift 4 - 12
17'	35'	18' BX Limestone	The lime formation was broken and core recovery was poor from 17' to 28', good on the last 7'. Core Recovered - 12' 2-3-53 Night Shift 12 - 8
35'	52'	17' BX Limestone	Core Recovered - 11' 2-4-53 Day Shift 8 - 4
52'	72'	20' Lime	Core Recovered - 18' 2-4-53 Evening Shift 4 - 12
72'	92'	20' BX Limestone	Core Recovered - 20' 2-5-53 Evening Shift 4 - 12
92'	104'	BX Limestone	5 BX bits, 1 AX bit, 1 NX bit. Delay for water one hour. Core Recovered - 11' 2-7-53 Day Shift 8 - 12
104'	118'	14' BX Limestone	4 BX, 1 NX, 1 AX, Bits. 1½ hours waiting on compressor. Same running, not pumping. Core Recovered - 14' 2-7-53 Evening Shift 4 - 12
118'	135'	18' BX Limestone & Granite	4 BX, 1 NX, 1 AX Bits. Reached granite at 127' had a little iron sludge at 135' to 136'. Core Recovered - 17' 2-8-53 Day Shift 8 - 4
136'	149'	BX Granite	4 BX, 1 NX, 1 AX Bits. Drilled in granite and some iron 136' to 139', hard granite to 149'. Hole completed 149' BX. Core Recovered - 12'

[illegible] DRILLING CO.
W. A. Rogers
Daily Drill Report

Contractor Ultra Lode Co. Date 2-25-53 Place Monarch, Colorado

Drill No. _____ Type 15 Prospect No. 104 & C. Angle of Hole Plus 40

Day Shift _____ Evening Shift _____ Night Shift 12 - 8

From	To		
149'	152'	3' Granite	Core Recovered - 3'
			2-26-53 5 Day Shift 8 - 4
152'	170'	18' AX Granite	Had Core Recovered - 17'
			2-26-53 Evening Shift 4 - 12
170'	186'	16' AX Granite with small amount of iron	Core Recovered - 16'
			2-26-53 Night Shift 12 - 8
186'	195'	9' AX Granite	Trying to pull AX casing - 2 hrs. Core Recovered - 10'
			2-27-53 Day Shift 8 - 4
195'	202'	7' AX Granite	Hole Complete 202' AX Core Recovered - 5'

[illegible] MOUNTAIN MINING [illegible] CO.
W. L. Rogers
Daily Drill Report

Contract Star Lode Company Date 1-31-53 Place Monarch, Colorado

Drill No. _____ Type MS-15 Prospect No. 105 Angle of Hole 65° N 35 E

Day Shift _____ Evening Shift 4 - 12 Night Shift _____

From	To		
0'	5'	5' NX Limestone	Trouble getting 2½" pipe in hole. Some caving. Core Recovered - 4'
			1-31-53 Night Shift 12 - 8
			No Pump Man
			2-1-53 Day Shift 8 - 4
5'	15'	10' BX Limestone	4 hrs. getting air tank and helping take tank in mine. Core Recovered - 9'
			2-1-53 Evening Shift 4 - 12
15'	23'	8' BX Limestone	Formation broken up. Core Recovered - 8'
			2-1-53 Night Shift 8 - 4
23'	42'	19' BX Limestone	Core Recovered - 15'
			2-2-53 Day Shift 8 - 4
42'	66'	14' BX Lime	Nipple on water swivel broke. Core Recovered - 10'
			2-2-53 Evening Shift 4 - 12
55'	81'	26' BX Granite	Hole Complete 81' BX Core Recovered - 12'

[illegible] DRILLING Co.
[illegible] Rogers
Daily Drill Report

Contract [illegible] Co. Date 2 - 9 - 53 Place [illegible] Monarch, Colo.

Drill No. ____ Type [illegible] 15 Prospect No. 107 Angle of Hole 3° S 15 E

Day Shift _____ Evening Shift 4 - 12 Night Shift _____

From	To		
0'	8'	8' NX Limestone	5 BX, 2 AX, 1 NX
8'	12'	4' BX Limestone	Core Recovered - 11'
			2-9-53 Night Shift 12 - 8
12'	42'	30' BX Lime	5 BX, 1 NX, 2 AX Core Recovered - 28'
			2-10-53 Day Shift 8 - 4
42'	69'	27' BX Limestone to 60' Iron ore to 60' 1"core 60' to 64' plus sludge 3½' core 64' to 69' plus sludge 18' lime core 42 to 60	4 BX, 2 AX, 1 NX Broke & replaced chuck luck ring Core Recovered - 22½'
			2-10-53 Evening Shift 4 - 12
69'	92'	23' BX Limestone with zinc showing, also granite with iron and zinc showing in core.	Sludge samples from 69' - 74' and 74' - 78' Core Recovered - 21'
			2-10-53 Night Shift 12 - 8
92'	104'	12' BX Mineralized granite	5 BX, 2 AX, 1 AX

[illegible]
[illegible]
Daily Drill Report

Contract Mar Lode Co. Date 2-15-53 Place Monarch, Colo.

Drill No. [illegible] Type [illegible] Diamond No. 103 Angle of Hole Vertical

Day Shift [illegible] Evening Shift 4 - 12 Night Shift [illegible]

From	To		
			Waiting for drill station to be cut larger.
			2-15-53 Night Shift 12 - 8
0'	30'	30' NX Limestone 10' BX Limestone 20'	Core Recovered - 27'
			2-16-53 Day Shift 8 - 4
30'	55'	25' Limestone	Core Recovered - 24'
			2-16-53 EveningShift 4-12
55'	80'	25' BX Granite with iron.	Sludge sample 55' to 60'
55'	60'	5' Iron	Core Recovered - 20'
			2-16-53 Night Shift 12 - 8
80'	101'	21' BX Limestone with iron seams	Had one hour delay to help with pumps.
			2-17-53 Day Shift 8 - 4
101'	117'	16' BX Limestone with iron	Hole caving badly, stuck when pulling outt Core Recovered - 14'
			2-17-53 Evening Shift 4 - 12
117' 117'	119' 122'	2' BX Limestone 3' AX Limestone	Hole caving badly, machine unable to turn rods, stack coming out. Core Recovered - 5'
			2-17-53 Night Shift 12 - 8
122'	141'	19' AX Limestone & iron. Sludge from 130' to 135'. Sludge from 135' to 141'. No core from 130 to 135'.	Core Recovered - 8'
			2-18-53 Day Shift 8 - 4
			2 hours getting stuck rod out of hole. 3 hours waiting on eng.

ROCKY MOUNTAIN DIAMOND DRILLING CO.
W. A. Rogers
Daily Drill Report

Contract Utze Lode Co. Date 2-4-53 Place Monarch, Colo.

Drill No. _____ Type CP Propsect No. 109 Angle of Hole Horiz. 30S77W

Day Shift 12 - 8 Evening Shift _____ Night Shift _____

From	To		
			8 Hrs. setting up C. P.
			2-4-53 Night Shift 12 - 8
0'	9'	9' Limestone	Reamed hole 4 hrs. 4BX - 1AX NX casing is worn out, could not drill deeper. Core Recovered - 8'
			2-5-53 Day Shift 8 - 4
9'	21'	11' BX Hard Lime	1 Hr. delay for air compressor running, not pumping Core Recovered - 10'
			2-5-53 Night Shift 12 - 8
21'	40'	19' BX	5BX Bits, 1 AX, 1 NX 1 Hr. Reaming Core Recovered - 13'
			2-6-53 Day Shift 8 - 4
40'	54'	14' BX Limestone with some quartzite	Formation broken up. Eddie Claunts worked 4 hrs. Core Recovered - 12'
			2-6-53 Evening Shift 4 - 12
54'	78'	24' Quartzite & iron seams. Limestone	5BX Bits, 1 NX, 1 AX Had some trouble with machine freezing. Core Recovered - 23'
			2-6-53 Night Shift 12 - 8
78'	87'	9' Limestone quartzinte	5 BX Bits, 1NX, 1AX Machine freezing up all night. Core Recovered - 7'
			2-9-53 Evening & Night Shift
87'	111'	24' BX Limestone	3 hrs. delay moving HS to 109 Core Recovered - 23'
			2-9-53 Day Shift 8 - 4
111'	119'	9' BX Limestone	2 hr. delay with broken rod gun 5 BX, 2AX, 1 NX Core Recovered - 9'
			2-9-53 Evening Shift 4 - 12
119'	129'	10' BX Limestone	Hole Complete 129' BX Core Recovered - 9'

ROCKY MOUNTAIN DIAMOND DRILLING CO.
W. A. Rogers
Daily Drill Report

Contract Climax Molyb. Co. Date 2-22-53 Place Malanah, Colorado

Drill No. ____ Type LF 15 Prospect No. Hole 110 Angle of Hole -63° N 7 E

Day Shift 8 - 4 Evening Shift _____ Night Shift _____

From	To		
0'	12'	12' BX - 8' to 12' NX - 0' to 8' Limestone	Core Recovered - 8'
			2-11-53 Evening Shift 4 - 12
12'	32'	20' BX Limestone	Trouble getting out of hole. Water course at 30ft. Core Recovered - 19'
			2-11-53 Night Shift 12 - 8
32'	42'	10' Limestone	1 sack cement luminite Hole caving bad. Had to cement hole. 3 hrs. waiting. Core Recovered - 40'
			2-12-53 Day Shift 8 - 4
42'	51'	9' BX Limestone	Worked three hours on compressors. Broke one chuck wrench. Water course carrying away cement. 5' in hole. Core Recovered - 8'
			2-12-53 Evening Shift 4 - 12
51'	76'	25' BX Limestone	24' Core Recovered
			2-12-53 Night Shift 12 - 8
76'	92'	16' BX Limestone	Core Recovered - 16'
			2-13-53 Day Shift 8 - 4
92'	119'	27' BX Limestone	Started on new Marfax.
			2-13-53 Evening Shift 4 - 12
119'	145'	26' BX Broken Limestone showing iron	1' cave in hole last run hit heavy mineral zone 145'. Core Recovered - 24'
			2-13-53 Night Shift 12 - 8
145'	153'	8' BX Lime	Lost core coming out of hole. Drilling back over same. Hole caving badly, making 5' run. Core recovered - 8'
			2-14-53 Day Shift 8 - 4
153'	169'	15' AX Limestone & quartzite	Core Recovered - 8'
			2-14-53 Evening Shift 4 - 12
168'	190'	22' AX Limestone & quartzite. Iron showing at 190' taking sludge.	Core Recovered - 15'
			2-14-53 Night Shift 12 - 8
190'	207'	17' BX Lime	Core Recovered - 12'
			2-15-53 Day Shift 8 - 4

[illegible]
W. A. Nagel
Daily Drill Report

Contractor [illegible] Co. Date 2-18-53 Placed Monarch, Colorado

Drill No. _____ Type CP Prospect No. 111 Angle of Hole 45°

Day Shift _____ Evening Shift 4-12 Night Shift _____

From	To		
0'	4'	4' NX Overburden	Not room enough to pull rods, or get core barrel in hole on first set up. Bottom of drift shof all up.
			2-18-53 Night Shift 12 - 8
4'	18'	14' BX Limestone	Seems to be some cave about 10' down. Core Recovered - 10'
			2-19-53 Day Shift 8 - 4
18'	39'	21' Limestone	Core Recovered - 20'
			2-19-53 Evening Shift 4 - 12
39'	46'	7' BX Limestone	Stuck in hole 10' from collar
49'	51'	3' AX Showing Iron	Core Recovered - 26'
51'	67'	18' AX Granite	
			2-19-53 Night Shift 12 - 8
67'	72'	5' AX Granite	Core Recovered - 5'

[illegible] ASSAYS - [illegible] Lake Area.

[illegible] the results of a test for the [illegible] and in the places the samples [illegible] were drill holes [illegible]. Refer to the [illegible] that the [illegible], most [illegible], carried [illegible] metals.

Number	Gold	Silver	Lead	Zinc	Copper
[illegible]	0.09	2.6	0.4	0.6	0.2
[illegible]	0.02	0.3	0.4	4.6	0.25
[illegible]	[illegible]	0.4	0.5	3.7	0.2
109-1S	0.05	0.0	0.2	0.4	Trace
108-2S	0.04	0.7	0.3	0.3	Trace
108-3S	0.05	0.8	0.7	0.6	0.1
110-1S	0.015	0.4	0.4	0.5	0.2
110-2S	0.03	1.4	0.6	1.2	0.2
111-1S	0.02	0.5	0.6	0.4	0.1
107-1	0.015	0.7	0.4	7.9	Trace
107-2	0.02	0.8	0.6	17.5	0.3
107-3	0.015	0.7	0.7	16.6	0.4
107-4	0.02	0.6	0.6	0.9	0.15
107-5	0.045	3.2	0.5	1.8	0.3
107-6	0.04	2.7	0.6	2.7	0.3
107-7	0.065	6.9	0.7	15.1	3.1
300-1	0.08	6.4	1.6	7.2	Trace
300	0.035	9.0	1.1	1.6	0.1 Stope H. W.
300	0.12	6.1	6.0	13.2	0.4 Stope F. W.
400-1	0.065	4.0	0.9	2.1	0.7
110-1	0.015	0.5	0.6	0.6	0.15

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

Mineral Resources Branch

Date Rec'd FEB 6 1953 BUREAU OF MINES

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January Denver, Colorado 1953 Docket No. DMEA 2280 Contract No. Idm-2448

Operator's Name The Utze Lode Company Minerals Lead & Zinc

Address Box 500, Salida, Colorado

Contract Amount, $ 49,500.00 Government Participation: 50 % Amount, $ 24,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	6030.00	None	6030.00			
Bulldozing						
Crosscutting						
Drifting	6909.50	19,090.50	26,000.00			
Diamond Drill Stations	1666.67	833.33	2,500.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	Contract given by price unit					
Purchase	per foot of drifting, price					
Depreciation	per foot for diamond drilling,					
(5) Initial Rehabilitation and Repairs	and price unit for each station.					
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	14,606.17	19,923.83	34,530.00	14606.17	19923.83	34530.00

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

Date 2-3-53 *Payee THE UTZE LODE COMPANY

Per Howard Kesler Title Treasurer

*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:

$ 7303.08

Signature [illegible] (Authorized Certifying Officer)

Date 2/25/53 Vou. No. DMA 53-99

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 448 in accordance with the terms of the contract.

Signature Lee Hayes Jr. 7,303.08 Title Mining Engr. Date Feb. 11 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: L.S.B.

Signature W. H. King Title Executive Officer Date FEB 17 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) Mineral Resources Branch

Date Rec'd
FEB 6 1953
BUREAU OF MINES
Denver, Colorado

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 January 1953 Docket No. DMEA 2280 Contract No. Idm-2008
Operator's Name The Utre Lode Company Minerals Lead & Zinc
Address Box 508, Salida, 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	Foot	6909.50	106.3'	26,000.00	400'	$65.00	400'	$65 a foot
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	6030.00	502.5'	6,030.00	502.5'	$12.00	1750'	$12 a foot
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations	Two	1666.67	2	2,500.00	3	833.33	3	$833.33 unit
TOTAL DISTRIBUTED COSTS		14,606.17		34,530.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		14,606.17		34,530.00				

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 2-3-53 Operator The Utre Lode Company

Per Howard R Kates Title Treasurer

REMARKS: Work done by contract as outlined above.

→ 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

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

C
O
P
Y

224 New Customhouse
Denver 2, Colorado

February 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2280, Contract Idm-E448 (Lead-Zinc) Utze Lode Company, Madonna Mine, Chaffee County, Colorado. Operator's Monthly Progress Report for the period January, 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report - February 3, 1953.
Date Received in Field Office - February 6, 1953.
Date Received in Region Office - February 16, 1953.
Date Processed for Payment - February 17, 1953.

W. H. King

RDBerk:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 12, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2280, Contract Idm-E448 (lead-zinc), Utse Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for January 1953

Please find enclosed the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and maps--and seven copies of Scott W. Hazen, Jr.'s memorandum verifying 106.3 feet of drifting and 502.5 feet of core drilling as underground progress as reported in the narrative and entered on the reporting forms. He approves payment under the terms of the short form contract.

The approved amount certified is $7,303.08, or 50 percent of the total $14,606.17 claimed by the contractor.

for W. M. Traver

enclosures

WMT/amh

cc: 4
E448
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 12, 1953

Memorandum

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

From: Scott W. Hazen, Jr.

Subject: DMEA 2280, Contract Idm-2448 (lead-zinc), Utze Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for January 1953

A field inspection was made on February 9, 1953, and all contract progress was inspected. Drifting has been completed according to contract specifications, and measurements from the point of beginning of the contract verified the total drift length of 400 feet. Three diamond drill stations have been excavated and timbered as specified in the contract. Diamond drilling is progressing satisfactorily on a three-shift, seven-day-per-week basis. The company is furnishing a hoistman, pumpman, and compressor man for each shift. The core from each drill hole was examined and logs submitted by the company engineer verified.

Diamond drill hole 101	was completed at a depth of	103.5 feet
Diamond drill hole 102A	was drilled to a depth of	114.0 feet
Diamond drill hole 102B	was drilled to a depth of	143.0 feet
Diamond drill hole 103	was completed at a depth of	142.0 feet
January total drilled		502.5 feet

Drill hole 102A was stopped at 114.0 feet as it had penetrated the granite beyond the limestone-granite contact. Written approval was given to redrill the hole on a new bearing which was started as hole 102B. It was also stopped at 143.0 feet. Careful inspection of the core reveals the hole was following the limestone-granite contact and may have re-entered limestone if continued, but the hole was caving badly and had already been cased and reduced to AX size. The original objective for these holes has not been reached and is still considered a good exploration objective. The company expects to request another hole to reach the original target. Pyrite mineralization appeared to be increasing along the limestone-granite contact as the hole penetrated more to the east.

The drill core is properly boxed and stored at the mine. Recovery of core has been as good as can be expected. Almost all drilling has been BX size.

The drift has followed the strike of the limestone bedding from about 200 feet to 390 feet where the limestone beds turn sharply to the north. This is evidently the beginning of the upturn on the west limb of the syncline.

The company is rehabilitating the third and fourth winze levels. Some ore, mostly pyrite, was seen on the fourth level. A geiger counter registered a high background count on both levels. It occasionally reached midpoint on the dial when set on the middle scale. Probing around the fault and mineralization failed to show any significant increase in the count.

Although pyrite has been noted in several holes, no ore had been encountered by any of the drilling as of the date of the inspection but, on February 11, the company stated that hole 107 had penetrated 18 feet of mineralization in the limestone-granite contact.

Approval is recommended for one-half of the total costs reported for January, or one-half of $14,606.17, which equals $7,303.08.

Scott W. Hazen, Jr.

Scott W. Hazen, Jr.

SWH/amh

cc: 6
E448
DMEA Chron.

Title: Monthly Report of Exploration Progress
Place: Madonna Mine, near Monarch, Colorado
Date: February 1, 1953
Owner: Utze Lode Company, Salida, Colorado
Contractor: Utze Lode Company, Salida, Colorado
Diamond Drill Stations: Completed 2
Footage: 106.3 feet on 600 X-cut (X-cut completed)
Footage: 502.5 feet of Diamond Drilling.

In accordance with Docket D. M. E. A. Number 2280, Utze Lode Company, Salida, Colorado, the following progress work has been completed for the month of January, 1953.

The 600 level cross-cut below has been completed. There was 106.3 feet of work done to reach the objective of a total of 400 feet.

Diamond Drill stations numbers 2 and 3 were excavated as shown on the progress map.

Diamond Drilling was commenced on January 21, 1953. Holes 101, 102A, 102B and 103 were completed. The total footage for these holes was 502.5 feet.

Towards the end of the 600 level cross-cut, the limestone shows considerable oxidation. This is more so in evidence at the last of number 3 diamond drill station. The limestone is not compact and shows some fracturing. Some water is flowing from this location and could be the cause of the oxidation.

Diamond drill hole 101 was drilled S 35°W at a minus 60. This hole was drilled BX and completed at 103.5 feet. It is assumed that the Madonna fault was intersected between 82 and 84 feet. At this footage, the granite was weak and caused a cave condition. The hole was cemented in order to complete it. The granite up to 85' was of a light color and from 85 to 103.5' changed to a light pink color. The total core recovered was 82.41 feet or equivalent to 79.6%.

Diamond Drill hole 102A was changed in direction as authorized by the Bureau of Mines. It was drilled N 65° E on a horizontal. The hole was drilled BX to 79'. Had to be cased because of broken up granite and limestone. The hole was completed with an AX bit. The total footage was 114'. Limestone was intersected between 72 and 73 feet and showed some pyrite. Granite was intersected at 75' and except for a 6-inch streak of limestone at 79.5', the balance was granite. Some pyrite mineralization showed in the core between 79 and 101'. The BX core recovery was 47.92' or 60.6%. The AX core recovery was 21.58 feet or 61.6%. The total hole recovery was 60.9%. The conclusion was that angle of hole was too close to granite-limestone contact.

Diamond Drill hole 102B was drilled N 52° E on a plus 2½° angle. This hole was drilled BX to 84' and reduced to AX to complete the 143' hole. The hole was started in granite and first intersected limestone at 32'. From 32 to 115', the hole was in and out of granite and limestone. The following is my log of the hole:

0 to 32 granite (light color)
32 to 48 lime
48 to 49 granite
49 to 55 lime
55 to 61 granite
61 to 86 lime
86 to 86.5 pyrite (6" core)
87 to 91 lime
91 to 106 granite
106 to 107 pyrite (3" core)
107 to 115 lime
115 to 143 granite

The total BX and AX core recover was 79.77 feet or 55.7% for the hole.

Diamond drill hole 103 was drilled from the No. 2 station or excavation. It was drilled S 17° W on a plus 4° angle. The total 142' was drilled BX. The hole was started in limestone and intersected the granite at 68'. It is probable that the Madonna fault was intersected at about 132' because of the slight change in the granite. This is my log of the hole:

0 - 63 lime
63 - 68 oxidized lime
68 - 70 oxidized granite
70 - 124 granite (light)
124 - 132 granite (slight Fe mineralization) at 132' small seam of Fe
132 - 142 granite (small amount of Fe)

The total hole recovery was 61.5%.

Respectfully submitted,

W. E. Burleson

ROCKY MOUNTAIN DIAMOND DRILLING COMPANY
W. A. Rogers
Daily Drill Report

Contract Utze Lode Company Date 1-20-53 Place Monarch, Colorado

Drill No. ____ Type MS-15 Prospect No. 101 Angle of Hole 60° S35W

Day Shift Y Evening Shift _____ Night Shift _____

Moving equipment to mine, making setup on 600' level.

From	To		
			1-21-53 Day Shift 8 - 4
0'	6'	6' of NX Granite	Drilling to 6' NX to accommodate 5' 2½" pipe and tee for return sludge.
6'	27'	21' of BX Granite	Core Recovered - 24'
			1-21-53 Evening Shift 4 - 12
27'	37'	10' of BX Granite	Core Recovered - 9'
			1-22-53 Day Shift 8 - 4
37'	61'	24' of BX Granite	Core Recovered - 23' 6"
			1-22-53 Evening Shift 4-12
61'	74'	13' of BX Granite	Core Recovered - 13' Formation broken & blocking in bit
			1-22-53 Night Shift 12-8
74'	85'	11' of BX Granite	Core Recovered - 4' 6" Cave in hole
			1-23-53 Day Shift 8 - 4
			* Washing out cave into powder box from 82' to 85'. Cementing 8 hours. 3 hours cementing cave in hole waiting on same to set.
			1-23-53 Evening Shift 4 - 12
85'	85'	0' of BX	4 hrs. drilling 13' cement. Testing cement, same soft 20' in hole, drilling out 4 hrs.
			1-23-53 Night Shift 12 - 8
78'	85'	7' Cement (Drilling)	Core Recovered - 4'
85'	90'	5' BX Granite - change in type of Granite	
			1-24-53 Day Shift 8 - 4
90'	103'6"	13'6" BX Granite	Core Recovered - 11' Hole Complete 103'6"

*Owing to the change in the granite and the cave condition, it is believed that the Madonna fault was intersected between 82' and 84'.

ROCKY MOUNTAIN DIAMOND DRILLING COMPANY
W. A. Rogers
Daily Drill Report

Contract Utah Lode Company Date 1-[illegible] Place Hurricane, Colo. Drill No. _____

Type HS-15 Prospect No. 102A Angle of Hole N [illegible] Day Shift _____

Evening Shift _____ Night Shift _____

From	To		
			1-24-53 Day Shift 8 - 4
0'	8'	8' NX Granite	Core Recovered - 5' 6"
			1-24-53 Evening Shift 4-12
8'	27'	19' BX Granite	Core Recovered - 17'
			1-24-53 Night Shift 12 - 8
27'	36'	9' BX Granite	Core Recovered - 8' 8"
			1-25-53 Day Shift 8 - 4
36'	61'	25' BX Broken Granite	Granite with gouge seams, same not caving. Core Recovered - 19'
			1-25-53 Evening Shift 4 - 12
61'	75'	14' BX Granite	Hole Caving
72'	75'	3' BX Limestone	Core Recovered - 13'
			1-25-53 Night Shift 12 - 8
75'	79'	4' BX Granite	Hole Caving Badly. Core Recovered - 2' 6"
			1-26-53 Day Shift 8 - 4
79'	101'	22' AX Granite	Mineralized Granite Core Recovered - 20'
			1-26-53 Evening Shift 4 - 12
101'	114'	13' AX Hole 102A	13' AX Hole - 8.5 core Core Recovered - 11' Hole Completed 114' AX

ROCKY MOUNTAIN DIAMOND DRILLING CO.
W. A. Rogers
Daily Drill Report

Contract Utah Lake Company Date 1-26-53 Place Monarch, Colorado

Drill No. _____ Type HS-15 Prospect No. 102-B Angle of Hole 2.5°

Day Shift _____ Evening Shift 4-12 Night Shift _____

From	To		
0'	3'	3' NX Granite	Starting new hole. Core Recovered - 0
			1-26-53 Night Shift 12 - 8
3'	24'	21' Granite	1 Hr. getting 2½" pipe to bottom of hole
0'	7'10"	7'10" NX Granite	Core Recovered - 19'
			1-27-53 Day Shift 8 - 4
24'	47'	23' BX Granite & Limestone	Encountered limestone at 32'.
32'	47'	15' BX Limestone	Core Recovered - 20'
			1-27-53 Evening Shift 4 - 12
47'	70'	23' BX Granite	Core Recovered - 15'
			1-27-53 Night Shift 12 - 8
70'	83'	13' BX Broken Limestone	Formation broken up causing short runs.
			1-28-53 Day Shift 8 - 4
83'	84'	1' BX Limestone	
84'	103'	19' AX Limestone and Granite	Granite at 91', Iron at 86'-91', also at 106' Core Recovered - 73%
			1-28-53 Evening Shift 4 - 12
103'	125'	22' AX Granite	Core Recovered - 15'2"
			1-28-53 Night Shift 12 - 8
125'	143'	18' AX Granite	Hole Completed at 143' AX Core Recovered - 8'

[illegible] Diamond Drilling Co.
[illegible] A. Rogers
Daily Drill Report

Contract [illegible] Company Date 1-29-53 Place Monarch, Colorado

Drill No. _____ Type HS-15 Prospect No. 103 Angle of Hole 4°S-17-W

Day Shift 8 - 4 Evening Shift _____ Night Shift _____

From	To			
0'	8'	8'	NX Limestone	Left 80' AX casing in prospect #102B. Will back off, casing tight from cave & Iron. Core Recovered - 8'
				1-29-53 Evening Shift 4 - 12
8'	33'	25'	BX Lime ~~xxxxxx~~ with Iron pyrite showing in core	Core Recovered - 17'
				1-29-53 Night Shift 12 - 8
33'	63'	30'	BX Broken Limestone	Core Recovered - 27'
				1-30-53 Day Shift 8 - 4
63'	87'	24'	BX Granite	Core Recovered - 20'
63'	68'	5'	Showing brownish-color lime & very soft, making cave, however, washing clean	Water encountered near contact of lime and granite 68' to 73'
				1-30-53 Evening Shift 4 - 8
87'	110'	23'	BX Granite	Cave in Hole Core Recovered - 14'
				1-30-53 Evening Shift 4-12
110'	132'	22'	BX Granite with iron material showing in core	Core Recovered - 20' Hole caving showing limestone cave
				1-31-53 Day Shift 8 - 4
132'	142'	10'	BX Granite with small amount of iron	Hole Completed. Pull AX Casing from 102B. Not enough room to set up on prospect 105. Setting up on -65.

Form [illegible]04 (Rev.)
([illegible]952)

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 December 195 2 Docket No. DMEA 2280 Contract No. IDM 6448
Operator's Name The Utze Lode Company Minerals Lead & Zinc
Address Box 500, Salida, Colorado
Contract Amount, $ 49,500.00 Government Participation: 50 % Amount, $ 24,750.00

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	None	None	None			
Bulldozing						
Crosscutting						
Drifting	12,883.00	6207.50	19,090.50			
Diamond Drill stations	833.33	None	833.33			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	Contract given by price					
Purchase	unit per foot of drifting,					
Depreciation	price per foot for diamond					
(5) Initial Rehabilitation and Repairs	drilling, and price unit					
(6) New Bldgs., Improvements, etc.	for each station.					
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	13,716.33	6207.50	19,923.33	13716.33	6,207.50	19,923.83

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

Date 1-6-53 *Payee The Utze Lode Company

Per Howard R Kates Title Treasurer

*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:

$ 6858.17

Signature [illegible]
(Authorized Certifying Officer)

Date 1/22/53 Vou. No. DMA 53-86

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 448 in accordance with the terms of the contract.

Signature [illegible] 6858.16 WMT Title Mining Engineer Date Jan 8 1953

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

Signature W. H. King Title Executive Officer Date JAN 15 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-194A
(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 December 195 2 Docket No. DMEA 2280 Contract No. IDH 2448
Operator's Name The Utze Lode Company Minerals Lead & Zinc
Address Box 500, Salida, 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	Foot	12,883.00	198.2	19,090.50	198.2 (273.7)	65.00	400'	$65 a foot
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	None	None	None	None	None	1750'	$12 per ft
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations	One	833.33	1	833.33	1	333.33	1	833.33 unit
Total Distributed Costs		13,716.33	198.2	19,923.83				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		13,716.33	198.2	19,923.83				

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.

Remarks: Work done by contract as outlined above.

Date 1-6-53 Operator The Utze Lode Company

Per Harold R. Kistler Title Treasurer

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

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

New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 2 1953

January 15, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2280, Contract Idm-E448 (Lead-Zinc) Utne Lode Company (Madonna Mine) Chaffee County, Colorado - Operator's Monthly Progress Report for the period of December, 1952

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report - January 6, 1953
Date Received in Field Office - January 7, 1953
Date Received in Region Office - January 12, 1953
Date Processed for Payment - January 15, 1953

W. H. King
W. H. King

Enclosures

RDB:oc

cc: Contract
Secretary to the Oper. Comm. (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 2280, Contract Idm-E448 (Lead-zinc), Utse Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for December 1952

Please find enclosed the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative and maps--and seven copies of Scott W. Hazen, Jr.'s memorandum verifying the footage reported in the narrative and approving payment under the short form contract.

Approval is for payment of $6,858.16, or 50 percent of the total $13,716.33 claimed by the contractor.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 4
E448
DMEA 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: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Scott W. Hasen, Jr.

Subject: DMEA 2280, Contract Idm-E448 (Lead-zinc), Utze Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for December 1952

An examination of the subject contract progress was made on January 5, 1953. Measurement of the sixth winze level drift showed it had been advanced 316.5 feet as of January 5. Diamond drill station No. 1 had been cut and timbered. It is of sufficient size to accommodate drilling and the required 10-foot pulls.

The company started a crosscut to the southwest at 218 feet from the sixth winze level station. This was done on company account and not charged to DMEA. It is to be driven to the ore found by Bureau of Mines drilling. The sixth winze level drift encountered a water course at about 250 feet. There is a heavy flow of water coming from the back of the drift. This has drained the water flow on the fourth winze level and from diamond drill holes M-2 and M-6 on the fourth winze level. Company drifting on the fifth winze level cut USBM drill hole M-7 and picked up the fault east of the shaft. The drift is being continued N. 35° E. along the fault. A little good ore was found at the point where the fault intersected the basement granite.

The contract work has been performed as required and measurements verify the amount claimed on the MF-104 and work reported in the narrative. The contractor and operator both stated that all bills were paid. Payment is recommended for $6,858.16, which is 50 percent of the $13,716.33 claimed.

Scott W. Hasen, Jr.
Mining Engineer

SWH/cb

cc: 6, E448, DMEA Chron.

Title: Monthly Report of Exploration Progress

Place: Madonna Mine, near Monarch, Colorado

Date: January 6, 1953

Owner: Utze Lode Company, Salida, Colorado

Contractor: Utze Lode Company, Salida, Colorado

Footage: 198.2 Feet

In accordance with Docket D. M. E. A. Number 2280, Utze Lode Company, Salida, Colorado, at the Madonna Mine, near Monarch, Colorado, the progress work for the month of December, 1952, was 198.2 feet.

The total exploration work accomplished on the 600 level cross-cut below was 293.7 feet. However, 95.5 feet of this work was reported for the month of November.

The 600 level cross-cut below was advanced about 142 feet and at this location a 14-foot long by 11-foot wide by 10-foot high diamond drill station was excavated.

At approximately 180 feet the cross-cut intersected the limestone contact. This contact strikes about S 43° W and dips about 20° N. W.

About 218.5 feet within the cross-cut a smaller size cross-cut was advanced 14 feet to the Southwest. This cross-cut is not computed in the exploration work. This was done by the Utze Lode Company.

All work is progressing satisfactorily.

Respectfully submitted,

W. E. Burleson

W. E. Burleson

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
JAN 23 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

From 11-19 to 11-30 Inclusive
Month of _____, 195__ Docket No. DMEA 2280 Contract No. IDM X448
Operator's Name The Utze Lode Company Minerals Lead & Zinc
Address Box 500, Salida, Colorado
Contract Amount, $ 49,500.00 Government Participation: 50 % Amount, $ 24,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	None	None	None			
Bulldozing						
Crosscutting						
Drifting	$6207.50	None	$6207.50			
Diamond Drill Stations	None	None	None			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental	Contract given by price unit per foot of drifting, price perfoot for diamond drilling, and price unit for each station.					
Purchase						
Depreciation						
(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	$6207.50	None	$6207.50	6207.50	none	6207.50

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

Date 12-2-52 *Payee The Utze Lode Company

Per Howard R. Yates Title Treasurer

*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:

$ 3103.75

Signature _____
(Authorized Certifying Officer)

Date 1/14/53 Vou. No. DMA 53-81

(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. IdmE449 in accordance with the terms of the contract.

Signature M. H. Salsbury 3103 75 WMT Title Mining Engineer Date Dec. 16, 1952

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

Signature W. H. King Title Executive Officer Date JAN 8 1952

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
JAN 23 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

From 11-19 to 11-30 Inclusive

Month of November 1952 Docket No. DMEA 2200 Contract No. IDM 2440

Operator's Name The Utze Lode Company Minerals Lead & Zinc

Address Box 500, Salida, 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	Foot	6207.50	95.5	6207.50	95.5	6207.50	400'	$65.00a foo
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	None	None	None	None	None	1750'	$12 per foot
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations	One	None	None	None	None	None	3	$3333.33 unit
TOTAL DISTRIBUTED COSTS		6207.50	95.5	6207.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6207.50	95.5	6207.50				

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 12-2-52 Operator The Utze Lode Company

Per Harold R. Kosler Title Treasurer

REMARKS: Work done by contract as outlined above.

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 5 1953

224 New Customhouse
Denver 2, Colorado

January 8, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2280, Contract Idm-E448 (Lead-Zinc), Utze Lode Company (Madonna Mine), Chaffee County, Colorado - Operator's Monthly Progress Report for the period November 1952

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	Dec. 2, 1952
Date Received in Colo. Br. Office	Dec. 3, 1952
Date Received in Reg. IV Office	Dec. 30, 1952
Date Processed for Payment	Jan. 8, 1953

W. H. King
W. H. King

Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
December 24, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2280, Contract Idm-E448 (Lead-zinc), Utze Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for November 1952

Please find enclosed the subject progress report, the initial one submitted by the contractor--forms MF-104 and MF-104A, with narrative and maps--and seven copies of M. H. Salsbury's memorandum verifying the footage claimed under the short form contract.

Payment of $3,103.75, or 50 percent of the total $6,207.50 claimed by the contractor, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/amh

cc: 4
AHKoschmann
E448
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
December 24, 1952

Memorandum

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

From: M. M. Salsbury

Subject: DMEA 2280, Contract Ida-2448 (Lead-zinc), Utze Lode Company (Madonna mine), Chaffee County, Colorado - Progress report for November 1952.

The subject underground progress was inspected December 16, 1952, in company with Walter E. Burleson, engineer for the Utze Lode Company.

On that date, the face of the 590-foot level crosscut was 205 feet from the zero point set by Scott W. Hazen, Jr. The granite limestone contact striking about S. 43° W. and dipping 20° to the northwest was cut at 179 feet from the zero point.

Underground progress of 95.5 feet as reported in the contractor's November narrative is correct.

The cumulative and monthly unit totals and costs, as entered on forms MF-104 and MF-104A for November, are correct.

Payment of the amount owing the subcontractor, Gene Bishopp, for November is supported by the latter's affidavit and one from the Utze Lode Company.

Payment of $3,103.75, or 50 percent of the $6,207.50 claimed by the Utze Lode Company for November, is approved.

for Scott W. Hazen Jr.
M. M. Salsbury
Mining Engineer

MMS/amh
cc: 6
AHKoschmann
2448
DMEA Chron.

Title: Monthly Report of Exploration Progress

Place: Madonna Mine, near Monarch, Colorado

Date: December 2, 1952

Owner: Utze Lode Company, Salida, Colorado

Contractor: Utze Lode Company, Salida, Colorado

Footage: 95.5 Feet

In accordance with Docket D.M.E.A. Number 2280, Utze Lode Company, Salida, Colorado, progress work was commenced at the Madonna Mine, near Monarch, Colorado, on November 19, 1952. This exploration work consists of advancing a cross cut off the main interior shaft on the 600 level station below.

The bearing of this cross-cut drift is N 60° W. This bearing was established by use of a Brunton Compass. However, within the next week a transit survey will determine the true bearing.

As of 8:00 A. M. on December 1, 1952, 95.5 Feet of exploration work had been accomplished. The cross-cut drift is 5 Feet by 7 Feet clearance. The country rock is granite.

For the last 20 Feet of this exploration work, small seams of pyrite have been in evidence. These seams are approximately paralleling the cross-cut.

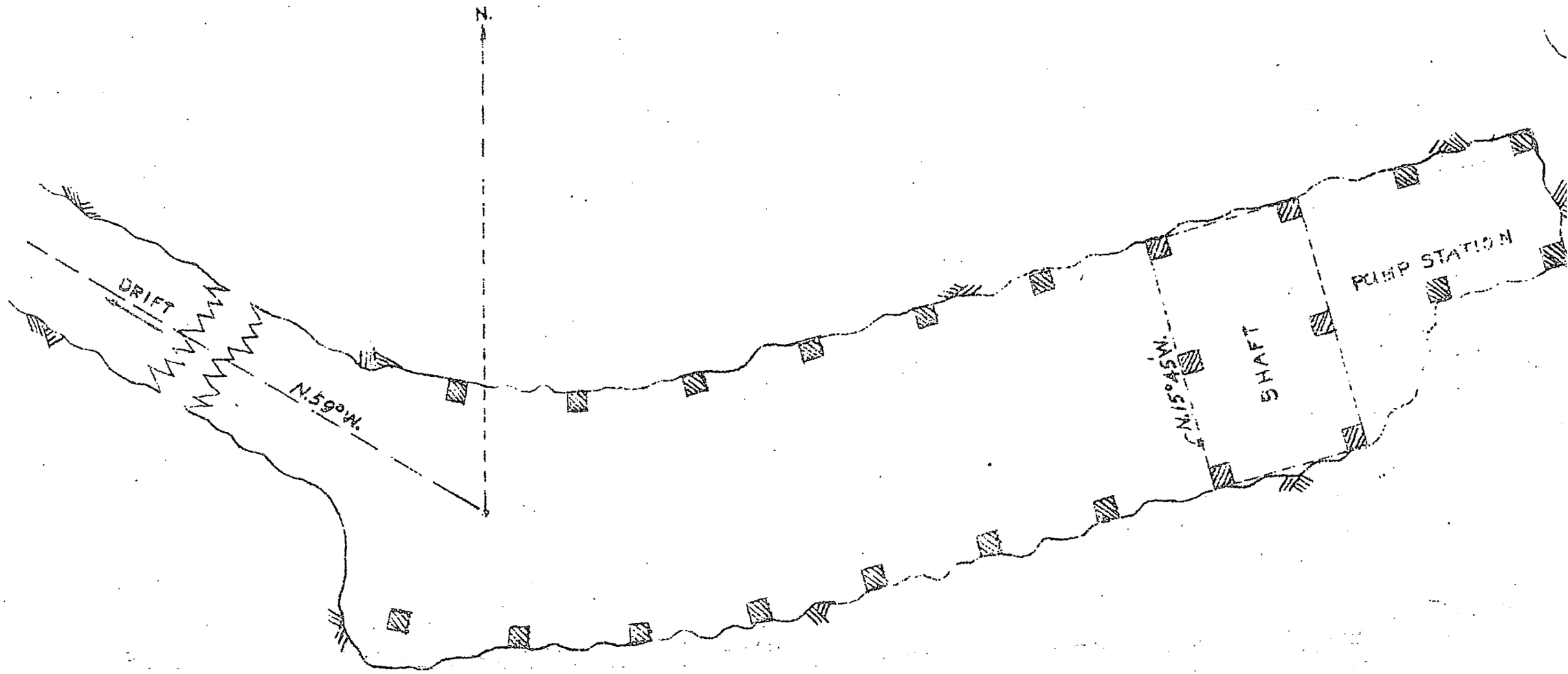
Respectfully submitted,

W. E. Burleson

W. E. Burleson

SKETCH SHOWING
SHAFT AND DRIFT
600 FOOT LEVEL BELOW
SCALE-1" = 5 FT.
DEC. 1992

-LEGEND-
TIMBER SETS



CITZE LODE CO.
MADONNA MINE

O.R. Smith, Reg. Engr.

NOV 1 9 1962

The Utne Lode Company
P. O. Box 300
Salida, Colorado

Re: DMEA-2280 (Lead-Zinc)
The Utne Lode Company
Madonna Mine
Chaffee County, Colorado
Contract Idm-2448

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated June 22, 1953, all minerals mined or produced from November 17, 1952, to November 17, 1962, were subject to the Government's percentage royalty as set forth in the contract.

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

Sincerely yours,

George Fumich, Jr.

Director

MHerrithew/mm
11-19-62
cc: Director's reading file
CAAA Division
Region III (2)
Docket
Code 500

EXTRA COPY O. M. E. RECEIVED FEB 8 1960		
DATE	INITIALS	CODE
		800

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

Mr. Harold R. Hoster
The Utah Lode Company
P. O. Box 500
Salida, Colorado

Re: Docket No. DMA 1050 (Lead-Zinc)
Contract No. Idm-E35
Docket No. DMEA 2280 (Lead-Zinc)
Contract No. Idm-E448
(Madonna mine)
Chaffee County, Colorado

Dear Mr. Hoster:

Reference is made to your notation on the questionnaire submitted regarding status of the referenced project.

According to our records, the repayment period under Contract No. Idm-E35 expires June 28, 1961, and the repayment period under Contract No. Idm-E448 expires November 17, 1962; therefore, the Government's lien against the property cannot be released until expiration of those dates, unless the total amount of Government contribution to the costs of work under each of the contracts is fully repaid prior to those dates.

Very truly yours,

Original signed by

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

JWT:ltm

ec: Chan. Op. Comm. (2)
Roy. Corres. E35
E448
Chron.

GOVERNMENT'S COPY

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

To: Mr. Harold L. Foster, Treasurer
The Utze Lode Company
P. O. Box 500
Salida, Colorado

Pursuant to the provisions of Exploration Project Contract No. Ida-448, dated November 17, 1952, Docket No. [illegible]-2280, hereinafter called the "Contract" between you and the United States of America, hereinafter called the Government; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or in detail as follows: Primary, lead zinc, silver and lead ores with auxiliary amounts of gold and copper, occurring in the Madonna mine, were found and partly delimited.

Dated JUN 22 1953

JUN 5 8 11 23
RECEIVED
Department of the Interior
Bureau of Mines

WRGriswold/hmj
(6/8/53)

CC to: Docket
Cont. Admin. & Audit Div.
Region IV (2)
Finance Office
Base Metals Div.
Edmund F. Mansure, Adm. GSA
Adm. Reading File
Operating Committee
Mr. Hedges, Rm 4604
Mr. Thayer, Rm 5216, GSA Bldg.
Mr. F. E. Johnson
Mr. Griswold
Chron.

By C. Mitteudorf
Administrator, Strategic Minerals
Exploration Administration

Bureau of Mines
Department of the Interior
RECEIVED
JUN 2 6 1953
AUDITS

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

JUN 22 1953

Mr. Edmund F. Mansure, Administrator
Defense Materials Procurement Agency
General Services Administration Building
Washington 25, D. C.

Re: Docket No. DMEA 2280 (Lead-Zinc)
The Utse Lode Company
Madonna Mine
Chaffee County, Colorado
Contract No. Idm-8448

My dear Mr. Mansure:

Enclosed is one copy each of a "Certification of Discovery or Development" and a final report by the Field Team, both related to Exploration Project Contract No. Idm-8448.

This is the second certification issued on the same property. The first certification, a copy of which was transmitted to Defense Materials Procurement Agency on July 1, 1952, was issued on June 20, 1952, in connection with Contract No. Idm-835. Diamond drilling under this contract indicated a small tonnage of submarginal lead-zinc ore.

The present contract, which was dated November 17, 1952, provided for a project consisting of 400 feet of drifting, the cutting of three diamond drill stations, and 1,790 feet of diamond drilling, estimated to cost $19,500.00. All of the work was completed with the exception of 11.5 feet of the diamond drilling at a cost of $49,362.00, of which 50 per cent, or $24,681.00, was the Government's share. Only submarginal ore was encountered in the area of the 6th winze level. It probably represents an extension of the submarginal ore previously certified.

The discovery may be described as zinc, silver, lead ores, with auxiliary amounts of gold and copper, occurring as replacements near a dolomite-granite contact. An estimate of these indicated ores, which are partly delimited, is 5,000 tons, with a grade of 0.03 ounces gold, 5.3 ounces silver, 0.10 per cent copper, 0.80 per cent lead, and 4.70 per cent zinc.

Sincerely yours,

C. O. Mittendorf

WOGrimsold/OCSelfridge/bmj/ecf
(6/19/53)

cc to: Docket
Adm. R. File
Op. Committee
Enclosures: Metals Div.
Cont. Admin. & Audit Div.
Region IV (2)
Mr. Hedges, Rm. 1604
Mr. Thayer, Rm 5216
Mr. F.E.Johnson
Mr. Grimsold
Chron.

JUN 22 1953

Mr. Harold R. Koster, Treasurer
The Utze Lode Company
P. O. Box 500
Salida, Colorado

Re: Docket No. [illegible]A 2280 (Lead-Zinc)
Madonna Mine
Chaffee County, Colorado
Contract No. Idm-448

Dear Mr. Koster:

Transmitted herewith is a "Certificate of Discovery or Development" related to the Contract No. Idm-448 on the subject mine.

By the terms of the Exploration Project Contract and of the Certification, all production from the property described in the contract, after November 17, 1952, the date of the contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum of $24,681.00 which the Government has advanced as its participating interest has been repaid or until November 17, 1962, whichever should occur first.

Payments should be made to Mr. W. H. King, Executive Officer, [illegible] Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado. Checks should be drawn in favor of the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. King of any changes in ownership or production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. King at six-month intervals that such is the case.

WRGriswold/hmj (6/8/53)

Sincerely yours,

C. O. Mittendorf

Administrator

CC to: Docket
Cont. Admin. & Audit Div.
Region IV (2)
Base Metals Division
Edmund F. Mansure, Adm. GSA
Adm. R. File

Enclosures Op. Committee
Mr. Hedges, 4604
Mr. F. E. Johnson
Mr. Thayer, 5216, GSA Bldg.
Mr. W. R. Griswold

No. 1

AMENDMENT OF CONTRACT: No. Idm-E448

Contract Docket No. DMEA 2280, dated November 17, 1952, between the United States of America and The Utze Lode Company is hereby amended as follows:

> Referring to Article 9 of Exploration Project Contract Form MF-200(A); after the following, "All diamond drilling is to be done with NX," insert the following: ", BX,".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated December 29 1952.

THE UTZE LODE COMPANY

By Howard Koth (Sea)

UNITED STATES OF AMERICA

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

THE UTZE LODE COMPANY
Hartford, Conn.

C
O
P
Y

November 22, 1952

Box 500
Salida, Colorado

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

Dear Mr. Shaw:

I just received a letter from Landon Strobel and he stated he visited with you concerning the NX drilling. We feel this should be BX and he suggested that I write to you to have this corrected officially.

We would appreciate a letter from your office correcting this from NX to BX. In other words, it should read "BX or AX size bits with the object of obtaining cores not smaller than AX size."

Yours truly,

THE UTZE LODE COMPANY

By /s/ Harold
Treasurer

Docket No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E [illegible]

Date of Contract or Amendment: [illegible] 17, 1952

Name and Address of Operator:

[illegible]
P. O. Box 500,
[illegible], Colorado

Amount of Government participation $24,[illegible]

Percent of Government participation [illegible] %

Region: [illegible] State: Colorado

[illegible] Minerals [illegible]; Mining Contract Administration and Audit Division

(Name)

J. L. [illegible],
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington: June 9, 1953

13908

DMEA 2280

Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM

To: Chief, Finance Section
Washington Office

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

Contract No. I-DMA-E 448 Date: November 17, 1952

Name of Operator: Utze Lode Company, Colo. Corporation,

Address of Operator: Harold R. Koster, Treasurer and Colo. Representative P. O. Box 500, Salida, Colo.

Amount of Contract (Government participation) ..... $ 24,750.00

Percent of participation ..... %

Region: IV

50 Colorado

(Name)

(Title)

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

Submit one copy

98263

Nov. 18, 1952

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

DOCKET NO. DMEA 2280

COMMODITY Lead-Zinc

Idm-E448

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 17th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] THE UTZE LODE COMPANY, A Colorado Corporation
Harold R. Koster, Salida, Colorado, Treasurer, and
Colorado Representative
P. O. Box 500, Salida, Colorado

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Chaffee, described as follows:[3]

See Annex No. 1

the Operator represents and undertakes:[4]

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

None

~~(b) That the Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.~~

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

in or upon the described land; and shall bring the project to completion within a period of six months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay fifty (50) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $24,750, which is 50 percent of $49,500, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

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

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

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

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

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

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

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

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

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* All diamond drilling is to be done with NX or AX size bits with the object of obtaining cores not smaller than AX size. All drill cores must be stored properly in acceptable core boxes. Cores must be split and one half retained for the use of DMEA.

Executed in sextuplicate the day and year first above written.

The Utze Soda Company
(Operator)

By Edward C. Brandt, Pres.

THE UNITED STATES OF AMERICA

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

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

Clifton M. Brunner
Secretary

[CORPORATE SEAL]

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

ANNEX NO. 1

Claim	Patent No.	Claim	Patent No.
Hawkeye	7923	Canton	2430 AM
Fairview	5009	Eureka	2432
Silent Friend	1322	Watago	2433
J. B. Keller	1463	Strip	7535
Lillie A.	1971	Sheboygan	2431
Croesus	1324	Cloud	7192
Robert Wilson	1323	Eclipse No. 2	7193
Great Expectations	2192	Little Laura	7191
Kuter	1979	Mayflower	2064 A
Little Hope	2248	Santa Rosa	2065
Cherubin	1111	New York	2063 A
Madonna	1110	Oxford	4986 A
Whats Left	2308	Great Republic	2491
Seraphin	2692	Clinton	7521

EXHIBIT A

Description of the Work

The work consists of 400 feet of drifting on the 590-foot winze level on an approximate bearing of N. 60° W. from the station.

Three diamond drill stations will be cut in the drift, one at 150 feet, one at 300 feet, and one at 400 feet from the station. These stations are to be timbered as necessary and be large enough to accomodate 10-foot pulls.

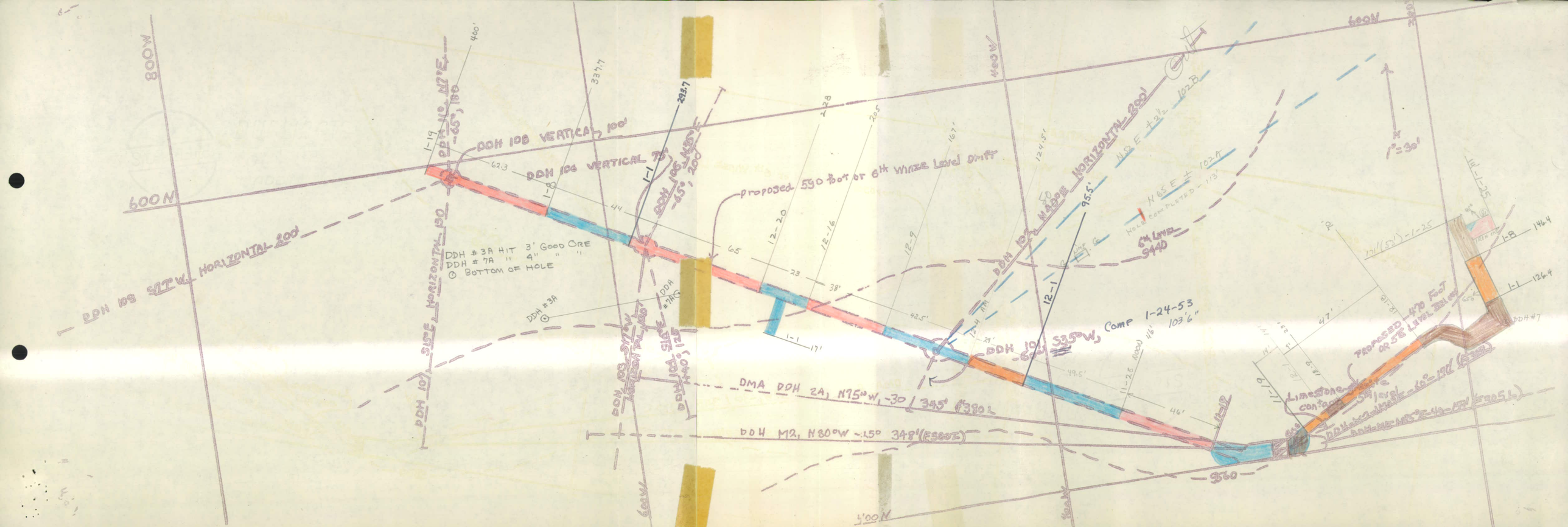
Diamond drilling in the total amount of 1750 feet will be authorized. The exact location, direction, and dip of the various diamond drill holes will depend on findings as drilling progresses, therefore the location, direction, and dip of all drill holes must have prior written approval of the DMEA representative.

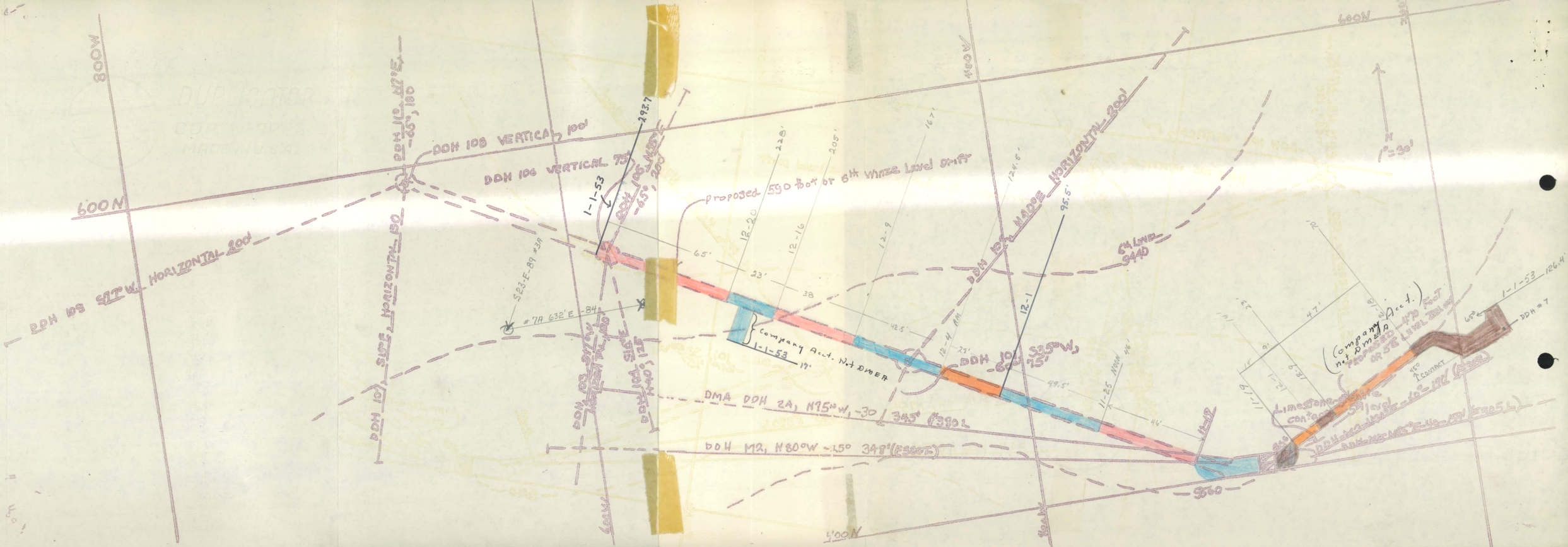
Figure 1 and Figure 2 are attached and are hereby made a part of Exhibit "A". Figure 1 shows the drift, the diamond drill stations and the tentative locations of the diamond drill holes, in relation to the property lines.

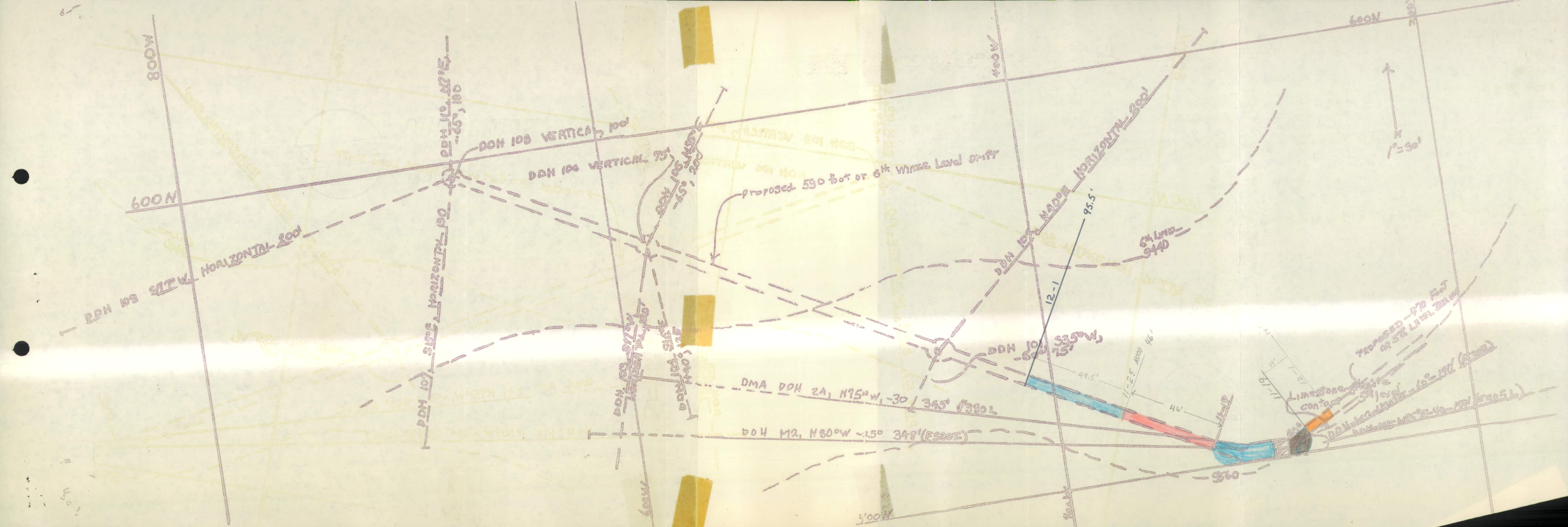
Estimated Costs of the Work

Drifting 400 feet at $65.00 per foot, including timbering where necessary and any and all other costs involved in drifting -	$26,000.00
Cutting three diamond drill stations at $833.33 each 1/ including all costs of timbering and excavation -	2,500.00
Diamond drill 1750 feet at $12.00 per foot, includes any and all costs for reaming, casing, casing loss, cementing and time lost -	21,000.00
TOTAL COST -	$49,500.00
Government participation, 50%	$24,750.00

1/ The completion of each station constitutes a unit of work.


800W
600N
DDH 108 VERTICAL 100'
DDH 106 VERTICAL 75'
DDH 105 N85°E -65° 200'
DDH 109 S17°W HORIZONTAL 200'
DDH 107 SLOPE HORIZONTAL 150
DDH #3A HIT 3' GOOD ORE
DDH #7A " 4" " "
BOTTOM OF HOLE
DDH #3A
DDH #7A
DDH 103 S17°W HORIZONTAL 150
DDH 104 S17°W HORIZONTAL 150
proposed 590 foot or 6th winze level drift
DDH 102 N45°E HORIZONTAL 200'
DDH 101 S35°W, Comp 1-24-53
DMA DDH 2A, N75°W, -30 / 345' (F380L)
DDH M2, N80°W -15° 348' (F380L)
6th Level 9440
Limestone
560
400W
600W
400N
1" = 30'


800W
600W
600 N
400 N
DDH 110, N7°E, -65°, 180
DDH 108 VERTICAL 100'
DDH 106 VERTICAL 75'
DDH 109 S17°W, HORIZONTAL 200'
DDH 107 SIDE HORIZONTAL 150
DDH 105 S17°W, HORIZONTAL 150
DDH 104 S25°W, HORIZONTAL 125
DDH 103 HORIZONTAL 200'
DDH 102 MADE HORIZONTAL 200'
1-1-53
293.7
proposed 590 Bot of 6th Winze Level Drift
S23°E-89 #38
#7A 632'E -84
Company Acct. Not Dmer
1-1-53
DDH 101 S35°W, -60°, 75'
DMA DDH 2A, N75°W, -30 / 345' (F3902)
DDH M2, N80°W -15° 348' (F3907)
6th Level 9440
9560
Limestone contact
(Company Acct. not dmed)
Proposed 470 feet of 5th Level Drift
DDH-M4-MADE-M5°E-40-181' (F3054)
DDH-M3-MADE-M5°E-40-181' (F3054)
1-1-53 126.4'
DDH #7
1" = 30'


800W
600N
DDH 108 VERTICAL 100'
DDH 106 VERTICAL 75'
DDH 110, N7°E, -65°, 180
DDH 106, N85°E, -65°, 200
proposed 590 foot or 6th Winze Level Drift
DDH 109 S17°W, HORIZONTAL 200'
DDH 107 S15°E, HORIZONTAL 190'
DDH 103 S17°W, HORIZONTAL 180'
DDH 102 S15°E, HORIZONTAL 180'
DDH 102, NADIR HORIZONTAL 200'
6th Level 9440
93.5'
12-1
DDH 101, S35°W, -60°, 75'
DMA DDH 2A, N75°W, -30 / 345' (3380L)
DDH M2, N80°W -15° 348' (3380L)
49.5'
11-25 N00° 46'
46'
Limestone-Skarn contact
PROPOSED 470 FOOT OR 5th LEVEL DRIFT
9560
400W
600W
400N
1" = 30'

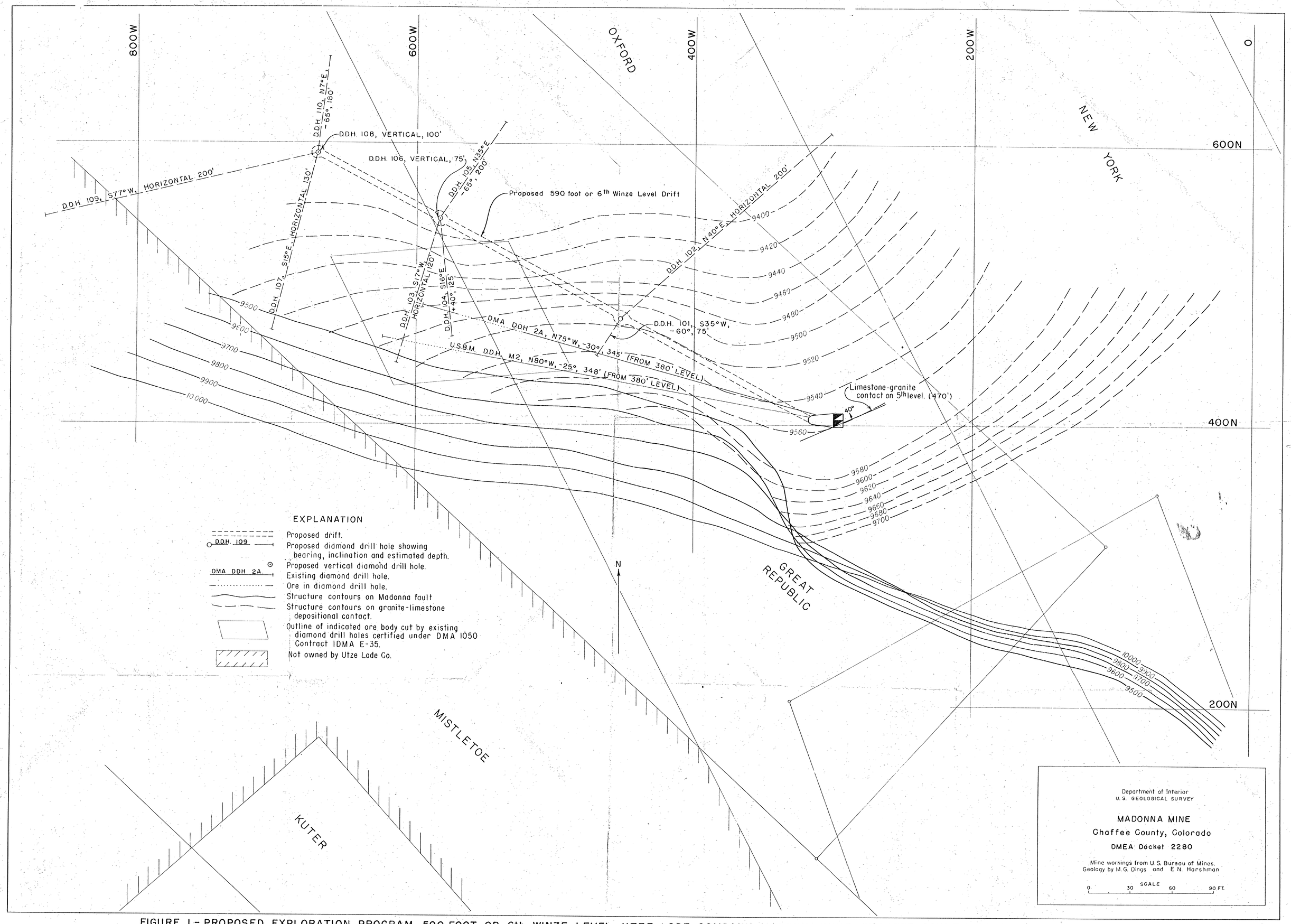


FIGURE 1 - PROPOSED EXPLORATION PROGRAM, 590 FOOT OR 6th WINZE LEVEL, UTZE LODE COMPANY, MADONNA MINE, CHAFFEE COUNTY, COLORADO. DMEA 2280

FIGURE 2 - CLAIM MAP, UTZE LODE COMPANY, MADONNA MINE, CHAFFEE COUNTY, COLORADO. DMEA 2280

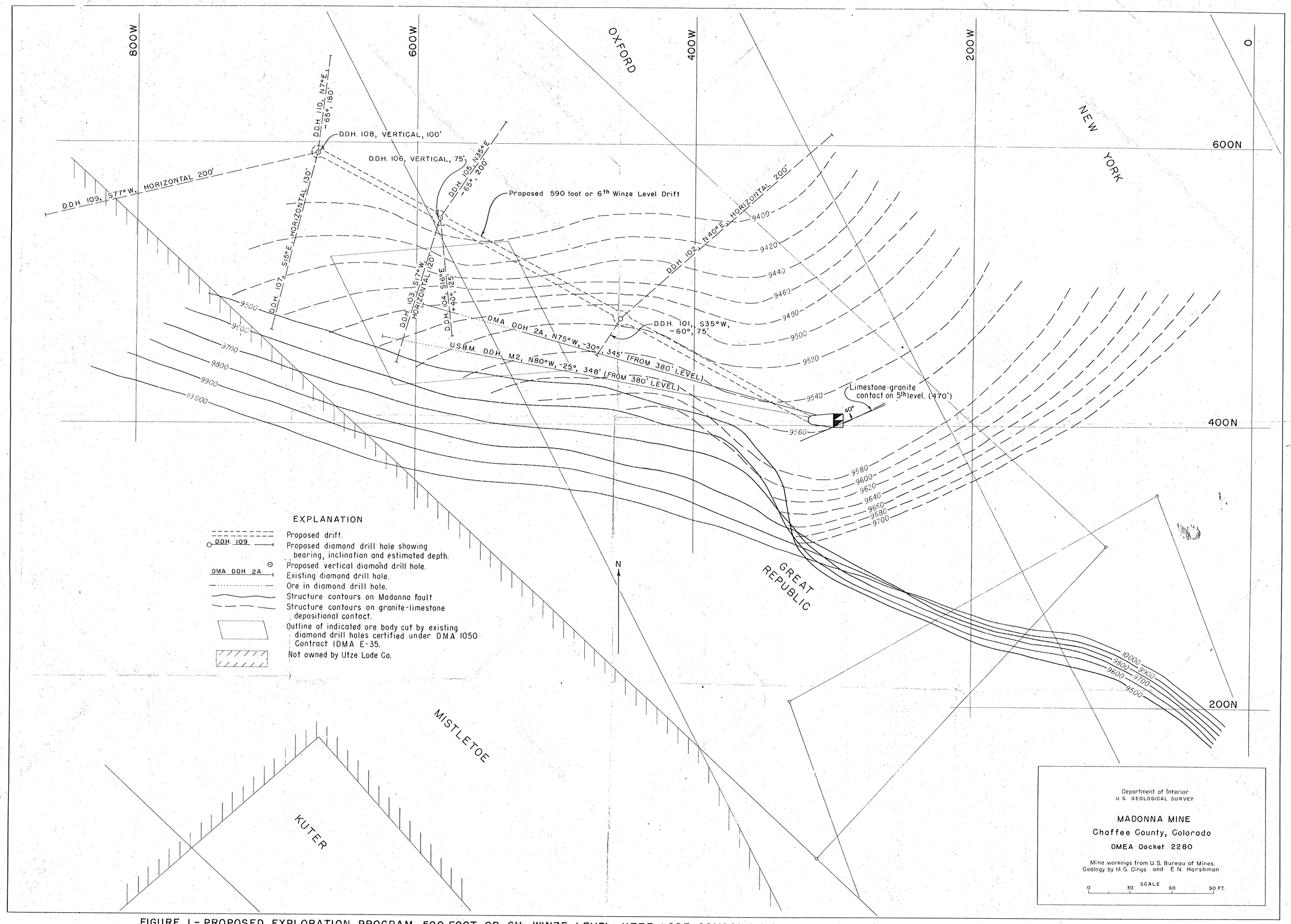


FIGURE 1 - PROPOSED EXPLORATION PROGRAM, 590 FOOT OR 6th WINZE LEVEL, UTZE LODE COMPANY, MADONNA MINE, CHAFFEE COUNTY, COLORADO. DMEA 2280

FIGURE 2 - CLAIM MAP, UTZE LODE COMPANY, MADONNA MINE, CHAFFEE COUNTY, COLORADO. DMEA 2280