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-E566, Docket DMEA-2715 (lead-zinc), dated July 10, 1953, with

Robert F. Blum
282 South Logan Street
Denver 9, 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 Jean Mine located in Clear Creek County, Colorado, during the period June 16, 1959, through July 23, 1962.

In accordance with a December 27, 1954, Termination Agreement and Annex I 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 January 25, 1955, indicated accepted costs under the exploration contract amounting to $1,800.00 with the Government's contribution on a 50 percent basis being $900.00.

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 15, 1959. Accordingly, as of July 23, 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, OME Auditor

August 1, 1962

Idm-8566 Robert F. Blum DMEA-2715

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Under the provisions of the Termination Agreement and Annex I, the Operator or his successor in interest is obligated to pay to the Government a percentage royalty on all minerals produced from the unpatented Jean lode mining claim located in T. 3 S., R. 7 W., 6th P.M., Dailey or Jones Pass Mining District. At the time the contract was executed, the Operator was in possession by virtue of ownership by re-location. The contract contains the so-called "abandonment" clause.

Exploration work under the contract was recessed after completion of Stage I on or about September 15, 1953. For financial and other reasons the Operator never began the Stage II work and termination of contract was effected.

No ores were produced during the exploration period. Examinations of the property and inquiries by DMEA and OME regional representatives have disclosed no ore production through February 1, 1960, although the Operator has performed some further exploration and development, as well as maintenance, work. By a July 23, 1962, reply to a MME Form 63 inquiry, the Operator advised that there has been no production since February 1, 1960.

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 disclose no evidence of any production from the property under the contract; 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.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Grace
Betty

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Robert F. Blum
222 So. Logan Street
Denver, Colo.

pertaining to Exploration Project Contract No. 1dm-2300, Docket No. DMEA 2713, including Amendment No. 1, for the month of September, 1953 and termination agreement dated December 27, 1954, covering a project for the exploration of lead and zinc on property known as the unpatented Jean Lode Mining claim, located in Clear Creek County, Colorado.

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

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

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

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

Total cost as billed by Contractor:	$1,800.00
Exceptions:	0
Total Accepted Cost	$1,800.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nine-Hundred and no/100ths Dollars

-$900.00-

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Dated: January 25, 1955

Z H Brading
Z. H. Brading, Auditor

Docket copy

TERMINATION AGREEMENT

It is agreed this 27th day of December, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Robert F. Blum, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E566, Docket No. DMEA-2713, dated July 10, 1953, hereinafter called the "Contract," that:

1. Effective November 1, 1953, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and lien for payment are preserved. However, if the Government does not make said certification, the Operator shall, nevertheless, pay a percentage royalty on any minerals mined or produced from the land described in Article 2 of the Contract, in the manner and amount provided in Annex I, until the total net amount contributed by the Government is paid, or ten years from the date of the Contract have elapsed, and said royalty shall be secured by the lien granted in paragraph "d" of Annex I.

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

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

THE UNITED STATES OF AMERICA

By O P Mitchenoy
Administrator, Defense Minerals Exploration Administration

Robert F. Blum
ROBERT F. BLUM

Self
J.E.
Hoffman

Rubin 2/19/5

No. 1

AMENDMENT OF CONTRACT: No. IDM-2550

Contract Docket No. DMEA 2713, dated July 10, 1953, between the United States of America and Robert F. Blum is hereby amended as follows, effective as of the date of said contract:

Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200(A)(February 1952) following the words "and shall bring the project to completion" delete the words "within a period of seven months from the date of this contract" and in lieu thereof substitute "prior to November 10, 1954."

Referring to "Article 6. Repayment by Operator," in lieu of the provisions of said "Article 6" the provisions of ANNEX I, attached hereto and made a part hereof, are substituted.

Referring to work operations under said contract as described in "EXHIBIT A" attached thereto and made a part thereof, execution of this document by the parties concerned constitutes an agreement that said work operations under the terms of the contract will be recessed upon completion of work under Stage I on or about September 11, 1953, contingent on the following conditions:

1. Work operations in conformance with the provisions cited under Stage II shall be resumed on or before August 1, 1954.
2. During the period work operations are recessed the Operator shall save harmless the Government from any and all claims, and preserve and protect the project work completed to the date operations were recessed to the best interests of the parties concerned.
3. The sum of $140.00 will be withheld from monies due the Operator for work performed as reported on Form MF-104 for the month of September 1953 pending receipt by the Government of the first regular monthly Form MF-104 Report after operations are resumed.

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: FEB 2 1954

Robert F. Blum
Robert F. Blum, Operator

UNITED STATES OF AMERICA

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

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
FILED
DEC -8 1954

ANNEX I

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) per cent 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce. 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.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2713

COMMODITY Lead-Zinc

IDM-E566

Release 5/14/53, Brown

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 10 1953

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 10 day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Robert F. Blum
232 So. Logan Street
Denver, 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 Clear Creek, described as follows:[3] The unpatented Jean Lode Mining Claim recorded in Book 245, Page 232, in the records of the County Clerk and Recorder's Office at Georgetown, Colorado.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*b*) [redacted].
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 120 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 seven 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 $1400.00, which is 50 percent of $2800.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

Robert H. Blum
(Operator)

By Robert H. Blum

THE UNITED STATES OF AMERICA

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

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

[CORPORATE SEAL]

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 1 3 1953

EXHIBIT A

Description of the Work

Stage 1.

This work will consist of cleaning, spiling, and retimbering an estimated 60 feet of the caved portal of the lower tunnel. This caved section of the portal may be longer than 60 feet in which event the Operator will complete the rehabilitation of the tunnel at his own expense.

Stage 2.

Upon the completion of Stage 1 the DMEA Representatives may authorize a total of 40 feet of drifting, raising or crosscutting, depending upon the results of their inspection of the old workings behind the cave. Stage 2 will only be started after the Operator receives the written permission of the DMEA Representatives. The proposed work is shown on Figure 1 which is attached and made a part of Exhibit A.

Estimated Costs of the Project

Stage 1.

60 Feet rehabilitation of the lower tunnel @ $30.00 per foot -	$1,800.00
Includes any and all costs to rehabilitate the lower tunnel.	

Stage 2.

40 Feet drifting, crosscutting, or raising @ $25.00 per foot -	$1,000.00
TOTAL -	$2,800.00
Government participation, 50% - - - - - - - - - - - - - - -	$1,400.00

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

PROJECT SUMMARY REPORT

By: W. R. Griswold July 5, 1955

1. Docket No. DMEA-2713 (Lead-Zinc)
Contract No. Idm-E566
Property: Jean Mine
Clear Creek County, Colorado

Operator: Robert F. Blum
282 S. Logan Street
Denver, Colorado

Operator's Property Rights: Owner.

2. Contract dated July 10, 1953. To complete - 17 months.

Work Authorized

STAGE I

60 feet tunnel rehabilitation @ $30.00/ft. $1,800.00

STAGE II

40 feet drifting, crosscutting or raising @ $25.00/ft. 1,000.00

Total estimated cost $2,800.00
Government's participation @ 50% $1,400.00

Amendments

No. 1 Dated February 2, 1954.

Extends completion time from 7 months to November 10, 1954.

Provides for recess after Stage I is completed, but Stage II work must commence prior by August 1, 1954.

Termination Agreement.

The contract was terminated mutually on December 27, 1954 after completion of Stage I work.

Work Completed

60 feet of tunnel rehabilitation at $30.00/ft.	$1,800.00
Government's participation at 50%	$ 900.00

3. Audit (report of review) dated January 25, 1955.

Operator's final report received June 20, 1955.
Field Team final report received June 20, 1955.

4. Certification of Discovery.

The mutual termination agreement, dated December 27, 1954 contains a clause having the effect of a certification.

Ore estimate, 1,125 tons with a combined lead-zinc content of 27%. A rough estimate of the respective lead-and zinc percentages would be about 12% lead and 15% zinc.

5. Comments.

The opening of the lower tunnel showed a narrow mineralized vein, varying from one inch to 24 inches and forming two small ore pods. The vein occurs in the Silver Plume granite, at an altitude of about 11,500 feet.

Climatic conditions are difficult, except for a few summer months.

Due to the insignificant showing, the Field Team considered it to the Government's interest to agree with the Operator that the project be terminated, at the conclusion of Stage I of the work.

No further work should be considered on this property since, at best, any possible ore tonnage would be of insignificant magnitude.

W. R. Griswold

WRG/er 7/6/55

Copy to: Docket
Base Metals
Chron.

☒ Audited

☒ Certified PSU.

Name Robert F. Blum

State Colorado

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/30/54.
Incl. Voucher for September 1953.

Commodity Lead-Zinc

☐ Actual Cost

☒ Agreed Unit Costs

Docket No. DMEA-2713

Idm-E No. 566

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	40'	$1,000.00			
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation Tunnel 60'		1,800.00		$1,800.00	$1,800.00
New Building, Improvements, etc.					
Other (Specify)					
Totals		$2,800.00		$1,800.00	$1,800.00

Terminated Dec. 27, 1954.
Report of Review - accepted cost $1,800.00
Final Field Team Reports received 6/24/55.
Certification recommended by F.T.

Prepared by A. H. Hugenschmidt

copied.

71626

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/3	Murphy	500
10/3	Ollerge	500
10/3	Talbut	800
	Selfridge	120
10/3	Johnson	110
	Smith	100
		220

OCT 3 1963

Mr. Robert F. Blum
282 South Logan Street
Denver 9, Colorado

Re: DMEA-2713 (Lead-Zinc)
Robert F. Blum
Jean Mine
Clear Creek County, Colorado
Contract Idm-E566

Dear Mr. Blum:

Thank you for returning the completed MME Form 63's mailed to you on July 29, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the royalty agreement in Item 4 of the Termination Agreement, dated December 27, 1954, all minerals mined or produced from July 10, 1953, to July 10, 1963, were subject to the Government's percentage royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
10/3/63
cc: Director's Reading File
Region III w/cy of Form 63 dated July 29, 1963
CA&A Division
Docket
Code 500

43683

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

July 29, 1963

Re: DMEA-2713 (Lead-Zinc)
Robert F. Blum
Jean Mine
Clear Creek County, Colo.
Contract Idm-E566

Mr. Robert F. Blum
282 South Logan Street
Denver 9, Colorado

Dear Mr. Blum:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

As soon as we hear from you we should be able to release the Government lien against future production from this property and close our books on this project.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 2 1963

DATE	INITIALS	CODE
10/4		800
10/2		100
10/2		110
10/3		500

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RECEIVED AUG 10 1962

DATE	INITIALS	CODE
8/10	[illegible]	800
"	gla	500
		220

Building 20 - Federal Center
Denver 25, Colorado

August 8, 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-2713 (Lead-Zinc)
Contract Idm-E566
Robert F. Blum
(Jean Mine)
Clear Creek County, Colorado

Attached is the original Report of Royalty Review on the subject property dated August 1, 1962 covering the period June 16, 1959, through July 23, 1962.

Original signed by

Hugh M. Connors

Attachments
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E566
Chron
HMC/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

AUG 2 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: OMEA-2713 (Lead-Zinc)
Robert F. Blum
Jean Mine
Clear Creek County, Colorado
Contract Idm-2566

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 78-1-62

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

43683

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

OFFICIAL FILE COPY
O M E
RECEIVED JUL 26 1962

DATE	INITIALS	CODE
7/27		800
7/27		800
7/27		~~510~~
7/27		500
		220

JUL 20 1962

Re: DMEA-2715 (Lead-Zinc)
Robert F. Blum
Jean Mine
~~Clear Creek County~~ Colorado
Contract Idm-E566

Mr. Robert F. Blum
282 South Logan Street
Denver, Colorado

Dear Mr. Blum:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W R Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1, 1960 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since February 1, 1960 , has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
	0	0

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Robt. F. Blum Title Owner

Address 282 So Logan St Date July-23-62

Den, 9, Colo

4511

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 25 1960

DATE	INITIALS	CODE
1-25	gad	220
1/25	[illegible]	800
"	[illegible]	500
		2 V.S.

Building 20 - Federal Center
Denver 25, Colorado
January 22, 1960

Mr. Robert F. Blum
282 South Logan Street
Denver, Colorado

Re: Docket No. DMEA 2713 (Lead-Zinc)
Contract No. Idm-E566
(Juan Lode mining claim)
Clear Creek County, Colorado

Dear Mr. Blum:

Will you please advise the present status of operations on the captioned property, and whether or not there has been any production since January 1, 1959.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E566
Chron.

OFFICIAL FILE COPY
O M E
RECEIVED JAN 25 1950

DATE	INITIALS	[illegible]

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/22	a	220
6/23	[illegible]	500
		225

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-2713 (Lead and Zinc)
Robert F. Blum
Contract No. Idm-E566

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

43683

JUN 19 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Edm-2366, Docket No. DMEA 2713, dated July 10, 1953, with

Robert F. Blum
282 So. Logan Street
Denver, Colorado

for the purpose of determining the amount of royalties due the U. S. Government on the sales of lead and zinc, from property referred to as Jean Lode Mining Claim, located in Clear Creek County, Colorado, during the period July 10, 1953 to June 15, 1959.

Pseudo Certification was effected by Termination Agreement dated December 27, 1954, 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 dated January 25, 1955, indicated accepted costs under the exploration contract amounting to $1,800.00 with the Government's contribution on a 50 percent basis being $900.00.

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 Report of certified project for the period November 1, 1953 to December 31, 1955, operation ceased about October 31, 1955; no ore has been shipped since July 10, 1953, (The date of the exploration contract). Subsequent semi-annual reports of Field Team during the period January 1, 1956 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 15, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

Official

EXTRA COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE
1/26	[illegible]	220
"	[illegible]	110
1/28	[illegible]	800
		225

224 New Customhouse
Denver 2, Colorado

January 22, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Certified projects inactive during reporting period, July 1, 1958 to December 31, 1958

Enclosed are ~~two~~ one report~~s~~ on certified projects whose status has not changed since the previous semiannual report.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

HMC:jy

cc: Semiannual Rpt. File E109 and E566
Harshman
Belser, OME/DFC
Chron.

EXTRA COPY
O. M. E.
RECEIVED JAN 26 1959
DATE | INITIALS | CODE

OME
DEPARTMENT OF THE INTERIOR
JAN 22 1959
REGION III
DENVER, COLORADO

OME, REGION III

Statement in Lieu of Semiannual Report

Reporting Period **Jan. 1, 1958 to December 31, 1958**
Docket and Contract Number **DMEA 2713 (Lead-Zinc) Contract Idm-E566**
Operator **R. F. Blum, Jean mine, Clear Creek County, Colo.**
Phone Spruce 7 7138

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [X]

Remarks:

During 1958 Blum worked 75 days with two men. The bridge was rebuilt and the buildings repaired. About 150 tons were removed from the main heading. No ore was mined or shipped.

Signed Carl Belser
Carl Belser

Date **Jan. 19, 1959**

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

February 19, 1958

2/21 C 220
2/21 Com 100
" Fed 110
2/24 EEB 800
225

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1957 to December 31, 1957

DMEA Docket 2713 (Lead-Zinc)
Contract Idm-E 566, Robert F. Blum (Jean mine) Clear Creek County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

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

Enclosures

cc: Semiannual Report File E 566
Harshman
DMEA, DFC - 2
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
FEB 10 1958
REGION III
DENVER, COLORADO

DMEA, REGION III

Statement in Lieu of Semiannual Report

Reporting Period July 1, 1957, to December 31, 1957
Docket and Contract Number DMEA 2713 (Lead-Zinc) Contract Idm-E566
Operator Robert F. Blum, Jean mine, Clear Creek County, Colorado.

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

Timbers have been hauled up the canyon to repair a bridge. Mr Blum states that part of a cave was cleaned up but there is still about 100 tons to be cleaned out. No ore has been mined. Snow depth at the portal is above three feet.

Signed Carl Belser
Carl Belser

Date February 7, 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 15 1957

DATE	INITIALS	CODE
7-18	C	220
	Com	100

July 11, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project ~~for the~~ period January 1, 1957 through June 30, 1957
DMEA Docket 2713 (Lead-Zinc)
Contract Idm-E 566, Robert Blum (Jean Mine), Clear Creek County, Colorado

Enclosed are the original and ~~three~~ two copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W H King
~~XXXXXXXXXXXX~~
Executive Officer, DMEA
Field Team, Region III

Enclosures

MHM/VJ

cc: Semiannual Report File E 566
Royalty File E566
Harshman
DMEA/DFC
Chron

WSK
HMC
M

DMEA
DEPARTMENT OF THE INTERIOR
JUN 27 1957
REGION III
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period Jan. 1, 1957 to June 30, 1957
Docket and Contract Number DMEA 2713, Idm-E566
Operator
Robert Blum
Jean Mine
Clear Creek County, Colorado

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [X]

Remarks: Mr. Blum was contacted by phone June 27, 1957. The property has been inaccessible since last November, and will not be accessible until about the second week in July.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 15 1957

DATE	INITIALS	CODE

Signed W. J. Tesch Jr.
W. J. Tesch, Jr.
Bureau of Mines

Date June 27, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

March 13, 1957

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 15 1957

DATE	INITIALS	CODE
3/15	C	220

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Semiannual Report of Certified Project for the period July 1, 1956 through December 31, 1956
DMEA Docket 2713 (Lead-Zinc)
Contract Idm-E 566, Robert F. Blum (Jean Mine), Clear Creek County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

E. N. Harshman

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

Enclosures

MHM/vj

cc: Semiannual Report File E 566
J. F. Shaw (2)
E. N. Harshman
Chron.

DMEA, REGION III

DMEA
DEPARTMENT OF THE INTERIOR
MAR 13 1957
REGION III
DENVER, COLORADO

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period	July 1, 1956 to December 31, 1956
Docket and Contract Number	DMEA 2713, Idm-E566
Operator	Robert F. Blum
	Jean Mine
	Clear Creek County, Colorado

The project has been inactive during the reporting period [ ]

Pertinent data relative to the subject contract has remained unchanged since the last report [X]

Remarks:

Mr. Blum was contacted by phone March 8, 1957. Property is inaccessible until about July 1st.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 15 1957

DATE	INITIALS	CODE

Signed D. E. Redmon
D. E. Redmon
U. S. Bureau of Mines

Date
March 8, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

RECEIVED
OCT - 8 1956

224 New Customhouse
Denver 2, Colorado

Date: October 3, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1956 through June 30, 1956
DMEA Docket 2713 (Lead-Zinc)
Contract Idm-E 566, Robert F. Blum (Jean Mine)
Clear Creek County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, ~~and~~ Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W. M. Traver

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

Enclosures
MHM/vj
cc: Semiannual Report File E 566
J. F. Shaw (2)
E. N. Harshman
Chron.

ACTION ON INT[illegible]M
OR FINAL FIELD TEAM REPORT
Date 10-9

Referred to:

1. Mr. Hittendorf
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1.

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

RECEIVED
OCT - 3 1956
DMEA
DEPARTMENT OF THE INTERIOR
SEP 25 1956
REGION III
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period - January 1, 1956 to June 30, 1956
Docket and Contract Number - DMEA 2713, Contract Idm-E566
Operator - Robert F. Blum

	"X" one
The project has been inactive during the reporting period	X
Pertinent data relative to the subject contract has remained unchanged since the last report	X

Remarks:

Mr. Blum was contacted by telephone on September 20, 1956. The workings have been rehabilitated, but no development work has been done or any ore mined. Mr. Blum has recently suffered financial reverses.

Carl Belser

Signed Carl Belser
Mining Engineer

Date September 21, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

Date: May 15, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: ~~Semiannual~~ Report of Certified Project for the period November 1, 1953 through December 31, 1955
DMEA Docket 2713 (Lead-Zinc)
Contract Idm-E 566 Robert F. Blum, (Jean mine)
Clear Creek County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office and Memorandum 29.

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

Enclosures
RDB/vj
cc: Semiannual Report File E 566
Royalty File E566
J. F. Shaw (2)
E. N. Harshman
Chron.

RECEIVED
MAY 17 1956

Semi-Annual Report of Certified Projects

DMEA
Date Rec'd.
APR 30 1956
BUREAU OF MINES
Denver, Colorado

Reporting Period November 1, 1953, to December 31, 1955

Docket and Contract Number DMEA 2713 Idm-E566

Operator Robert F. Blum

Commodity Lead-Zinc

Mine Name Jean mine

County and State Clear Creek County, Colo.

Date of Contract July 10, 1953

Date of Termination December 27, 1954 (effective as of November 1, 1953)

Expiration Date of Royalty Payments July 10, 1963

Date of Examination for this Report Not examined (property inaccessible). Operator Contacted by telephone on April 3, 1956.

Total Amount of Contract $2,800.00

Total Expenditures under Contract $1,800.00

Amount of Government Participation at 50 % $900.00

Royalty Payments this Period None

Previous Royalty Payments None

Total Royalty Payments to Date None

% Loan Repayment Completed 0%

RECEIVED
MAY 17 1956

Amount of Royalty Due None

Royalty Remarks

Original Estimate of Reserves (from Final Engr.-Geol. Report): 1,125 tons averaging 27 percent combined lead-zinc

Increase of Reserves by work performed subsequent to expiration or termination of contract: None

Revised Estimate of Reserves:

Production this Period (Ore or Concentrates) None

Amount of Previous Production (since date of contract) None

Total DMEA Production to date None

% of Revised Reserves Mined 0%

Production Remarks: The operator worked week-ends at the property during the summer season, July-October, 1955. The work performed was in the nature of preparation for future mining. A new 12-by 16-ft. compressor building was errected at portal of lower tunnel. Work was started on cleaning up the cave near the breast of the lower tunnel. Operator plans to continue work at the property during the coming summer season. Actual mining operations possibly may be started at this time.

Note: On Uranium projects check with AEC to assure that our records are in agreement with theirs.

Other Remarks:

Signed R. L. Bolmer (Engineer)

R. L. Bolmer

IN REPLY REFER TO:

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

RECEIVED
OCT 7 - 1955

October 6, 1955

Re: DMEA 2713, Idm-E566
Robert F. Blum
Jean Mine
Clear Creek Co., Colo.
$2,800.00 - Lead, Zinc

Memorandum

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

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

Subject: Review of Field Team Final report.

The 2-stage project provided for rehabilitation of a tunnel and, if justified, 40 feet of drifting, or crosscutting and raising. Stage I was completed, at a cost of $1,800.00, but no Stage II work was done. The contract was terminated by mutual agreement December 27, 1954. No certificate of discovery was issued, but rights to royalty were reserved. A small tonnage, about 750 tons, of lead-zinc ore was 'discovered' and may some day be mined.

The examiners and Field Team recommended that a certification of discovery be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

File Copy
Surname
Griswold
Chambers
Selfridge
Bishop
Matthews

500

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

JUN 30 1955

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

Re: Docket No. DMEA-2713 (Lead-Zinc)
Robert F. Blum
Jean Mine
Clear Creek County, Colorado
Contract No. Idm-E566

Dear Mr. Traver:

We have your letter of June 14, with enclosures, covering the cited project.

We note you recommend that the project be certified as a discovery or development. Item No. 4 of the Termination Agreement has all the effect of a certification and no further action is necessary.

Sincerely yours,

George C. Selfridge (2/B)
Chairman, Operating Committee

APPROVED:

J. H. Hedges (2/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (2/B)
Member, Geological Survey

WRGriswold/bjl (6/27/55)

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

P. S. This "pseudo-certification" is not to be counted as an official certification.

R.C.S.

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

RECEIVED
JUN 20 1955

224 New Customhouse
Denver 2, Colorado

June 14, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA-2713 (Lead-Zinc), Contract IDM-E566, Robert F. Blum, Clear Creek County, Colorado

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. the original and one copy of the operator's final report

2. the original and three copies of the final geologic report by the U. S. Geological Survey

3. the original and three copies of the final engineering report by the U. S. Bureau of Mines

Final payment to the operator was processed by this office June 14, 1955 in conformance with the Final Report of Review by the Contract Administration and Audit Division dated January 25, 1955. Final payment was deferred pending receipt of the operator's final report which was received in this office June 13, 1955.

The entire amount of work authorized under the contract was not completed, as the contract was terminated by mutual agreement upon completion of the work approved under Stage I. The exploration work completed consisted of 60 feet of tunnel rehabilitation at an accepted cost of $1,800.00, in which the Government participated to the extent of 50 per cent or an amount of $900.00.

The exploration work resulted in a discovery or development of about 750 tons of inferred ore. The examining engineer and geologist in their reports recommend that the project be certified as a discovery or development, in which this office concurs.

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

Recommend by
DMEA Operating Committee
6-24-55
(Date)

Enclosures

for D R MacLaren
E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
FEB 15 1955

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

Region III

Memorandum

RECEIVED
JUN 20 1955

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Project Supervisor

Subject: Final Engineering Report, DMEA 2713, Exploration Contract Idm-E566, Jean mine, Robert F. Blum (lead-zinc), Clear Creek County, Colorado.

Enclosed are the original and eight copies of the final engineering report on Contract Idm-E566, which was prepared by R. L. Bolmer, mining engineer.

Contract Idm-E566 consisted of two stages. Stage 1 provided for rehabilitating the caved portion of the lower tunnel. Stage 2, which was dependent upon the results of stage 1, provided for a total of 40 feet of drifting, raising, or crosscutting. The total estimated cost of the project was $2800.00.

The operator completed stage 1, but for financial or other reasons was unable to complete the remainder of the project and requested termination of the contract. The contract was terminated by mutual agreement on December 27, 1954, without a Certification of Discovery. However, the Government reserved all rights provided for in the contract with respect to a Certification of Discovery, percentage royalty, and lien for payment. ?

A small tonnage of lead-zinc was discovered as a result of the project work and the operator may at some later date mine this ore.

John F. Shaw

John F. Shaw

cc 8
DMEA 2713
Chron

JFS/cm

Reviewed by
DMEA OPERATING COMMITTEE
6-24-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL ENGINEERING REPORT

DMEA 2713, Exploration Project Contract Idm-E566

Jean mine

Robert F. Blum

Clear Creek County, Colorado

Lead-zinc

R. L. Bolmer, Mining Engineer

January 28, 1955

Received by
DMEA Contract Section
6-24-55

DMEA 2713
Contract Idm-E566

JEAN MINE
ROBERT F. BLUM
CLEAR CREEK COUNTY, COLORADO

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Ore reserves..... 6
Work completed under contract..... 7
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Equipment..... 9
Efficiency of operations..... 9
Conclusions..... 10
Recommendations..... 10

ILLUSTRATIONS

Figure — Follows page

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2. Plan and Section, Jean Mine, Clear Creek County, Colorado..... 5

DMEA 2713
Contract Idm-E566

JEAN MINE
ROBERT F. BLUM
CLEAR CREEK COUNTY, COLORADO

RECEIVED
JUN 20 1955

FINAL ENGINEERING REPORT

By

R. L. Bolmer

SUMMARY AND INTRODUCTION

Exploration Project Contract Idm-E566, authorizing certain exploratory work for lead and zinc at the Jean mine, Clear Creek County, Colorado, was terminated, effective November 1, 1953, by mutual agreement between the Government and the operator. The termination agreement, dated December 27, 1954, preserved all the rights of the Government provided for in the contract with respect to a certification of discovery or development, percentage royalty, and lien for payment.

Only the first stage of the authorized project--reopening the caved portal of the lower Jean tunnel--was completed. The final stage of the project--40 feet of drifting, raising, or crosscutting--was dependent upon the results of an examination of the old workings behind the cave and was not performed. The deposit exposed in the accessible workings behind the cave proved to be already well developed and did not appear to merit the small additional exploration provided for in the contract. The operator, for financial and other reasons, was unable to complete the remainder of the project within a reasonable period and his request for termination of the contract, therefore, was acceptable to the Government.

A small tonnage of lead-zinc ore was found to exist in the old workings of the mine. Production from this source is economically feasible, and probably will be attempted ultimately by the operator. Inasmuch, as the ore was made accessible through the reopening of the lower Jean tunnel, a certification of discovery or development was recommended for the project.

Application for aid in an exploration project at the property (Docket No. DMEA 2713) was submitted in September 1952. The applicants, Robert F. Blum and R. E. Housten, proposed to reopen, drain, and extend by 40 feet a lower level of the mine at an estimated total cost of $2,800.00. The property was inspected September 30, 1952, by an examining team from the Bureau of Mines and the Geological Survey. The examining team concluded that the deposit was of sufficient merit to justify the reopening of the lower tunnel to permit further examination of the deposit and reappraisal of the latter phase of the proposed project. The reopening and rehabilitation of the lower tunnel for approximately 60 feet from the portal was recommended at a unit cost of $30.00 per foot. A total of 40 feet of drifting, raising, or crosscutting at a unit cost of $25.00 per foot, dependent upon the results of a later examination of the old workings behind the cave, tentatively was recommended.

A short form exploration project contract, designating Robert F. Blum of 282 South Logan Street, Denver, Colorado, as operator, was prepared by the DMEA Field Team, Region III (formerly Region IV) and dated July 10, 1953. In the interim, R. E. Housten had transferred his interest in the property to Blum and withdrawn as an applicant.

The contract authorized the two-stage project recommended by the examining team. The agreed upon estimated cost of the project was $2,800.00. The Government would reimburse the operator for 50 percent of the agreed cost as it accrued for units of work completed in the manner specified in the contract. Project work was to commence within 120 days of the date of the contract and was to be completed within a period of 7 months.

Project work offically began September 1, 1953. Stage 1 of the project--reopening the caved portal--was completed September 11, 1953, and the accessible workings behind the cave were inspected by representatives of the DMEA. At that time, a winze below the tunnel level yet was under water and recommendations regarding Stage 2 of the project were withheld until it also had been made accessible for examination. The operating season was drawing to a close and the operator requested a recess until the following year. Amendment No. 1 to the contract authorized a recess of operations beginning September 11, 1953. It also provided for the resumption of Stage 2 of the project on or before August 1, 1954, and its completion prior to November 10, 1954.

Activity at the property resumed late in July 1954, and continued intermittently throughout the summer. In October, the operator announced that the winze had been unwatered. The Field Team offered to schedule a re-examination but the winze had refilled and the operator was uncertain that it could be pumped out again on a definite date. The vein exposed in the winze, reportedly, was not promising. The second operating season was drawing to a close and the project did not justify further extension. The operator, for financial and other reasons, could not complete the remaining work within the specified period and, therefore, requested termination of the contract.

A total cost of $1,800.00, was reported by the operator and accepted by the Executive Officer, DMEA Field Team, Region III (formerly Region IV) for the work completed under Stage 1 of the contract. Reimbursement to the operator of 50 percent of the reported cost, or $900.00, was approved; $140.00 from the payment due the operator, however, was withheld pending the resumption of work under Stage 2 of the contract. This final amount due the operator was paid in January 1955, after the contract had been offically terminated and upon the release of a Final Report of Review on the project by the Contract Administration and Audit Division and the waiver, by the Executive Officer, of the requirement for a final project report from the operator.

LOCATION

The property is located 44 miles west of Denver at an elevation of 11,500 feet in the Colorado Front Range. It lies just east of the Continental divide in the Dailey or Jones Pass Mining District, in unsurveyed T. 3 S., R. 7 W., sixth principal meridian, Clear Creek County, Colorado. It is accessible west from Empire, Colorado, via 7 1/2 miles of U. S. Highway 40, 2 1/2 miles of State Highway 286 (Jones Pass road), and 3 miles of unimproved private road up Butler Gulch, a tributary of the west fork of Clear Creek. The property lies within Butler Basin, the glacial cirque occurring at the head of Butler Gulch. Heavy snowfall and severe winter weather conditions at the elevation of the mine permit only summertime operation. The 3-mile private road generally becomes accessible early in July and remains open through October or early November.

HISTORY AND PRODUCTION

The past history of the Jean mine is vague and production from the property, if any, is not recorded under the present name. Early day shipments of high grade galena ore are reported. The recorded output of the Jones Pass District is small. The lead-zinc ore bodies mined in the area, reportedly, were high grade but of small extent.

A brother of one of the original applicants formerly leased and later (1943) relocated the property. His operation was confined to spasmodic exploration and development. The brother died and the original applicants relocated the Jean claim in 1952. Other than the usual relocation and accessment work, they constructed the 3-mile access road to the property.

OWNERSHIP AND EXTENT

The operator's property rights designated in the contract include only the single unpatented Jean lode mining claim, the location of which is recorded in the names of the original applicants in Book 245, page 232 in the records of the Clear Creek County Clerk and Recorder's Office, Georgetown, Colorado. It is understood that the designated operator under the contract, Robert F. Blum, bought out the interest of the other original applicant. The property (shown in fig. 1) is a standard size lode mining claim.

DESCRIPTION OF THE DEPOSIT

A fissure vein, which occupies a steeply dipping, northerly trending shear zone in the surrounding Silver Plume granite, has been explored, developed, and, to some extent, mined in the accessible sections of the Jean mine (fig. 2).

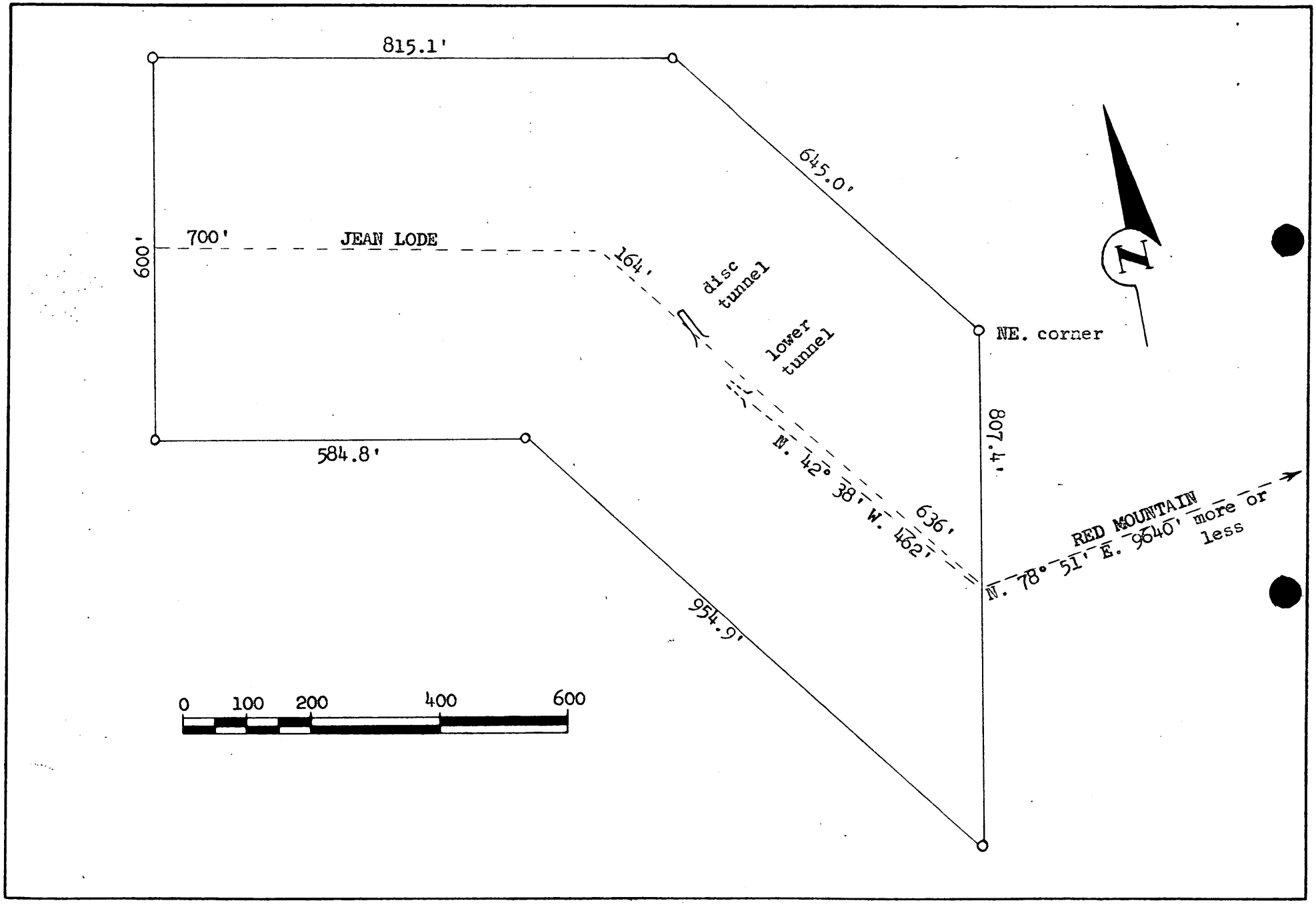
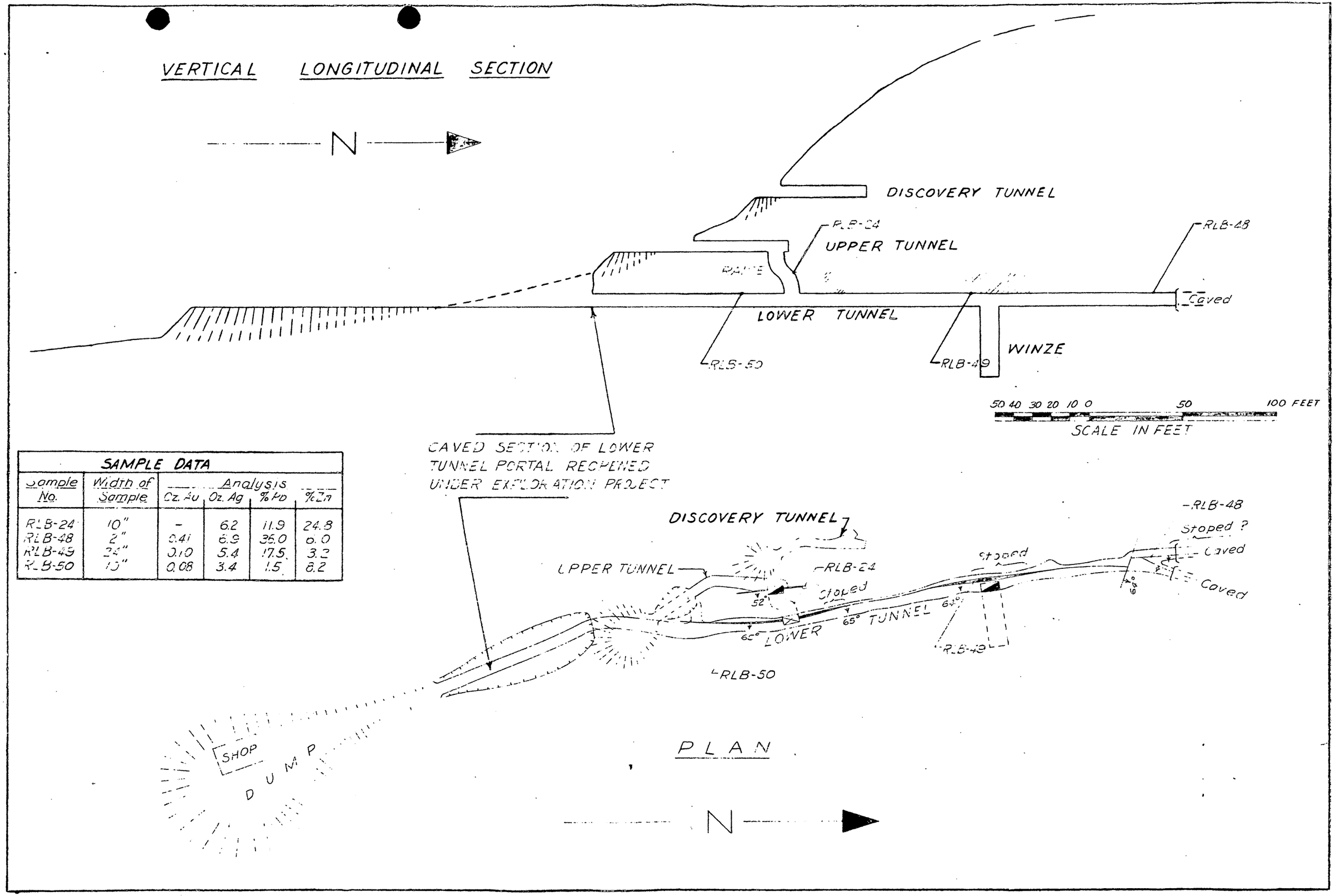


Figure 1 - Claim map, Jean lode, Clear Creek County, Colorado - DMEA 2713 (Contract Idm-E566)



SAMPLE DATA

Sample No.	Width of Sample	Analysis Oz. Au	Oz. Ag	% Pb	% Zn
RLB-24	10"	-	6.2	11.9	24.8
RLB-48	2"	0.41	6.9	36.0	0.0
RLB-49	24"	0.10	5.4	17.5	3.2
RLB-50	10"	0.08	3.4	1.5	8.2

FIGURE 2 – PLAN AND SECTION, JEAN MINE, CLEAR CREEK COUNTY, COLO., DMEA 2713 (LEAD-ZINC), CONTRACT Idm.-E566

The shear zone exposed along the discovery tunnel is not mineralized; the same structure exposed 30 feet lower in the far end of the upper tunnel, however, does contain a high grade lense of massive lead and zinc sulfide. This sulfide streak, about 10 inches in width, also is exposed in a connecting raise from the lower tunnel level and along that level for some 30 feet in either direction from the raise.

The vein narrows to a few inches but remains mineralized northerly along the lower level. About 100 feet north of the raise, in the vicinity of a winze below the level, the structure again widens, this time to a maximum width of about 30 inches. This second lense extends for about 25 feet in either direction from the winze and contains less massive, more disseminated mineral. The operator examined the winze when it was unwatered and reports it to extend about 50 feet below the level. The sulfide streak reportedly narrows to a width of about 6 inches in the bottom of the winze.

The vein contains from 1 to 3 inches of massive sulfide along the northern section of the level. About 80 feet north of the winze, the structure splits and the workings, which apparently followed each branch, are caved tightly.

ORE RESERVES

Two lense-shaped ore shoots are exposed in the accessible sections of the mine--one in the vicinity of the raise between the upper and lower tunnel levels and the other in the vicinity of the winze below the lower tunnel. Rough calculations based on the few samples taken (sample locations and analyses are shown on fig. 2) indicate the following reserves for these small ore bodies:

Location	Measured length	Inferred height	Estimated average width	Reserves (tons)	(% lead-zinc)
Raise	60 feet	80 feet	10 inches	500	23%
Winze	50 feet	80 feet	15 inches	625	30%
			Total:	1,125 tons	27% lead-zinc

WORK COMPLETED UNDER CONTRACT

Only Stage 1 of the authorized project--the reopening of the caved portal of the lower tunnel--was completed. Although materials and supplies had been transported to the site earlier, actual excavation of the caved portal started September 1, 1953.

The portal of the lower tunnel originally was driven in alluvium at the foot of a rather steep slope of the glacial basin. The first few feet were excavated as an open cut. As the depth of overburden increased, maintenance of an open cut was impractical and the tunnel driven underground. Close timbering was necessary until solid bed rock was reached. This timbered section, estimated to be 60 feet in length, had caved and would require cleaning out and retimbering before the old workings would drain and become accessible.

The operator was able to rent a traxcavator for the job. With such equipment, it was possible to excavate the entire caved portal section of the portal as an open cut trench. Hand methods would have necessitated spiling and close timber support for most of the distance. Beginning at the original portal, a caved section 90 feet in length was excavated. Beyond 90 feet, the tunnel was in solid rock and had not caved. The water, which had backed up behind the cave, drained out through the new cut. The deepest sections of the cut, where there was immediate danger due to stuffing of the nearly vertical walls, were

retimbered. The caved portal had been opened and the tunnel made accessible by September 11, 1953. Although not required under the terms of the contract, the operator eventually timbered most of the excavation. The operating season drew to a close before any further work could be completed and the project was officially recessed until August 1, 1954.

Late in July 1954, the operator moved his compressor and other equipment to the property. During the remainder of the season, he repaired a surface building, installed the compressor, and extended track and air pipe into the tunnel. Eventually, the winze below the tunnel level was unwatered, an operation which had held up the decision as to whether the second stage of the project should be approved. The winze refilled with water and the operator was unable, because of equipment failure, to pump it out again for inspection by DMEA representatives. The appearance of the vein in the winze, reportedly, was disappointing. The operating season again had drawn to a close and the operator's request for termination of the contract, therefore, was considered warranted and was approved.

EXPENDITURES

At the completion of Stage 1 of the authorized project in September 1953, the operator reported and claimed reimbursement for costs totaling $1,800.00. This amount--equivalent to the maximum 60 feet of tunnel rehabilitation allowed in the contract at the agreed unit price of $30.00 per foot--was approved by the inspecting engineer and accepted by the Executive Officer, DMEA Field Team, Region III

(formerly Region IV). Reimbursement of 50 percent of the reported costs, or $900.00, was approved; an amount of $140.00, however, was withheld from the payment due the operator pending the resumption of project work after the authorized recess.

Upon the termination of the contract and the release of the Final Report of Review by the Contract Administration and Audit Division, the final amount due the operator was paid. Inasmuch, as Stage 2 of the project was not performed, the $1,000.00, total cost authorized for that phase of the work was not expended and Government funds equivalent to 50 percent of this amount, or $500.00, were unspent.

EQUIPMENT

The unit prices agreed upon in the short form-type of exploration project contract reflect a reduction for the estimated salvage value of any materials or equipment remaining at the completion of the project.

EFFICIENCY OF OPERATIONS

Project operations were hampered by the short operating season and the severe weather conditions normally experienced at high altitudes. The property was isolated and the operator found it difficult to attract and retain experienced workmen. The operator, himself, was in poor health. For this reason and because of his financial condition, he was able to work only part time--mostly on weekends--at the property. Most of his operating equipment, which was transported with difficulty to the site, was old and subject to frequent breakdowns.

CONCLUSIONS

That portion of the authorized project, which the operator did attempt, was completed in the manner specified in the contract. The costs reported for the completed work were those agreed to in the contract. Government reimbursement to the operator for 50 percent of the reported costs, therefore, was justified. The final stage of the project, tentatively authorized under the contract, probably was not warranted and, under the circumstances, termination of the contract by mutual agreement was justified.

Project work made accessible certain small tonnages of lead-zinc ore which the operator eventually will attempt to exploit. While not especially significant, these reserves are considered ample basis for the certification of the project.

RECOMMENDATIONS

Further exploration at the property with Government assistance is not recommended. It is recommended that a certification of discovery or development be issued for the project.

/cm

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

Date Rec'd
FEB 1 - 1955
BUREAU OF MINES
Denver, Colorado

February 1, 1955

RECEIVED
JUN 20 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 2713 (lead-zinc), Contract Idm-E 566, Robert F. Blum, Jean mine, Clear Creek County, Colorado. Final geologic report

Enclosed are the original and 8 copies of a final geologic report by D. R. MacLaren, U. S. Geological Survey, on the subject property.

MacLaren describes the geologic aspects of a small program of exploration carried out under Contract Idm-E 566. The project was terminated by mutual consent after completing rehabilitation work and sampling authorized under Stage I of the subject contract.

Opening the lower tunnel has proven the existence of two small ore shoots containing about 750 tons of inferred ore averaging 5 counces of silver per ton, 13.60 percent Pb and 14.32 percent Zn. MacLaren recommends that a discovery be certified. He recommends also that no further Government funds be spent on exploration at the Jean mine.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
6-24-55
(date)

RECEIVED
JUN 20 1955

JEAN MINE

CLEAR CREEK COUNTY, COLORADO

DMEA Docket 2713

Final Geologic Report

By D. R. MacLaren
U. S. Geological Survey

Recorded by
6-24-55

JEAN MINE
CLEAR CREEK COUNTY, COLORADO
DMEA Docket 2713
Final Geologic Report

RECEIVED
JUN 20 1955

INTRODUCTION

Robert F. Blum of Denver, Colorado, and the Defense Minerals Exploration Administration signed contract Idm-E566 on July 10, 1953, for the purpose of exploring for lead and zinc ores in the Jean mine, Dailey or Jones Pass mining district, Clear Creek County, Colorado. The contract was set up on two stages and was estimated to cost a total of $2,800 of which the Government would provide 50 percent or $1,400. Stage I provided for cleaning out, spiling, and retimbering an estimated 60 feet of tunnel that was caved at the portal. Stage II provided for 40 feet of drifting, raising, and/or crosscutting. The only amendment to the contract changed the date of completion of the work from "within a period of seven months from the date of the contract" to "prior to November 10, 1954," and authorized a recess upon completion of Stage I "on or about September 11, 1953," work to be resumed under Stage II "on or before August 1, 1954." The contract was terminated by mutual agreement December 27, 1954, after completion of Stage I and before any work was started under Stage II.

The Jean mine is located about 13 miles west of the village of Empire, Colorado, from which it is reached by following U. S. Highway 40 for 7-1/2 miles west, thence State Highway 286 for 2-1/2 miles west, and thence a poor dirt road, little more than a trail, for 3-1/2 miles west.

Situated at an altitude of 11,500 feet, the property is accessible only four or five months of the year.

GEOLOGY

The Jean mine is entirely within an area of Silver Plume granite. A sheeted zone in the granite, 5 to 8 feet thick, strikes from N. 5° E. to N. 5° W. and dips 52° - 60° E. and contains streaks and lenses of lead and zinc sulfides. Elsewhere in the district, small high grade ore shoots have been mined in the past, from similar sheeted zones in granite.

Two tunnels, 27 feet apart vertically, follow the sheeted zone at the Jean mine. The upper tunnel, which is 50 feet long, follows a barren zone for 30 feet. In the remaining 20 feet a small sulfide stringer rapidly widens to about 18 inches of galena and sphalerite, in about equal amounts, and pyrite in a quartz gangue. A few feet back from the breast of the tunnel is a small stope that has holed through from the lower tunnel.

A caved portion at the portal of the lower tunnel was cleaned out and retimbered under Stage I of the contract. The tunnel (Fig. 1) is in barren granite for 65 feet, at which point a weak vein of quartz with a few small crystals of galena, sphalerite, and pyrite enters the tunnel from the west wall. Within a distance of 15 feet the vein, which strikes north to N. 12° W. and dips 64° - 65° E. widens to 6 inches and is filled by galena and sphalerite with some pyrite in a gangue of quartz. Continuing northerly, the vein widens and pinches forming lenses, the largest

of which is about 40 feet long and up to 24 inches wide. Between lenses the vein averages one-half inch to one inch thick and contains only sparse amounts of the sulfide minerals. About 290 feet north of the portal the vein is offset 5 feet to the west by a fault that strikes N. 72° W. and dips 64° N. Six feet beyond the fault the vein splits. Both splits have been followed by drifts which have caved at a distance of 315 feet from the portal. Throughout the entire distance that the tunnel is open, the wall rock is silicified and sheeted granite, to which the vein is tightly frozen.

At a distance of 100 feet from the portal a small stope, 10 to 12 feet long, extends to the upper tunnel. Two other stopes above the level are 10 feet long by 11 feet high, and 30 feet long by 12 feet high, respectively. A winze below the last stope has been flooded at the time of each inspection. The operator stated that, during the summer of 1954, he had unwatered the winze to a depth of 35 feet but that he had let it re-fill because the vein pinched out a few feet below the tunnel level.

CONCLUSIONS

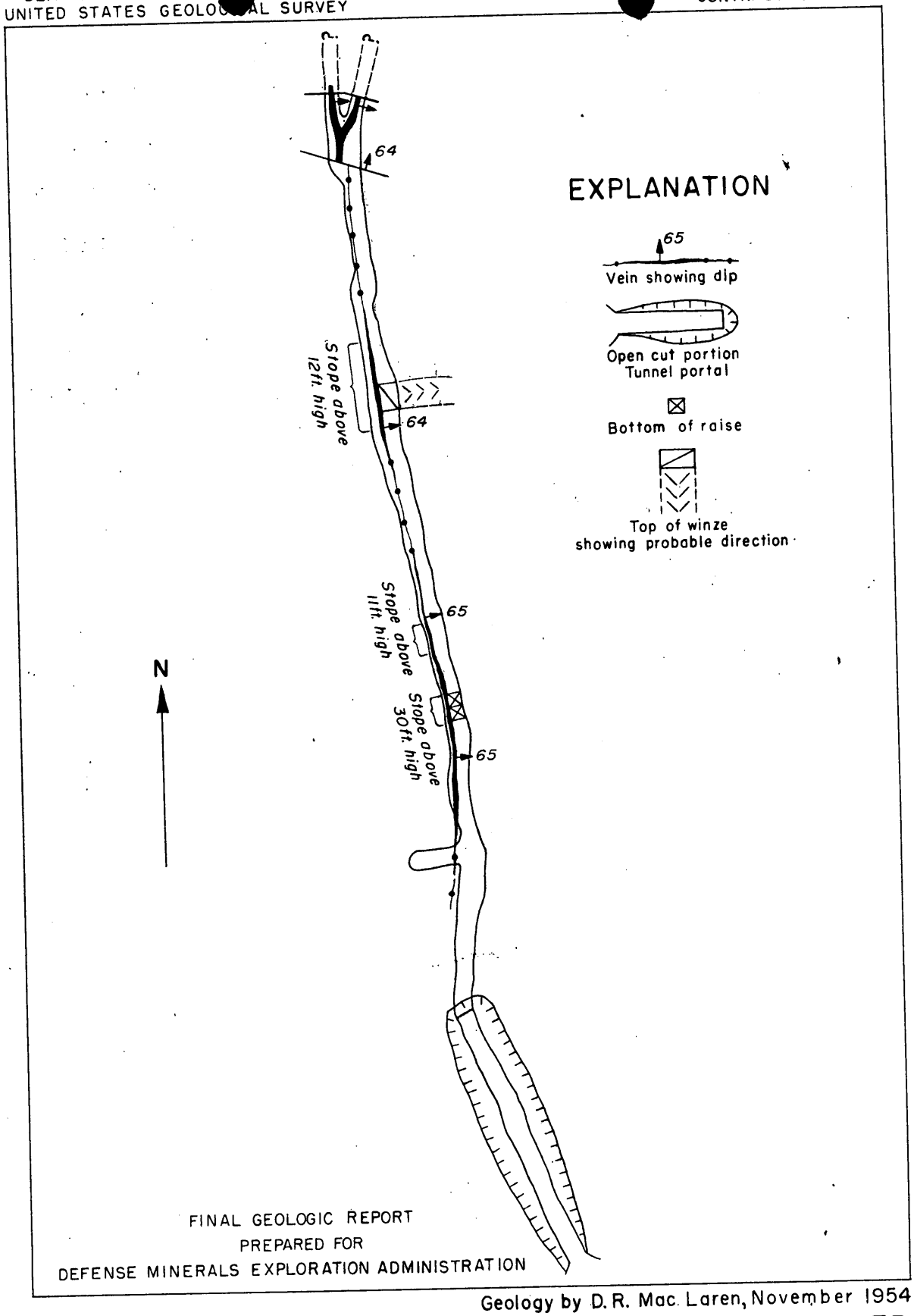
It is concluded that opening the lower tunnel has resulted in finding two small ore shoots which taken together contain no more than 750 tons of inferred ore having an average grade of 0.09 ounces gold and 5.20 ounces silver per ton, 13.60 percent lead and 14.32 percent zinc. These figures are based upon the assays of four samples taken by the U. S. Bureau of Mines examiner and the assumption that two ore shoots, 50 and 60 feet long, respectively, and 1 foot wide will extend 30 feet

above and below the level. The caves in both splits at the north end of the tunnel are making considerable water, and it is therefore concluded that stopes have been mined to the surface on any ore that might have existed beyond the points of cave.

Although the tonnage is small, it has a value of something over $25,000. Therefore, it is recommended that a discovery be certified. It is also recommended that no further Government funds be spent on this property.

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

DMEA DOCKET 2713
CONTRACT IDM-E 566



Geology by D.R. Mac Laren, November 1954

FIGURE 1--PLAN SHOWING WORKINGS AND GEOLOGY, LOWER TUNNEL, JEAN MINE, CLEAR CREEK COUNTY, COLORADO

50 25 0 50 Feet

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

RECEIVED
JUN 30 1955

224 New Customhouse
Denver 2, Colorado

June 14, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA-2713 (Lead-Zinc), Contract IDM-E566, Robert F. Blum, Clear Creek County, Colorado

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. the original and one copy of the operator's final report

2. the original and three copies of the final geologic report by the U. S. Geological Survey

3. the original and three copies of the final engineering report by the U. S. Bureau of Mines

Final payment to the operator was processed by this office June 14, 1955 in conformance with the Final Report of Review by the Contract Administration and Audit Division dated January 25, 1955. Final payment was deferred pending receipt of the operator's final report which was received in this office June 13, 1955.

The entire amount of work authorized under the contract was not completed, as the contract was terminated by mutual agreement upon completion of the work approved under Stage I. The exploration work completed consisted of 60 feet of tunnel rehabilitation at an accepted cost of $1,800.00, in which the Government participated to the extent of 50 per cent or an amount of $900.00.

The exploration work resulted in a discovery or development of about 750 tons of inferred ore. The examining engineer and geologist in their reports recommend that the project be certified as a discovery or development, in which this office concurs.

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

for D R MacLaren
E. N. Harshman

Enclosures

RECEIVED
JUN 20 1955
Denver, Colorado

DMEA
Date Rec'd.
JUN 13 1955
BUREAU OF MINES
Denver, Colorado

June 9, 1953

J.W.Townsend Ex. Officer DMEA.
Field Team Region, #3.

DMEA3713, Contract Idm-2566
Jean Mine, Clear Creek County.

Dear Sir:-

Report on the execution and findings of part one of this contract.

Work was started on rehabilitation of portal and tunnel early in July, 1953 and completed September 15, 1953. The conditions encountered after the water was drained from the tunnel level were very good. About 275 feet of the main tunnel with a fault near the breast and some caving and slipping. The lower tunnel shows ore on about 150 feet varying in width from 2 inches to a maximum of 24 inches. The ore is lead zinc silver and gold, with about one thousand tons on the widest part of the vein which might be mineable if width and grade of ore hold or improve.

Due to short season work was discontinued in October 1953, and recess asked on part two of contract which was granted to extend to November 10, 1954. Part time work resumed July 1, 1954, in preparation for exploration ofveins, such as repairing buildings, installingairline and compressor,and tunneling balance of portal to protect from snow and caving. Pumped water from winze which was found to be about fifty feet deep and on the vein, but did not get any work done pertaining to part two of the contract, so asked for termination of part two of contract which was granted December 27th. 1954. I expect to resume work in July 1955.

Yours truly,

Robt. J. Blum

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

224 New Customhouse
Denver 2, Colorado

January 11, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2713 (Lead-Zinc), Contract Idm-E566, Robert F. Blum, Jean mine, Clear Creek County, Colorado

Enclosed are the Government, Division, and Docket copies of a termination agreement which was prepared in Washington and signed by the Administrator, DMEA, for the Government, and forwarded for execution by the operator by your letter of December 28, 1954.

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

W. H. King

Encls.

File Copy
Surname
Griswold
Hoffman
Selfridge
H. Johnson

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

INTERIOR DEPT.
DEC 1 - 1954
SOLICITOR

DEC 28 1954

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

Re: Docket No. DMEA-2713 (Lead-Zinc)
Robert F. Blum
Jean Mine
Clear Creek County, Colorado
Contract No. Idm-E566

Dear Mr. King:

We have your letter of November 22, with enclosures, relative to a mutual termination of the cited contract. We are therefore enclosing the original and five copies of a Termination Agreement which you may present to the Operator for signature.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Enclosure

WRGriswold/er 12/1/54

APPROVED:

C. H. JOHNSON

Member, Bureau of Mines (SHB)

Thor H. Kiilsgaard

Member, Geological Survey (SHB)

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

R.C.S.

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

December 21, 1954

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2713, Robert F. Blum, Jean Mine, Clear Creek County, Colorado, Contract No. Idm-E566

The cited contract was executed by Region IV for a total of $2,800.00. Apparently the Operator is now without funds, after a small amount of rehabilitation work has been done. A little narrow lead-zinc ore has been exposed from 2 inches to 24 inches in width. Hence, the termination contains a "pseudo-certification" clause.

W. R. Griswold

W. R. Griswold

File Copy
Surname

500

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

December 21, 1954

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2713, Robert F. Blum, Jean Mine, Clear Creek County, Colorado, Contract No. Idm-E566

The cited contract was executed by Region IV for a total of $2,800.00. Apparently the Operator is now without funds, after a small amount of rehabilitation work has been done. A little narrow lead-zinc ore has been exposed from 2 inches to 24 inches in width. Hence, the termination contains a "pseudo-certification" clause.

W. R. Griswold

W. R. Griswold

WRGriswold/bjl

Copy to: Docket
Base Metals
Chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1954

224 New Customhouse
Denver 2, Colorado

November 22, 1954

Memorandum

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2713 (Lead-Zinc), Contract Idm-E566, Robert F. Blum, Clear Creek County, Colorado.

Enclosed is the following material relative to termination of the subject contract:

(1) Original and three copies of the operator's letter of October 19, 1954.

(2) Original and three copies of a memorandum dated October 29, 1954, from R. L. Bolmer, Mining Engineer, U. S. Bureau of Mines.

(3) Original and three copies of a memorandum dated November 16, 1954, from D. R. MacLaren, Geologist, U. S. Geologic Survey.

The operator requests that the contract be terminated because of his inability, for financial and other reasons, to perform the work authorized under the contract. The examining engineer and geologist in their memoranda recommend that the contract be terminated by mutual agreement, in which this office concurs.

The examining geologist recommends that no certification of discovery or development be issued. However, as discussed in the engineering and geologic reports, a small quantity of ore was discovered. The issuance of a certificate of discovery or development appears to involve DMEA policy. Therefore no specific recommendations are made in the matter by this office.

John F. Shaw
for W. H. King

Enclosures

Mining Division
Date Rec'd.
OCT 20 1954
BUREAU OF MINES
Denver, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1954

Denver, Colorado.
October I9, I954.

Docket DMEA 27I3.
Contract IDM-E- 566.

Mr. W.H. King,
Ex Officer DMEA.
Field Team Region IV.

Dear Sir:-

I regret to inform you that I will not be able to complete the second part of my contract on the Jean Mine as it took more time and expense to prepare for actual mining than I calculated.

I now have the mine practically ready for working, that is, the portal is timbered, 90 feet of track laid and compressor and air line installed, and one building rehabilitated.

I wish to thank you for your patience and amending the contract to give me ample time, but as I understand there is only one thing left to do and that is to terminate the contract. I will be at the mine whenever possible and hope to keep working it.

Thanking you again, I remain,
Yours truly,

Robt. J. Blum

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd.
NOV 4 - 1954
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 29, 1954

Memorandum

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

From: R. L. Bolmer

Subject: DMEA 2713, Contract Idm-E566 (Lead-zinc), Robert F. Blum (Jean mine), Clear Creek County, Colo.--Operator's request for termination of the contract

The operator, in a letter to the Region IV Field Team, dated October 19, 1954, requests termination of the subject contract.

The contract, as amended, stipulates that the project shall be completed prior to November 10, 1954. The operator completed Stage 1 of the contract (opening the lower Jean tunnel) 1 year ago. At that time, the workings were mapped and sampled. A winze below the tunnel, however, still was flooded and it was felt that, before any work under Stage 2 could be recommended, this winze should be made accessible for examination. The project was recessed due to winter weather before pumping equipment could be brought to the property.

Sometime during July of this year, the operator moved his compressor and other equipment to the mine. During the summer, he continued to rehabilitate the tunnel and eventually got around to pumping out the winze. The work was performed intermittently, mostly on week ends and was handicapped by a shortage of labor, the accessibility of the property, and by the weather conditions encountered at the high altitude.

About the first of October 1954, the operator notified the Mineral Resources Branch office that the winze had been unwatered. We offered to schedule an examination at his convenience but wanted assurance that the winze would be accessible on the scheduled date. The operator stated that his compressor was not functioning properly and was uncertain that the winze could be pumped out again on a definite date. He did state that he, himself, was disappointed with the appearance of the vein as exposed in the winze.

The operator was questioned as to his ability to complete any of the work which might be approved under Stage 2 this fall and

before weather conditions again forced a shutdown of the operation. The operator thought that possibly he could, but his other statements regarding his health, finances, free time, and our own knowledge of the area, lead us to believe that he could not. He was advised that we did not believe the project warranted an extension to the following summer. The decision was left to the operator, but he was urged to make up his mind in the matter and to notify the Region IV Field Team as soon as possible. His recent letter to the Field Team requesting termination apparently reflects his decision in this matter.

Under the circumstances, it is urged that the contract be terminated by mutual consent of the operator and the Government.

The vein exposed for some 260 feet along the lower Jean tunnel contains from only a few to about 18 inches of fairly massive lead and zinc sulfide (the attached sketch shows the locations, widths, and analyses of samples taken along its length). The operator intends to continue with some type of work at the mine, probably next summer. A discovery probably can be certified for the project, but recommendations for such action are being withheld pending consultation with the Geological Survey.

R. L. Bolmer

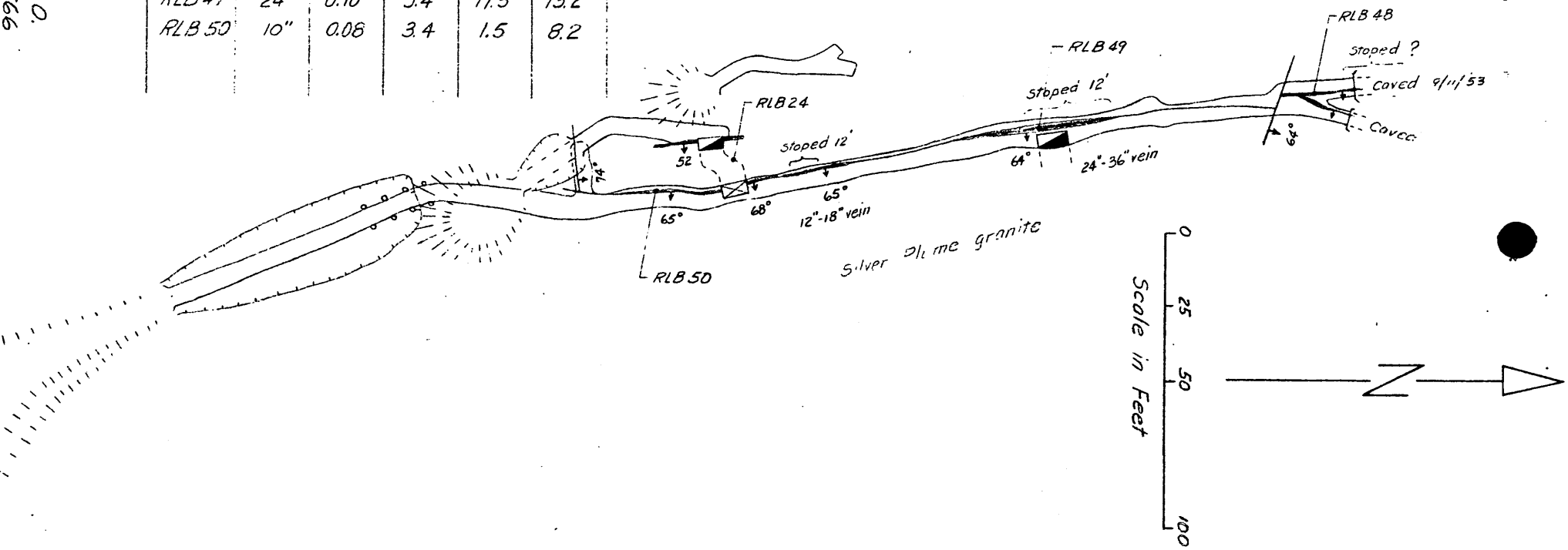
R. L. Bolmer
Mining Engineer

RLB/kp

cc 8
E566
Chron

JEAN MINE
CLEAR CREEK COUNTY, COLO.
DMEA 2713 Contract Idm-E566

Sample No.	Width	Au.	Ag.	Pb.	Zn
RLB 24	10"	—	6.2	11.9	24.8
RLB 48	2"	0.41	6.9	36.0	6.0
RLB 49	24"	0.10	5.4	17.5	13.2
RLB 50	10"	0.08	3.4	1.5	8.2



November 16, 1954

Mining Division
Date Rec'd.
NOV 17 1954
BUREAU OF MINES
Denver, Colorado

Memorandum

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

From: D. R. MacLaren

Subject: DMEA Docket 2713 (lead-zinc), Contract Idm-E566, Robert F. Blum, Clear Creek County, Colorado

In a letter dated October 19, 1954, the subject operator requested that Contract Idm-E566 be terminated by mutual agreement.

Since the effective date of the contract, July 10, 1953, work has been carried on mostly during weekends and holidays in the summer months. During the summer of 1953 a cave at the portal of the lower tunnel was cleaned up and the tunnel was drained and made accessible. During the summer of 1954 timber was installed in the portal of the tunnel, 90 feet of track and air line were laid, one building was rehabilitated, a compressor was installed, and a winze below the tunnel level was unwatered.

In October 1953 the geology was mapped in the lower tunnel for a distance of 330 feet from the portal. At 65 feet a weak vein comes into the drift from the west wall. Within 15 feet the vein becomes strong and is filled by galena and sphalerite in a gangue of quartz. The wall rock, to which the vein is tightly frozen, is silicified and sheeted granite. The vein widens and pinches, forming lenses, the largest being about 40 feet long and up to 24 inches thick. Between the lenses the vein averages one-half inch to an inch thick. About 308 feet from the portal the vein is offset five feet to the west by a fault. Six feet beyond the fault the vein splits. Both splits have been followed by drifts which are caved 330 feet from the portal.

A small stope 10 to 12 feet long extends from the lower to an upper tunnel. Two other stopes above the lower level are 10 feet long by

11 feet high and 30 feet long by 12 feet high respectively. A winze below the longest stope was full of water. The operator promised to include unwatering the winze in his program for the summer of 1954. Early in October 1954 the operator advised Bolmer of the U. S. Bureau of Mines that he had unwatered the winze to a depth of 35 feet but that the vein pinched out within a few feet of the top and he had allowed the winze to flood again.

On the basis of four samples taken by the Bureau of Mines and on the assumption that ore will continue for 30 feet above and below the level over a stope width of four feet, a maximum reserve of 2,000 tons of ore with an average grade of .20 ounces gold and 1.0 ounces silver per ton, 3.92% lead and 3.75% zinc is inferred.

Because of the reported poor showing in the winze, the small inferred tonnage and grade indicated by some 330 feet of drift, the sporadic method of operation, and the operator's apparent lack of funds, it is recommended that the operator's request to terminate the contract be approved.

Also because of the small tonnage and low grade of the inferred ore, it is concluded that any shipment that the operator may make will not pay expenses of mining and hauling. Therefore it is not recommended that a discovery be certified.

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

224 New Customhouse
Denver 2, Colorado

February 3, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2713 (Lead-Zinc), Contract Idm-E566, Robert F. Blum, Jean Mine, Clear Creek County, Colorado

Enclosed are the original and two copies of Amendment No. 1 to Contract IDM-E566 which has been executed to extend the period for completion of work to November 10, 1954, amend article 6 of the contract form by inclusion of Annex I, and authorize a recess of operations from the date work under Stage I was completed, on or about September 11, 1953, to August 1, 1954. Preparation of the amendment was authorized by teletype from George C. Selfridge dated January 14, 1954. Also enclosed are three sets of data relevant to the amendment.

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

W. H. King

Enclosures

RECEIVED
FEB 16 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Denver, Colorado.
January 9, 1954.

Mr. W.H.King,
224 New Customhouse,
Denver, Colorado.

Dear Mr. King:

In regard to your letter of January 4, 1954, in regard to request for recess on last part of contract which was made to Mr. W.M.Traver.

First work was discontinued about November 1, 1953, and I expect to resume work July 1, 1954. However I shall have other preliminary work to finish first, such as timbering mine track and buildings, also getting compressor to the mine. installing air pipe etc. before I can proceed with mining.

For this reason I think that possibly I should be able to start contract work some time in August 1954, and complete same by November 30, 1954.after which time it will be very difficult to do much on account of weather conditions, mainly snow. I would greatly appreciate extension from August 1, 1954 until November 30, 1954.

Thanking you,
Very truly yours,

Robt. F. Blum

Robert F. Blum,
282 South Logan,
Denver, Colorado.

Re: Docket DMEA 2713.
Contract Idm-E566.
(Lead-Zink)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 28, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2713, contract Idm-E566 (Lead-zinc), Robert F. Blum (Jean mine), Clear Creek County, Colorado

The completion date on the above contract is August 10, 1954.

There are enclosed the original and five copies of the operator's request for a recess until August 1, 1954, due to weather conditions making it impossible for him to continue work this winter after his compressor and other equipment are overhauled.

The requested recess is recommended for your and Washington approval. May we have a copy of the operator's letter for our files?

W. M. Traver

Enclosure

WMT/le
cc Original/5
E566
Chron.

D M E A 27I3.

Contract.

I-DMA-E 566.

U.S.Bureau of Mines,

W.M. Traver,

Dear Sir:-

In regard to the second part of our contract which I could not fulfill on account of bad weather, and various delays in getting my compressor and equipment in working condition.

I would appreciate a recess until August Ist. 1954. at which time I hope to be able to resume work in the mine.

Thanking you for your kind consideration,

I remain very truly yours,

Robt. F. Blum

Robert F. Blum,

282 South Logan,

Denver, Colorado.

FILE COPY
SURNAME:

Mr. Selfridge
Mr. Mitchell

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

DMFA

WRGriswold/bjl
3669 4058

January 14, 1954

W. H. King, Executive Officer, DMFA Field Team, Region IV, Denver, Colorado

Reurtt January 12, 1954, Docket DMFA-2713, Robert F. Blum, Contract Idm-3566. You are authorized to prepare requested amendment.

George C. Selfridge
Chairman, Operating Committee (2LB)

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

SENT
JAN 14 1954
Clerical Service Section

R.C.G. 1-14-54

Mr. C. O. Mittendorf
1-12-54
2:35 P.M. JB

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1954

BUR IMINES D N235 12-12-54 XXXXX 1-12-54 12-29 PM

C O MITTENDORF

REFERENCE DOCKET DMEA 2713, CONTRACT IDM-E566, ROBERT F. BLUM. OPERATOR REQUESTS AUTHORIZATION TO RECESS OPERATIONS FROM OCTOBER 1,1953 TO AUGUST 1,1954 AND EXTENSION OF COMPLETION DATE TO NOVEMBER 10,1954. PTEASE TELETYPE AUTHORIZATION FOR OUR PREPARATION OF NECESSARY AMENDMENT.

W H KING

Denver, Colo.

JAN 12 2 45 PM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1953

224 New Customhouse
Denver 2, Colorado

July 10, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E567 (Tungsten), Docket No. DMEA 2617, U. S. Tungsten, Inc., Gunnison County, Colorado

Enclosed are the original and two copies of Contract Idm-E567. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

RECEIVED
AUG 13 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cc
7-13

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Colorado, County of Gunnison, described as follows:1/

Book 176, Page 585

Beginning at a point on the Lode Line, U. S. Survey No. 7110, Mineral Survey No. 8, Monarch No. 2, Monarch No. 4, Lot 103, Sec 31, of the records in the County Clerk & Recorder's Office, Gunnison County, Colorado.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ U. S. Energy, Inc., a Colorado Corporation
P. O. Box 333
Gunnison, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 20th day of June, 195 0.

Harold R. Kaler, Pres [Seal]

Bonnie Pearson [Seal]

W. T. Pearson [Seal]

Attest: William Dufrin Sec

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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 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.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY Mines, Region IV

Originator:

TELETYPE

Ext.: Room:

Appro.:
Date: July 8, 1953
Time:
No.:
To: C. O. Mittendorf
Subject:

Please assign a number to contract covering docket No. DMEA-2713, lead-zinc, Robert F. Blum, 282 South Logan Street, Denver, Colorado. Property located in Clear Creek County, Colorado. Contract dated July 8, 1953. Total amount of contract $2,800.00, Government participation $1,400,00.

W. H. King

W. H. King

CONFIRMATION

HMC:ftm

Authorized:

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

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

224 New Customhouse
Denver 2, Colorado

July 9, 1953

Memorandum

To: Administrator, DMEA, Attention: Code 200

From: DMEA Field Team, Region IV

Subject: Final Report, Docket No. DMEA-2713, (Lead-Zinc), R. F. Blum and R. E. Houston, Applicants, Jean Mine, Clear Creek County, Colorado

Enclosed are the original and three copies of the final report on the subject docket.

The contract has been prepared in this office and is now in force.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

February 20, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2715, (Lead-Zinc) R. F. Blum and R. E. Houston, Jean Mine, Clear Creek County, Colorado.

Enclosed are eight copies of the final engineering report on the subject docket.

The applicants requested $2,800.00 to rehabilitate the lower tunnel and drive an additional 40 feet.

The examining engineer recommends the project and believes the costs, as submitted by the applicants, are ample but not excessive.

We concur in this recommendation.

W. H. King
W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 13, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2713 (lead-zinc), Jean mine, Clear Creek County, Colorado, R. F. Blum and R. E. Houston, applicants - Engineering report

Please find enclosed the original and eight copies of the "Summary, Conclusions, and Recommendations", by R. L. Bolmer and D. R. MacLaren, and of Bolmer's engineering report on the subject docket.

Bolmer concludes that the ore accessible for examination in the Upper tunnel and a winze below it warrants the small loan necessary to reopen the portal to gain entrance to and examine the Lower tunnel. This phase he estimates will cost approximately $1,800.00. If showings are encouraging when this work is completed, drifting on the vein or other exploration as recommended by the Region IV Field Team representatives will be authorized up to $1,000.00. He recommends a short-form contract on a unit-cost basis for a total of $2,800.00, Government participation--$1,400.00, with the limitations stated.

I concur with his conclusions and recommendations.

The brochure provided by the Region IV Field Team with instructions to make an examination is enclosed.

W. M. Traver

W. M. Traver

enclosures

WMT/amh

cc: 8
DMEA 2713
DMEA Chron.

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

200 New Customhouse
Denver 2, Colorado

November 7, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2713, Jean Mine, Clear Creek County, Colorado.

Attached are 8 copies of the geological report by D. R. MacLaren covering DMEA Docket 2713, Jean Mine, Clear Creek County, Colorado.

The applicant proposes to reopen, drain, and extend the lower adit of the Jean mine and explore for lead and zinc, at an estimated cost of $2800.

The area has been explored by two tunnels, about 27 feet apart vertically. The upper tunnel is 50 feet long. It followed a barren sheeted zone for 30 feet, and a sulfide stringer in the remaining 20 feet. Locally, the stringer widens to about 18 inches of massive sulfides, mostly galena, sphalerite, and pyrite. It is stoped for about 12 feet and a small stope has holed through from below. A raise that connects with the stope from below is partly filled with water, and this access to the lower tunnel is thus cut off.

The portal of the lower tunnel is caved, and the tunnel is inaccessible. From the meager evidence available, MacLaren concludes that the possibility of discovering small bodies of lead-zinc ore justifies opening the lower tunnel for further examination. He, therefore, recommends that the loan be approved with the provision that, after the tunnel has been opened, an examination of it be made to determine the most practical exploration program.

I concur in this recommendation.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2713, Robert F. Blum and R. E. Houston

Jean mine

Clear Creek County, Colorado

Lead-Zinc

R. L. Bolmer, Mining Engineer
Bureau of Mines

D. R. MacLaren, Geologist
Geological Survey

February 13, 1953

DMEA 2713

ROBERT F. BLUM AND R. E. HOUSTON
JEAN MINE
CLEAR CREEK COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By R. L. Bolmer
Mining Engineer
Bureau of Mines

and

D. R. MacLaren
Geologist
Geological Survey

DMEA 2713

ROBERT F. BLUM AND R. E. HOUSTON
JEAN MINE
CLEAR CREEK COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

R. L. Bolmer and D. R. MacLaren

An application for aid under the Defense Production Act of 1950 to explore the Jean mine, Clear Creek County, Colo., for lead and zinc was submitted by R. F. Blum and R. E. Houston. The exploration program proposed by the mine owners involved reopening, draining, and extending by 40 feet the Lower tunnel of the mine at an estimated cost of $2,800.00 (Government participation--$1,400.00). The application, DMEA 2713, was referred to the Bureau of Mines and the Geological Survey for field examination, and the property was examined September 30, 1952.

During the examination massive sulfide ore up to 10 inches in width was observed in the Upper tunnel and through a depth of 30 feet in a winze below that level. The Lower tunnel, caved at the portal and flooded, was not accessible for examination. It was concluded that the ore exposed, although of limited extent, was of sufficient merit to justify the opening of the Lower tunnel to permit further examination of the deposit and reappraisal of the latter phase of the proposed exploration.

The opening and rehabilitation of the Lower tunnel for approximately 60 feet from the portal at a unit cost not to exceed $30.00 per foot is recommended. A total of 40 feet of either drifting, crosscutting, or raising at a unit cost of $25.00 per foot as a later

phase is tentatively recommended. The performance of this phase of the project, however, is to be dependent upon recommendations by Region IV Field Team representatives after the Lower tunnel has been made accessible for examination.

JEAN MINE

CLEAR CREEK COUNTY, COLORADO

DMEA DOCKET 2713

Geologic Report

By D. R. MacLaren
U. S. Geological Survey

JEAN MINE
CLEAR CREEK COUNTY, COLORADO

INTRODUCTION

Robert F. Blum and R. E. Houston of Denver, Colorado, have applied to the Defense Minerals Exploration Administration for assistance to explore for lead and zinc in the Jean Mine, Dailey District, Clear Creek County, Colorado. The applicants propose to reopen, drain, and extend the lower adit of the mine at an estimated cost of $2,800, the Government's share to be $1,400.

The Jean mine was examined on September 30, 1952, in company with R. L. Bolmer of the U. S. Bureau of Mines, and Robert F. Blum, one of the applicants. The property may be reached by following U. S. Highway 40 about 7½ miles west of the village of Empire and State Highway 286 for 2½ miles west of U. S. 40. From this point 3 miles of poor dirt road, becoming little more than a trail, leads to the property at an elevation of 11,500 feet. The property is accessible for only about four months of the year.

GEOLOGY

The only rock in the area is Silver Plume granite. A sheeted zone about 5 to 8 feet thick strikes from N. 5° E. to N. 5° W., and dips 52°-60° E. Two tunnels 27 feet apart, vertically, have followed the sheeted zone for 50 feet in the upper one and at least 180 feet in the lower (fig. 2). At the time of the examination the lower tunnel was inaccessible through

the portal which had caved. The upper tunnel followed a barren zone for about 30 feet, but in the remaining 20 feet a small sulfide stringer rapidly widened to about 18 inches of massive sulfides, mostly galena, sphalerite, and pyrite. The wall rock, to which the vein is frozen, is silicified and very hard. For about 9 feet back from the breast of the tunnel, a small stope has holed through from below. The stope is 12 feet long and has 18 inches of massive sulfides in the north face. A raise that connects with the stope from below is partly filled with water, so that access to the lower tunnel is cut off from this end.

A sample taken from the vein at the north end of the stope assayed 11.9% Pb, 24.8% Zn, and 6.2 oz. Ag over a width of 9 inches.

In the past small tonnages of lead-zinc-silver ores have been produced from other mines in the area where the ore occurred as either high grade lenses and chimnies, or low grade shoots of pyritic quartz.

CONCLUSIONS AND RECOMMENDATIONS

From the meager evidence available, it is concluded that the possibility of discovering small bodies of lead-zinc ore justifies opening the lower tunnel for further examination.

It is recommended that the application be approved with the provision that, after the tunnel has been opened, no further work be allowed until a reexamination of the tunnel has been made to determine the most practical program for its exploration.

DMEA 2713

ROBERT F. BLUM AND R. E. HOUSTON
JEAN MINE
CLEAR CREEK COUNTY, COLORADO

Engineering Report

By R. L. Bolmer
Mining Engineer
Bureau of Mines

DMEA 2713

ROBERT F. BLUM AND R. E. HOUSTON
JEAN MINE
CLEAR CREEK COUNTY, COLORADO

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Location, topography, and physical features	1
History, production, and ownerships	2
Description and development of the deposit	3
Ore reserves	5
Project proposals, with costs	6
Conclusions	8
Recommendations	9

ILLUSTRATIONS

Figure	Follows Page
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2. Sketch map and sections of Jean mine, Clear Creek County, Colorado	3

DMEA 2713

ROBERT F. BLUM AND R. E. HOUSTON
JEAN MINE
CLEAR CREEK COUNTY, COLORADO

ENGINEERING REPORT

By

R. L. Bolmer

INTRODUCTION

Robert F. Blum and R. E. Houston, both of Denver, Colo., have made application to the Defense Minerals Exploration Administration for assistance to explore the Jean mine, Clear Creek County, Colo., for lead and zinc. The applicants propose to reopen, drain, and extend by 40 feet the Lower tunnel at an estimated total cost of $2,800.00.

The Jean mine was examined September 30, 1952, with D. R. MacLaren, of the Geological Survey, and Robert F. Blum, one of the partners. The engineering report of the Jean mine was prepared from the results of that examination. The relative merits of the mine and the proposed exploration program are discussed in the report and certain conclusions and recommendations have been made for the purpose of aiding the Defense Minerals Exploration Administration in further processing the application.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Jean mine is at an elevation of 11,500 feet in the Colorado Front Range, 44 miles west of Denver. The property lies just east of the Continental Divide in the Dailey or Jones Pass Mining District

of western Clear Creek County. The mine area is above timberline in the Arapaho National Forest and is unsurveyed but would correspond to T. 3 S., R. 76 W., sixth principal meridian.

The property is accessible west from Empire, Colo., via 7-1/2 miles of U. S. Highway 40, 2-1/2 miles of Colorado State Highway 286 (Jones Pass road), and 3 miles of unimproved private road up Butler Gulch, a tributary of the West Fork of Clear Creek. The claim lies within Butler Basin, the glacial cirque occurring at the head of Butler Gulch. Heavy snowfall and severe winter weather conditions at the elevation of the mine permit only summertime operations. The 3-mile private road is generally open to travel late in June and remains open into October.

HISTORY, PRODUCTION, AND OWNERSHIP

The past history of the Jean mine is vague and production from the property, if any, is not recorded under the present name. Early day shipments of high-grade galena ore (75 percent lead) are reported.

The recorded output of the Dailey district is small. The Bobtail and Ready Cash mines west of the Continental Divide have had a small production of lead-zinc-silver ores, as have the Scott tunnel, the Doctor mine, and the Puzzler and Scotia veins east of the Continental Divide. The Urad molybdenum mine has contributed most of the metal output of the district. Several mines have been described by Lovering and Goddard.[1/]

1/ Lovering, T. S., and Goddard, E. N., Geology and Ore Deposits of the Front Range, Colorado: U. S. Geol. Survey Prof. Paper 223.

For the most part, lead-zinc ore bodies in the area have been high grade but of small extent. The low precious metal and the high zinc content of the ores may have discouraged more extensive early day exploration. The isolation, short season, and difficulties of operating at high altitudes all have tended to discourage more recent exploration and development.

Donald Houston, a brother of the applicant, formerly leased and later (1943) relocated the property. His operation was confined to spasmodic rehabilitation and exploration. He did examine the complete mine workings when they were accessible and reported ore worth $30,000 to $40,000 in sight. The brother died and the applicants relocated the Jean claim (fig. 1) in July 1952. The new location is recorded in the Office of the County Recorder, Georgetown, Clear Creek County, Colo. The applicants, besides constructing the 3-mile access road to the property, excavated a new discovery trench on the Jean vein. Proper location notices were in evidence on the property during the inspection. The relocation of the property by the applicants appears valid.

DESCRIPTION AND DEVELOPMENT OF THE DEPOSIT

A steeply dipping, northerly trending shear zone in granite is exposed in the Jean mine (fig. 2). The zone, as opened along the Discovery tunnel, is tight, showing only minor evidence of sulfide mineralization; the possibility exists, however, that the tunnel was driven in either the hanging or footwall of the zone and missed the high-grade sulfides in evidence on the lower levels.

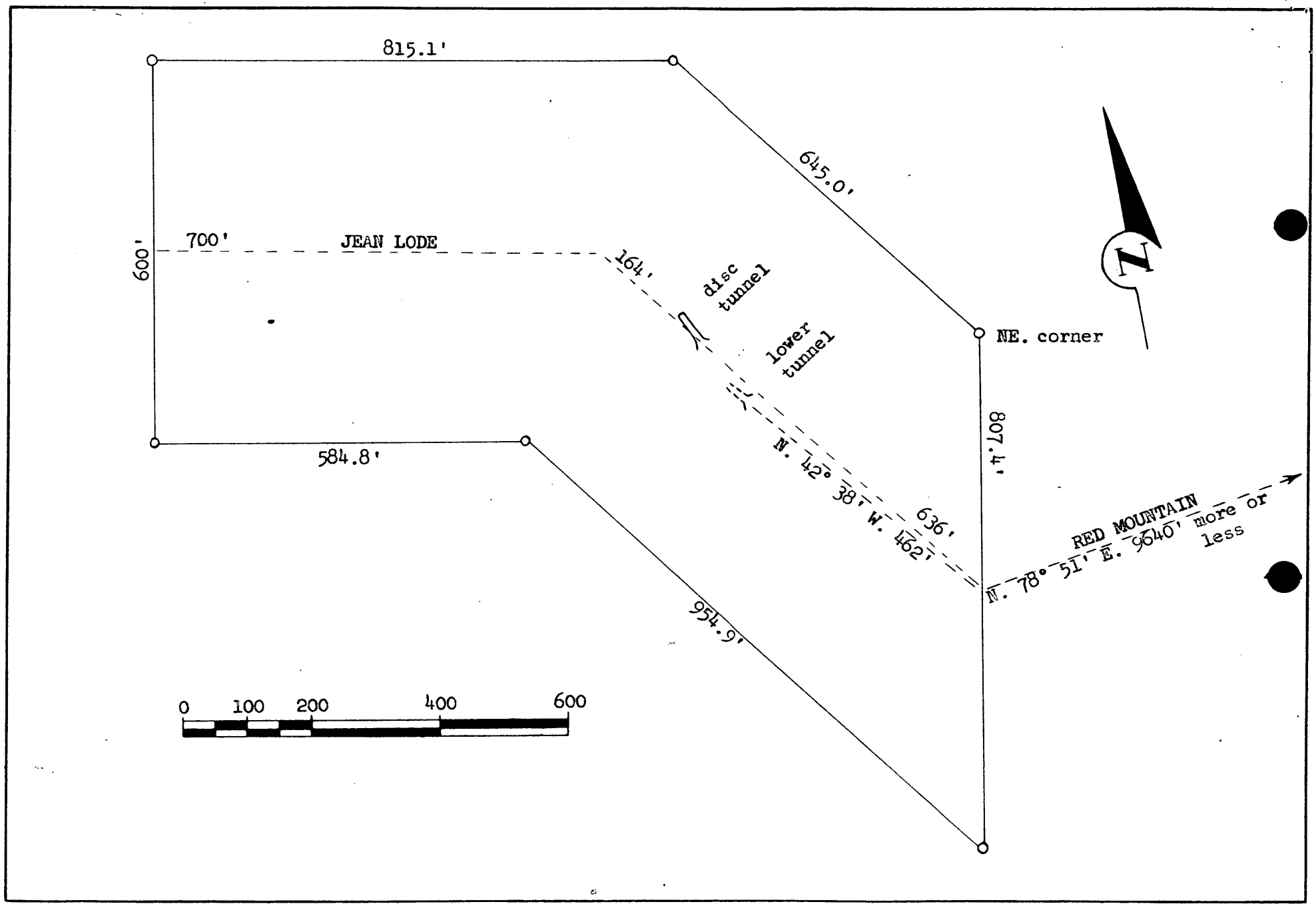

Figure 1 - Claim map, Jean lode, Clear Creek County, Colorado - DMEA 2713

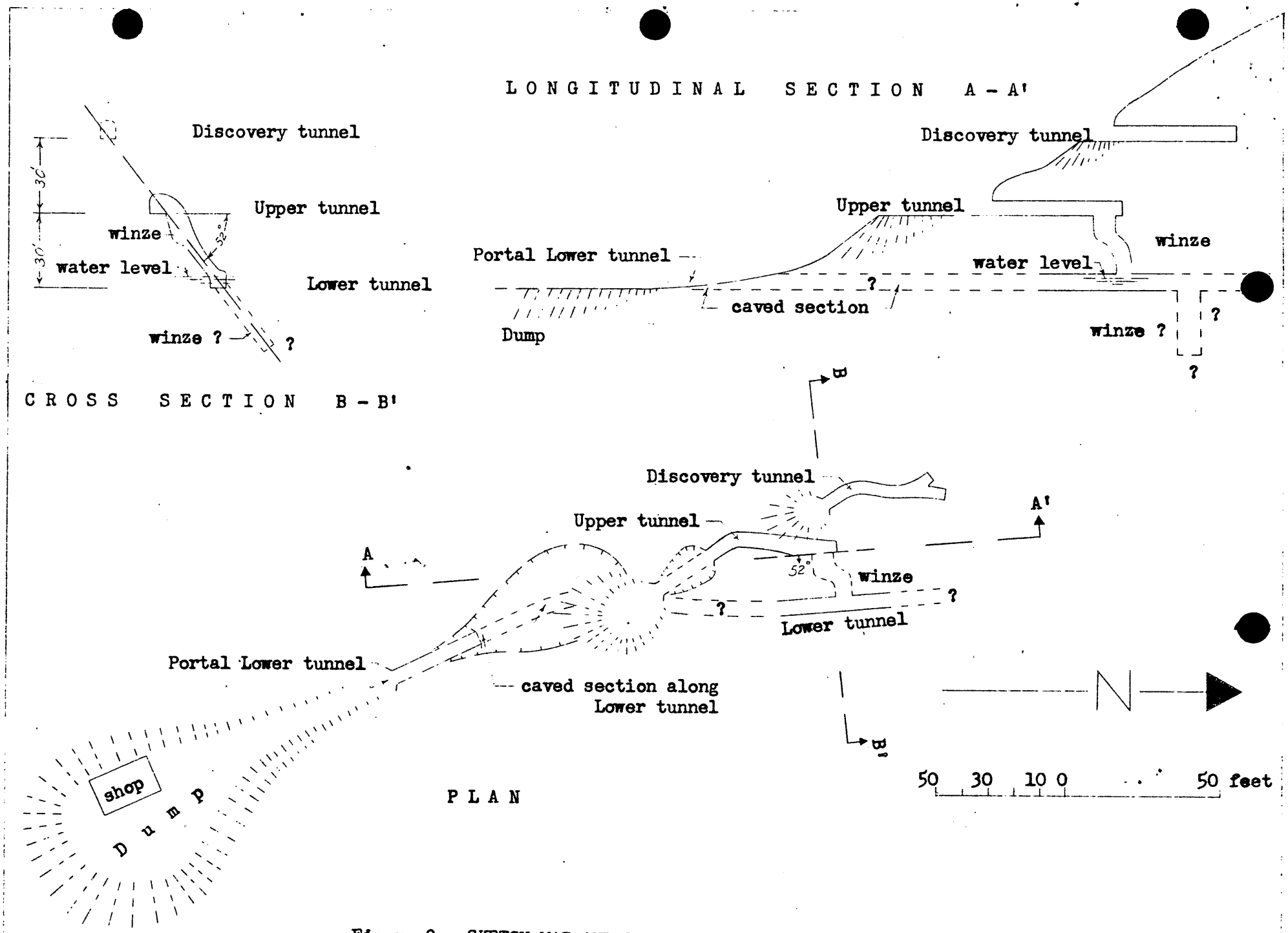

Figure 2.- SKETCH MAP AND SECTIONS OF JEAN MINE, CLEAR CREEK COUNTY, COLO. DMEA 2713

The Upper tunnel is driven on the structure 30 feet below the Discovery tunnel. Thirty feet from the portal, the Upper tunnel swings into the hanging wall of the zone and exposes high-grade sulfide mineralization. The mineralization (galena, sphalerite, and pyrite) rapidly widens to 10 inches of massive sulfide in the breast of the tunnel. The wall rock bordering the sulfides is silicified and, in sections, contains considerable pyrite with minor galena and sphalerite. The walls were not sampled but some milling-grade ore also would be broken during mining of the high-grade lense.

A winze from near the breast of the Upper tunnel connects with the Lower tunnel 30 feet below. Eight to 10 inches of massive sulfides are exposed in the north side of the winze (the sulfide width is slightly less on the south side) for its full depth. A sample taken across 10 inches of massive sulfide exposed on the north side of the winze assayed 6.2 ounces silver per ton, 11.9 percent lead, and 24.8 percent zinc.

The portal of the Lower tunnel is caved and the water level as observed from the winze was at the back of the tunnel. The Lower tunnel was not accessible but its extent was assumed partly from information supplied by the applicants and partly from an appraisal of the size of the dump.

The dump of the Lower tunnel is several times the size of the dumps of either the Discovery or Upper tunnels. Much of the lower dump material is massive sulfides, predominantly a black sphalerite or marmatite but containing some coarsely crystalline galena. The

ore body may be predominantly zinc sulfide; it is possible, however, that the early operators cobbed the higher grade galena from the ore and discarded the nonmarketable zinc sulfides. It is concluded that the Lower tunnel is more extensive than either of the higher levels and was driven for at least part of its length on the massive sulfide ore shoot exposed in the Upper tunnel and winze. A shallow winze is reported to have been sunk from the Lower tunnel, but its location is unknown.

The wall rock and the sulfides are hard and strong and the openings in the upper workings have stood well for years without support. The Lower tunnel portal, driven close to the surface in broken, near-surface rock and slide material, has caved. That portion of the tunnel in solid rock is covered with slide rock which serves as a reservoir and channel for surface runoff. The rapid melting of snowbanks along the divide continues into late summer and the mine is expected to make more than the average amount of water during the operating season.

ORE RESERVES

Sulfide ore approximating a width and grade of the previously mentioned sample is indicated between the Upper and Lower tunnel levels. The ore as observed in the breast of the Upper tunnel and in the winze was widening toward the north. The continuation of the ore for short distances above and below the two tunnel levels is inferred. Ore shoots in the district are described as small, lenticular, and chimney-like. Only a moderate horizontal extension toward the north is expected for the exposed ore; the occurrence

of similar small ore shoots north along the shear zone, however, is a possibility. Actual tonnage estimates are impossible.

At present market prices (Jan. 1953), the sulfide ore is worth approximately $103.00 per ton. In mining, the grade will be reduced one-half or one-third. The massive sulfides probably will be sorted from the low-grade wall rock and shipments with a value approximating $100.00 per ton can be made. The ore may require milling but should be commercial even under difficult mining conditions.

PROJECT PROPOSALS, WITH COSTS

The applicants propose to clean out and retimber for 60 feet the caved portal of the Lower tunnel and to drift 40 feet from the tunnel face if favorable locations are found to exist. The applicants estimate the cost of opening the portal at $30.00 per foot.

The portal of the Lower tunnel was started in alluvial material at the foot of the rather steep slope of the glacial basin. Its first section was an open trench. As the depth of overburden increased, the maintenance of an open trench was impractical and the tunnel was driven underground. Undoubtedly, close timbering was necessary until solid bed rock was reached. It is the timbered section of the tunnel portal that has caved. The caved section may be somewhat longer than estimated. The first few feet of rehabilitation will involve merely the mucking out of the trench. Beyond that point, however, timber sets will be needed and it is possible that spiling will be necessary. Close lagging of the sets probably will be required.

The applicants have indicated that they will perform all work themselves. Rehabilitation will be by hand; machinery, other than a

mine car and small tools, will not be required. The applicants indicated that they would complete the work at their own expense should the rehabilitation exceed the estimated 60 feet. If the work exceeds 60 feet, the first and easier sections of the portal probably would not be included in the distance claimed at the unit price. The estimate of $30.00 per foot for this work is considered reasonable. The actual conditions or the unusual difficulties which may be encountered are unknown. Similar rehabilitation work under Defense Minerals Exploration Administration contracts in more accessible locations have cost as much or more per unit.

The 40 feet of drifting proposed by the applicants is dependent upon conditions found to exist when the Lower tunnel is drained and made accessible for inspection. This phase of the project will be dependent upon recommendations by the Region IV Field Team representatives after the workings are made accessible and examined. It is possible that no further work will be recommended or that an equivalent amount of raising, crosscutting, or even sinking may be more desirable.

The unit cost of $25.00 per foot for drifting, as estimated by the applicants, is considered ample but not excessive. Experience with many Defense Minerals Exploration Administration exploration projects in Colorado has shown that actual direct incurred costs for drifting, crosscutting, and raising under similar normal conditions have averaged between $25.00 and $35.00 per foot of advance. Such costs, based on actual current operations, are more accurate than any estimates that could be made. The cost estimate made by the

applicants, $25.00 per foot for 40 feet of drifting, therefore, is accepted. The applicants will perform the required labor and provide the necessary mining equipment and operating materials and supplies for the $25.00 unit price.

Summary of Project Costs

60 feet rehabilitation of Lower tunnel at $30.00 per foot	$1,800.00
40 feet drifting, crosscutting, or raising at $25.00 per foot	1,000.00
Total estimated cost of project	$2,800.00
Government participation (lead-zinc, 50 percent)	$1,400.00

CONCLUSIONS

The exposure of ore in that portion of the Jean mine available for examination admittedly is limited. The exposure, however, is of sufficient width and of high enough grade to be commercial. The possibility of discovering small but high-grade lead-zinc ore bodies justifies the small expenditure necessary to open the Lower tunnel for further and more thorough examination.

The applicants' proposal is technically feasible and should not involve unusual difficulties. Neither the work proposed nor the costs estimated are considered excessive. The applicants have indicated that they possess the necessary funds to finance half the cost of the project. It is believed they are sincere in their proposal. Both possess the necessary experience, knowledge, and business ability to carry out efficiently a mining project such as has been proposed.

RECOMMENDATIONS

It is recommended that a short-form or unit-cost exploration project contract be entered into with the applicants for the performance of the following work at the Jean mine:

(1) Open and rehabilitate the caved portal section of the Lower tunnel (estimated as 60 feet) at a unit cost of $30.00 per foot.

(2) Drift, crosscut, or raise a total of 40 feet from the Lower tunnel level at a unit cost of $25.00 per foot, said exploration to be dependent upon recommendations by the Defense Minerals Exploration Administration representatives after the Lower tunnel has been drained and made accessible for examination.

amh

SURNAME COPY
Adams
pc

N. S. in R. R.

Defense Minerals Exploration Administration
Robert E. Adams
2017

14X3923.970, Working Fund, Interior, DMEA
July 9, 1953
11:30 a.m.

W.H.King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colo.

Assignment of Contract Number

REFERTEL 7-8-53, DOCKET NO. DMEA-2713, LEAD-ZINC, ROBERT F. BLUM, PROPERTY IN GUNNAR CREEK COUNTY, COLORADO. CONTRACT NUMBER IDA-E566 ASSIGNED THIS CONTRACT.

C. O. Mittendorf

ADMINISTRATOR

READams/meb
cc to: Adm.Reading File
Mails & Files Br.
Audits Div.
Miss Curtin

SENT
JUL 9 1953
Clerical Service Section

C. O. Mittendorf
7-8-53
7:35 P.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL - 9 1953

BUR MINES DN 235 7-8-53 3-35 PM

C O MITTENDORF

PLEASE ASSIGN A NUMBER FO CONTRXXXX TO CONTRACT COVERING DOCKET NO. DMEA-2713, LEAD-ZINC, ROBERT F. BLU M, 282 SOUTH LOGAN STREET, DENVER, COLORADO. PROPERTY LOCATED IN CLEAR CREEK COUNTY, COLORADO. CONTRACT DATED JULY 8,1953. TOTAL AMOUNT OF CONTRACT $2,800.00, GOVERNMENT PARTICIPATION $1,400.00.

W H KING

1 DMI-E 566

5090

Denver, Colo.

JUL 9 8 08 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

June 2, 1953

Mr. Robert Fred Blum
282 South Logan Street
Denver, Colorado

Docket DMEA 2713 (Lead-Zinc)
Jean Lode, Clear Creek County,
Colorado

Dear Mr. Blum:

On May 19, 1953, we advised you that effective April 15, 1953, funds for certain specified metals had been denied and since your application related to lead and zinc it was accordingly denied.

We are pleased to inform you that since your application was received prior to May 15, 1953, we are now authorized to process it if you are still interested in exploration assistance.

If you succeed in buying your partner's interest please send us a copy of the bill of sale, return all copies of the exploration project contract, and we will prepare a new contract in your name.

Yours very truly,

W. H. KING

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

HNCild

cc sub
chron
Mittendorf
Koschmann
Traver

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

224 New Customhouse
Denver 2, Colorado

May 19, 1953

BV

Mr. Robert Fred Blum
282 South Logan Street
Denver, Colorado

Docket No. DMEA 2713 (Lead-Zinc)
Jean Lode, Clear Creek
County, Colorado

Dear Mr. Blum:

This is to inform you that effective April 15, 1953, the commitment of funds allocated to the Defense Minerals Exploration Administration for exploration assistance under the Defense Production Act was restricted to certain specified metals and minerals still in short supply. Lead and Zinc were not specified, and consequently were automatically removed from the list of metals or minerals eligible for exploration assistance.

We regret to advise you that, since your application relates to lead-zinc, and was pending on the date of the restrictive order, we are without authority or funds to enter into a contract for exploration and your application is accordingly denied. This action is taken without prejudice to the merits of the proposed project.

The staff of the Defense Minerals Exploration Administration wishes to express its appreciation for your interest in the exploration program and for your cooperation during the period your application has been under consideration.

Sincerely yours,

W. H. King

W. H. King
Field Team, Region IV

for Ogden Tweto

A. M. Koschmann
Field Team, Region IV

HMC:es

cc: Mittendorf ✓
RE Houston
Docket
Chron.
Traver
Koschmann (2)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

224 New Customhouse
Denver 2, Colorado

February 20, 1953.

BL

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2713, (Lead-Zinc) R. F. Blum and R. E. Houston, Jean Mine, Clear Creek County, Colorado.

The application for Government assistance in exploration work estimated to cost $2,800.00 has been approved by us and a contract is being prepared.

Government participation will be 50 percent, or $1,400.00.

Four copies of the Final Report will be forwarded when the contract is executed.

The original and one copy of Form 3b is attached.

Enclosures

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

224 New Customhouse
Denver 2, Colorado

February 20, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

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Four copies of the Final Report will be forwarded when the contract is executed.

The original and one copy of Form 5b is attached.

Enclosures

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

12/30/52 glu

IN REPLY REFER TO:

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

December 22, 1952

Re: Docket DMEA-2713
R. H. Murray & Gordon Wainwright
Chilito Copper Group
Banner Mining District
Gila County, Arizona

Memorandum

To: Mr. E. Wm. Ellis

From: A. R. Kinkel, Jr.

Subject: Concurrence with field team's recommendation for denial Docket DMEA-2713.

I concur with the field team's denial of the Chilito Copper Group, Banner Mining District, Gila County, Arizona.

A R Kinkel Jr.

A. R. Kinkel, Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

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

December 22, 1952

Re: Docket DMEA-2713
R. H. Murray & Gordon Wainwright
Chilito Copper Group
Banner Mining District
Gila County, Arizona

Memorandum

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From: A. R. Kinkel, Jr.

Subject: Concurrence with field team's recommendation for denial Docket DMEA-2713.

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A. R. Kinkel, Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

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

224 New Customhouse
Denver 2, Colorado

September 19, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: Code 210

From: Executive Officer, Field Team, Region IV

Subject: Docketing for Exploration Assistance

Enclosed herewith in duplicate is DMA Form 3a and Form MF-103 in triplicate and supporting data pertaining to the following applications for Government assistance in exploration work:

Globe-Miami Copper Zinc Corporation
Heard Building,
Phoenix, Arizona — dmea 2711

L. L. Erickson, Ben Waltz and K. R. Hewitt
Route 2,
Morrison, Colorado — dmea 2712

Robert Fred Blum and R. E. Houston
282 So. Logan St.
Denver, Colorado — dmea 2713

W. H. King
W. H. King

Enclosures

SEP 24 1952

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2713
Metal or Mineral
Date Received 9-22-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Robert Fred Blum 282 So. Logan St., Denver, Colorado
R.E. Houston 1132 Steele St., Denver 6, Colo.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known. Jean Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Relocation

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Lead

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within July 1 1953 days and be completed within 24 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). none

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated Sept 14, 1952

Robt. J. Blair
R.E. Houston

(Applicant)

By

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Applicant's property rights

No. 3 A

Clear Creek County, Daily Dist. Beginning at the S.E. Corner thence S. 10° 10' W. 807.4 ft. thence N.37° 50' W. 534.9 ft., thence N. 79°50' W.584.8 ft., thence N. 10°10' E. 600 ft., thence S. 79°50' E. 815.1 ft. thence S. 37°50' E. 645 ft. to the place of the beginning from the center of the Easterly end line, the mouth of a long tunnel bears N. 42°36'ct 462 ft. and Red Mountain bears N. 76°51' E. 9640 ft. approximately. The point of discovery is in the discovery tunnel 40 ft. from the portal.

3 F. This is duly recorded in book 245 page 232. Georgetown Colorado.

4 A. There has been work done on the vein in two tunnels lower tunnel approximately 150 ft. Upper tunnel 35 ft. The two tunnels are connected with a winze. Part of mine workings are accessibility thru the upper tunnel.

4 B. Past production not known. A streak of Galena 6 to 8in. in sight in the upper tunnel and winze which is of good grade.

4 C. A well mineralize vein at an altitude of 11500 ft. Have no technologic information.

4 E.D. Property is accessibil by 3 miles of private road from road over Pines Pass. 72 miles to Leadvile over Loveland Pass. Supply point Denver, 50 miles. Idaho Springs 18 miles.

4 E. Availability of manpower, materials, supplies, equipment good. Plenty of water, no electric power available.

5 B.

We propose to clean ou t and retimber the portal of the lower tunnel 60ft. Drive drift on vein in lower tunnel.

5 D.

Owners will supervise and have had mining experence in Boulder County and Clear Creek County.

6

Sixty feet of cleaning out and retimbering portal at $30 per foot. $ 1800
Forty feet of drifting at $25 per foot. $ 1000

2800

6 B.

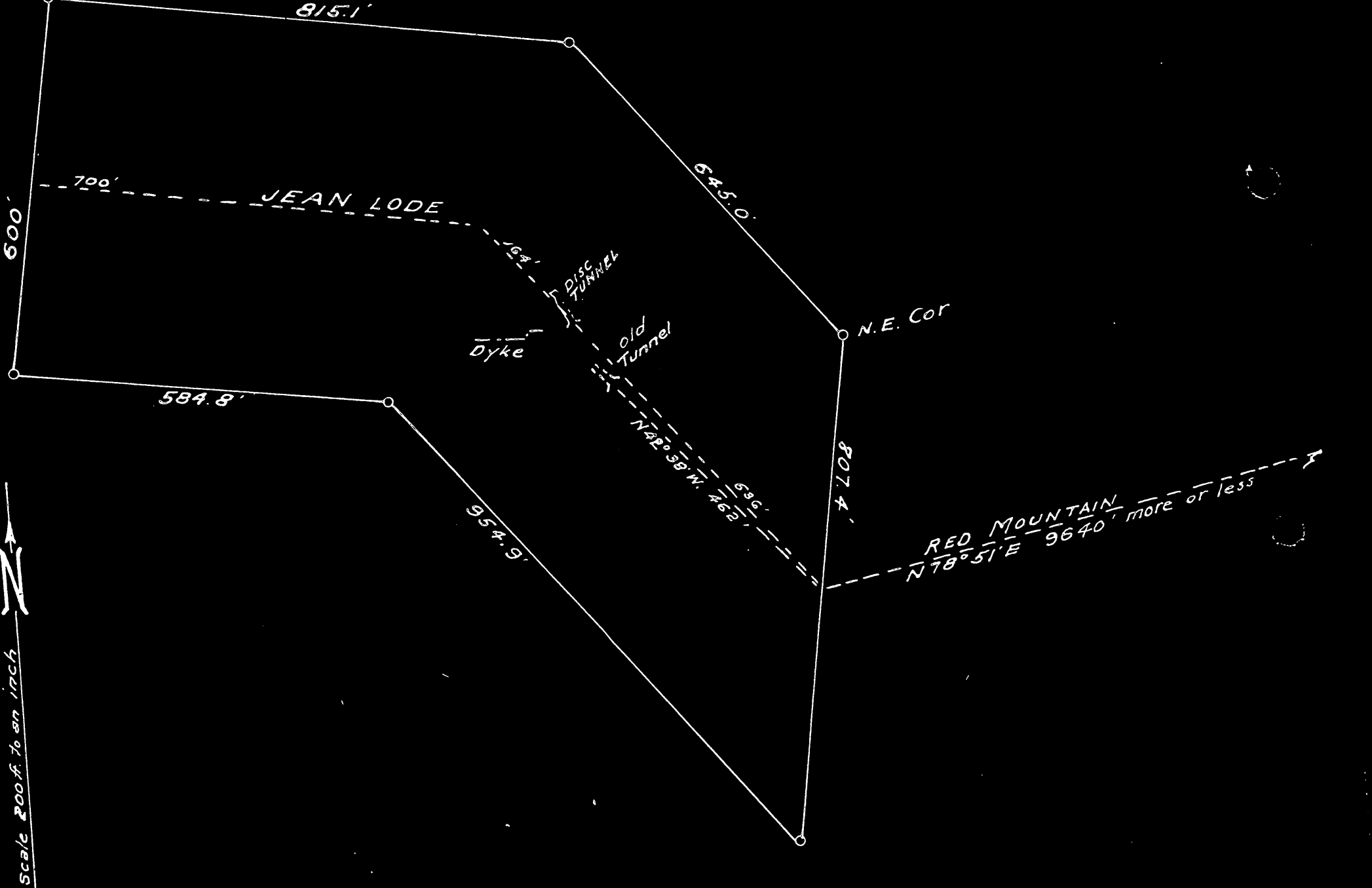
Labor will be done by owners at 12 dollars per day.

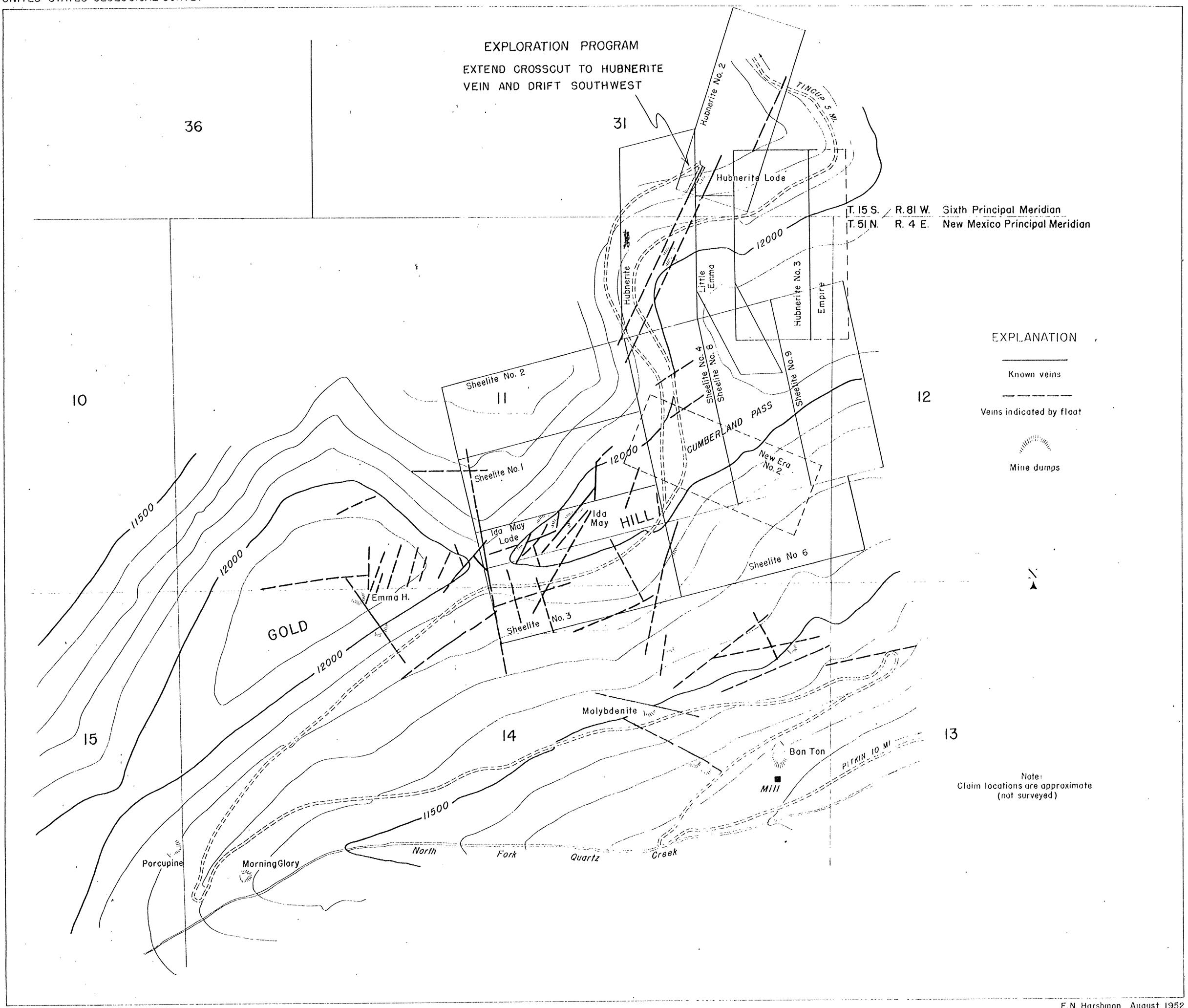
6 D.

Compressor, Hammer, steel, tanks, hose tentativly planned to rent at $ 225 per month

7 B.

We propose to furnish our share of the cost with our labor.


815.1'
645.0'
700'
JEAN LODE
600'
64'
Disc Tunnel
Dyke
old Tunnel
N.E. Cor
584.8'
N42°38'W.
636'
462'
807.4'
954.9'
RED MOUNTAIN
N78°51'E 9640' more or less
N
Scale 200 ft. to an inch



Simplified from Ogden Tweto, U.S.G.S.

E.N. Harshman August 1952

FIG. 2 - VEIN LOCATIONS, GOLD HILL AREA
U.S. TUNGSTEN INCORPORATED-GUNNISON COUNTY, COLORADO

500 0 500 1000 feet

Contour interval 100 feet