MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2759

COMMODITY Lead-Zinc

Contract No. Idm-2451

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Impton Mining Company, Inc., a Colorado Corporation Georgetown, 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 Grizzly Mine, consists of the following patented claims: National Lode No. 115, Sussex Lode No. 20037, and Newcastle Lode No. 20225; located in Sec. 29, T. 4 S., R. 45 W., 6th P. M.

the Operator represents and undertakes:[4]

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

None

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

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

in or upon the described land; and shall bring the project to completion within a period of 8 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 $8,000.00, which is 50 percent of $16,000.00, 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.

Lupton Mining Co. Inc
(Operator)

By Ellis P Lupton President

THE UNITED STATES OF AMERICA

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

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

J. C. Lupton [CORPORATE SEAL]

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

Exhibit A

Description of the Work

Extend the San Juan level 500 feet to the southeast along the National vein from the present breast of the drift.

The location of the proposed work is shown on Figure 2, which is attached and made a part of this exhibit.

Estimated Costs of the Work

Driving 500 feet of 5-by 7-foot drift at $32.00 per foot, including any and all costs incurred in the completion of this work -	$ 16,000
Government Participation at 50% -	$ 8,000

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 1953

224 New Customhouse
Denver 2, Colorado

January 14, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2759, Contract Idm-E451 (Lead-Zinc)
Lupton Mining Company, Inc., Clear Creek County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of December, 1952, pertaining to DMEA Docket 2759, Contract Idm-E451, Lupton Mining Company, Inc., Clear Creek County, Colorado.

W. H. King
W. H. King

Enclosures

FILE COPY
SURNAME:

500 Keating

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

JAN 5 1953

AGKeating/hmj (12-30-52)
CC to: Adm. Reading File
Op. Com.
Docket (2)
Keating (4)
Mr. Kinkel
Mr. Bishop

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

Re: Docket No. DMEA-115 (Lead-Zinc)
Contract No. Idm-E6 and
Docket No. DMEA-2759
Contract No. Idm-E451
Lupton Mining Company, Inc.
(Grizzly Mine, Clear Creek
County, Colorado)

Dear Mr. King:

Enclosed are the original and five copies of a second amended exploration project contract with the above-named company, which has been executed by the Government.

This contract terminates Contract No. Idm-E451, Docket No. DMEA-2759, dated November 24, 1952, entered into by Region IV, and incorporates its provisions into this contract which also preserves the Government's lien on the equipment purchased.

The Operator should be advised that it is essential that he sign the attached contract, since the work provided for in contract Idm-E451, which was executed in the field is merely a continuation of the work specified in the original contract, as amended.

If you find that the provisions of the contract are satisfactory, please submit it to the operator for his signature and distribute the copies in the usual manner.

Sincerely yours,

Frank E. Johnson

Chairman, Operating Committee

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 6
APPROVED:

J. H. Hedges

Member, Bureau of Mines

1-5-53

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

224 New Customhouse
Denver 2, Colorado

December 18, 1952

Should not have paid on this!

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 2759, Contract Idm-E451, (Lead-Zinc) Lupton Mining Co., Inc., Clear Creek County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of November, 1952, pertaining to DMEA Docket 2759, Contract Idm-E451, Lupton Mining Company.

John F. Shaw for
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 22 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

November 20, 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2799, (Lead-Zinc) Lupton Mining Company, Inc., Grizzly Mine, Chaffee County, Colorado

Enclosed are eight copies of the engineering report on DMEA 2799.

The applicant requested $16,000 to extend the drift 300 feet southwesterly on the National vein on the San Juan level.

The examining engineer recommends this project for approval.

We concur in this recommendation.

for John F. Shaw
W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
12-5-52
(date)

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 18, 1952

Memorandum

To: Executive Officer, Field Team, Region IV.

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

Subject: DMA 2759 (Lead-zinc), Lupton Mining Company, Inc., (Grizzly mine), Clear Creek County, Colorado.

Please find enclosed the original and eight copies of the "Summary, Conclusions, and Recommendations", by Truman H. Kuhn, U. S. Geological Survey and C. R. Harrer, Bureau of Mines, and of C. M. Harrer's engineering memorandum on the subject docket.

Harrer's engineering report is submitted in the form of a memorandum rather than a complete report following the usual outline because it appears unnecessary to duplicate all the data contained in the original report on DMA 115 of March 1951 to which he refers.

The costs reported for the applicant's driving 1,118 feet of San Juan tunnel are compiled from progress report forms MF-104 and, while they have not been verified by another engineer due to shortage of time, are probably correct. They show an overall drifting cost for considered footage of about $37.00 per foot of advance.

If the applicant is willing to undertake a project for 500 feet of drifting southeast on the National vein on the San Juan level as a continuation of the present operations at $32.00 per foot under a contract prepared on the short form MF-200 (A), it should certainly be approved as, in Harrer's opinion, prospects are excellent for developing ore bodies of the same tenor as those previously mined or in the process of being mined at present.

While it is my opinion that future operations of the Grizzly mine are no more likely to prove commercial on normal metal prices than they have in the past, the project has my approval because it will result in the production of some lead and zinc for the emergency. The Government also has a reasonably good chance for the recovery of a larger part of its participation than on many other loans of the same type.

The brochure furnished by the Region IV Field Team is returned herewith.

W. M. Traver Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 8
DMEA 2759
DMEA Chron.

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

200 New Customhouse
Denver 2, Colorado

November 14, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2759, Grizzly Mine, Lupton Mining Company, Clear Creek County, Colorado.

Attached are 8 copies of a report by Truman H. Kuhn covering DMEA Docket 2759, the Grizzly Mine, Lupton Mining Company, Clear Creek County, Colorado.

The applicant recently completed an exploration contract with Defense Minerals Administration (Contract I-DMA-E6), and as a result of that work ore was discovered in the National vein on and above the San Juan level. The work proposed under the current application is to explore for the southeasterly continuation of the ore found on the San Juan level and for the downward continuation of the ore bodies mined above the Sussex level. Kuhn points out that ore was present in the National vein both above and to the northwest of the proposed exploration work, and the proposed exploration--drifting to the southeast on the San Juan level--he, therefore, considers favorable. He, therefore, recommends that the loan be approved.

I concur in this recommendation.

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

Enclosures (8)

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2759, Lupton Mining Company, Inc.

Grizzly Mine

Clear Creek County, Colorado

Lead-zinc

Truman H. Kuhn, Geologist
U. S. Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

November 18, 1952

DMEA 2759

LUPTON MINING COMPANY, INC.
GRIZZLY MINE
CLEAR CREEK COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Truman H. Kuhn
Geologist
U. S. Geological Survey

and

C. H. Harrer
Mining Engineer
Bureau of Mines

DMEA 2759

LUPTON MINING COMPANY, INC.
GRIZZLY MINE
CLEAR CREEK COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Truman H. Kuhn and C. M. Harrer

Lupton Mining Company, Inc., of Georgetown, Colo., has applied to the Defense Minerals Exploration Administration under docket 2759 for a loan of $16,000.00 to explore the extension of the National vein to the southeast with 500 feet of drift on the San Juan level.

The property is in sec. 29, T. 4 S., R. 45 W., West Argentine Mining District, Clear Creek County, Colo., and is known as the Grizzly mine.

The applicant recently completed the exploration contract identified as DMA115, contract I-DMA-E6, which resulted in a substantial ore discovery in the National vein on and above the San Juan level.

The geology of the National vein has been described in the original report to the Defense Minerals Exploration Administration, DMA 115, dated March 28, 1951.

Galena and sphalerite occur with minor amounts of chalcopyrite, gold, and silver as masses, veinlets, and disseminations braided through a persistent and complex fault zone in pre-Cambrian granite, gneiss and schist. This is known as the National vein along which the ore occurs as a series of discontinuous bodies.

The strike of the vein varies between N. 40° W. and N. 65° W. and, similarly, the dip is sinuous and varies between 60° south to vertical. In general, the wider portions of the vein occur where the dip flattens.

On the San Juan level 160 feet of the National vein are continuously exposed and stoping is in progress over most of this length. Vein widths vary from a few inches up to 5 feet.

The proposed exploration program is within the favorable area outlined in the original report (DMA 115).

The original estimate of 20,000 tons of inferred ore assaying 0.13 ounce gold and 2.7 ounces silver per ton, 9.7 percent lead, 2.2 percent zinc, and 0.3 percent copper from the favorable zone outlined in the aforementioned report remains as the best estimate available for the joint projects and is partly substantiated by the results of the original project DMA 115, contract I-DMA-E6.

Data on complementary samples across the southeast face of the National vein on the San Juan level follow:

Sample number	Width in feet	Ounces per ton		Percent		
		Gold	Silver	Copper	Lead	Zinc
H-633	2.0	0.16	1.7	0.30	1.05	0.5
H-634	2.6	0.06	1.7	0.11	0.35	0.1

The proposed program to extend the San Juan level 500 feet to the southeast along the National vein at the operator's estimated cost of $32.00 per foot, or a total cost of $16,000.00, is recommended for approval.

The strike of the vein varies between N. 40° W. and N. 65° W. and, similarly, the dip is sinuous and varies between 60° south to vertical. In general, the wider portions of the vein occur where the dip flattens.

On the San Juan level 160 feet of the National vein are continuously exposed and stoping is in progress over most of this length. Vein widths vary from a few inches up to 5 feet.

The proposed exploration program is within the favorable area outlined in the original report (DMA 115).

The original estimate of 20,000 tons of inferred ore assaying 0.13 ounce gold and 2.7 ounces silver per ton, 9.7 percent lead, 2.2 percent zinc, and 0.3 percent copper from the favorable zone outlined in the aforementioned report remains as the best estimate available for the joint projects and is partly substantiated by the results of the original project DMA 115, contract I-DMA-E6.

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H-634	2.6	0.06	1.7	0.11	0.35	0.1

The proposed program to extend the San Juan level 500 feet to the southeast along the National vein at the operator's estimated cost of $32.00 per foot, or a total cost of $16,000.00, is recommended for approval.

It should be noted, however, that the above is $5.00 per foot less than actual costs for 1,118 feet of drift driven during the period June 1951-52. Cost of the project based on $37.00 per foot would be $18,500.00.

GRIZZLY MINE

LUPTON MINING COMPANY

CLEAR CREEK COUNTY, COLORADO

OMEA DOCKET 2759

Geologic Report

By Truman H. Kuhn
U. S. Geological Survey

LUPTON MINING COMPANY
CLEAR CREEK COUNTY, COLORADO

INTRODUCTION

Ellis P. Lupton, President, Lupton Mining Company, Georgetown, Colorado, has applied to the Defense Minerals Exploration Administration for assistance in exploring for lead and zinc in the Grizzly mine, on patented National Lode (survey No. 115) and Sussex Lode (survey No. 20037) mining claims, in sec. 29, T. 4 S., R. 45 W., 6th P. M., Clear Creek County, Colorado.

An exploration drift at the San Juan level, to be driven 500 feet in a southeasterly direction on the National vein, has been proposed by the applicant. The exploration project is estimated to cost $16,000.

The applicant recently completed an exploration contract with Defense Minerals Administration (DMA Docket 115) and as a result of that work ore was discovered in the National vein on and above the San Juan level. The work proposed under the current application is to explore for the southeasterly continuation of the ore known to exist on the San Juan level and for the downward continuation of the ore bodies mined above the Sussex level. The Sussex level, on the National vein, is 320 feet above the San Juan level.

The Grizzly mine is approximately 4 3/4 airline miles southeasterly from Silver Plume, Colorado, and 1 1/2 airline miles south of Bakerville. The mine can be reached from Bakerville, on U. S. Highway No. 6, over an improved mine road that is kept open throughout most of the winter. The portal of the lower, or San Juan level, of the Grizzly mine is in Grizzly Gulch at an elevation of 10,493 feet.

GEOLOGY

In his report to Defense Minerals Administration (DMA Docket 115), dated March 28, 1951, Doane F. Kent, U. S. Geological Survey, described the general geology of the region and the detailed geology of the upper levels of the Grizzly mine.

The National vein is a sinuous and complex structure cutting pre-Cambrian granite, gneiss, and schist. Many smaller veins and fractures branch from the larger vein, and all vein structures are offset by post-mineral faults. Strikes along the National vein range from N. 20° W. to N. 65° W. and dips range from vertical to 60° S.

Stoping above the Sussex level indicates that ore bodies of various sizes were present over much of the exposed length of the vein. However, ore bodies along the vein were not continuous; they were more common along fractures striking between N. 40° to 65° W. than along the more northerly-trending portions of the vein.

In a recently completed raise, the National vein is exposed vertically for about 220 feet above the San Juan level, and, in general, the wider portions of the vein occur where the dips are flatter.

On the San Juan level, about 250 feet of the National vein has been exposed. Galena and sphalerite within the vein occur as masses, veinlets, and disseminations. Vein widths range from less than an inch up to 5 feet. A sample cut across the southeast face of the drift on October 30, 1952, assayed:

Width	% Pb	% Zn	oz. Au	oz. Ag
2.0'	1.05	0.5	0.16	1.7
2.0'	0.35	0.1	0.06	1.7

Three hundred tons of sorted ore were removed from a stope above the San Juan drift. The ore is reported to contain 0.26% lead.

ORE RESERVES

Ore reserves in the portion of the National vein to be prospected cannot be estimated because of insufficient information.

CONCLUSIONS

1. Ore was present in the National vein both above and to the northwest of the proposed exploration work, and the proposed exploration--drifting to the southeast on the San Juan level--is, therefore, considered favorable.

2. The portion of the National vein to be explored by the proposed work can be expected to range in width from less than one inch up to 5 feet and to range in strike from about N. 20° W. to N. 65° W.

RECOMMENDATIONS

Approval of the application for Defense Minerals Exploration Administration assistance to explore for the southeasterly continuation of lead-zinc ore known to exist on the San Juan level of the Grizzly mine and for the downward continuation of ore bodies mined above the Sussex level is recommended.

DMEA 2759

LUPTON MINING COMPANY, INC.
GRIZZLY MINE
CLEAR CREEK COUNTY, COLORADO

Engineering Report

By C. M. Harrer
Mining Engineer
Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 18, 1952

Memorandum

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

From: C. M. Harrer

Subject: DMEA 2759 (Lead-zinc), Lupton Mining Company, Inc. (Grizzly mine), Clear Creek County, Colorado

Lupton Mining Company, Inc., E. P. Lupton, President, has applied to the Defense Minerals Exploration Administration under docket 2759 for assistance to explore its property in sec. 29, T. 4 S., R. 45 W., West Argentine Mining District, Clear Creek County, Colo. The property is known as the Grizzly mine on the National lode claim (survey number 115) and the Sussex lode claim (survey number 20037).

The San Juan adit level, which is the site of the proposed exploration program, is at an altitude of 10,493 feet.

The applicant has recently completed a Defense Minerals Exploration Administration project on the San Juan level, identified as DMA 115, contract I-DMA-E6. The above program resulted in a substantial ore discovery in the National vein, on and above the San Juan level.

Lupton Mining Company, Inc., now proposes to continue exploration of the National vein on the San Juan level with 500 feet of 5- by 7-foot drift along its extension to the southeast (fig. 1), at a cost of $32.00 per foot of advance. The company's estimated cost is below

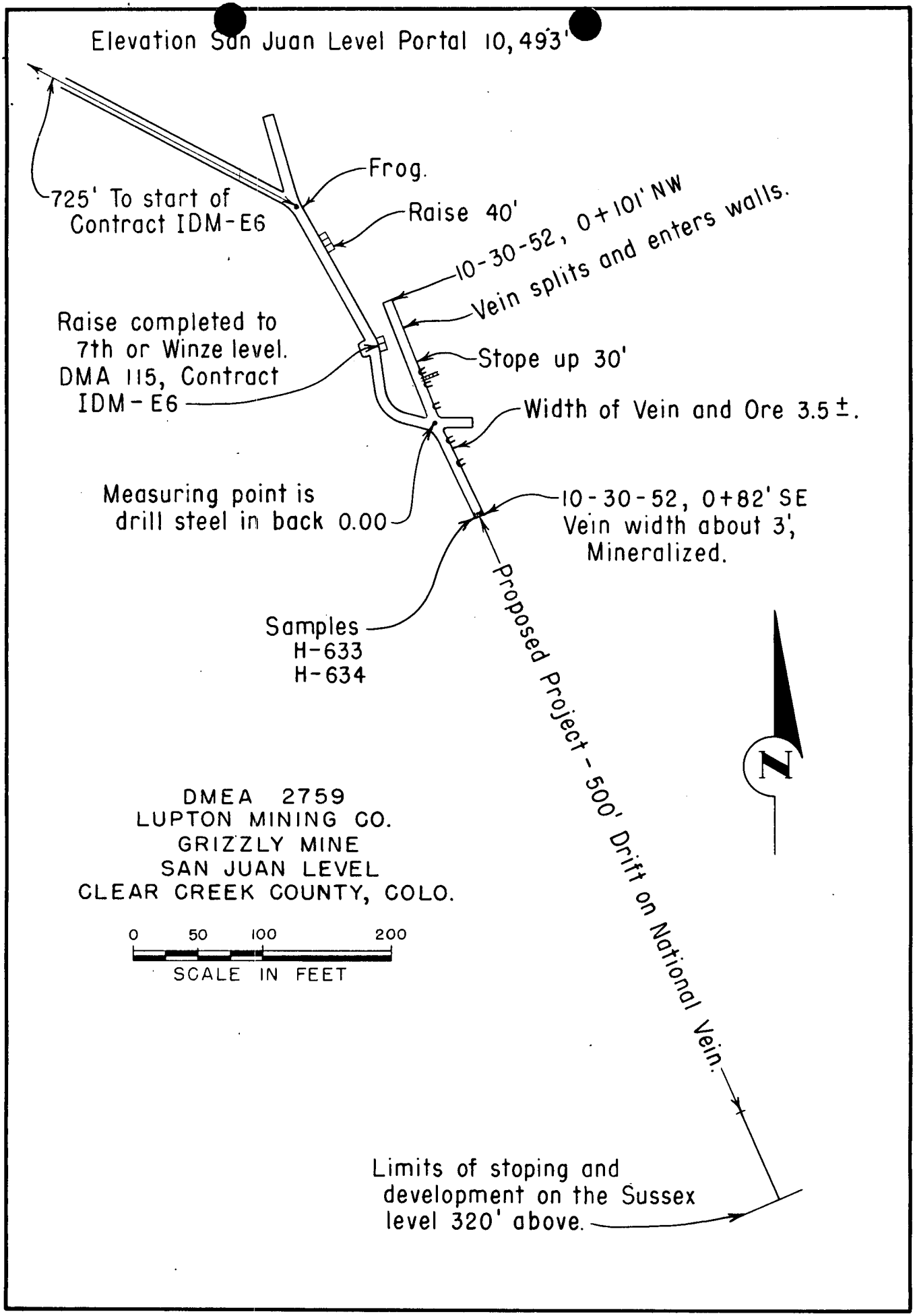

FIGURE 1 - PROJECT LOCATION, LUPTON MINING CO. CLEAR CREEK CO. COLO. DMEA 2759

the average taken over the one year period June 1951 - June 1952. Average cost of driving 1,118 feet of drift on the San Juan level during the above period was $36.47, broken down as follows:

Items of Cost	Total Cost for 1,118 feet of Drift	Cost per Foot
(2) Labor and Supervision		
labor and supervision	$20,893.96	$ 18.69
technical services	61.50	.05+
(3) Operating Materials and Supplies		
timber	183.00	.17-
explosives	3,265.74	2.92+
pipe	-	-
track	427.30	.39
other	6,147.84	5.51
(4) Operating Equipment		
rental	6,269.00	5.60
purchase	471.40	.42+
(7) Miscellaneous		
repairs to equipment	984.37	.88
federal taxes	1,192.49	1.06
Workman's compensation insurance	533.03	.48
(8) Contingencies		
transportation	332.16	.30
Totals	$40,766.79	$ 36.47-

Considering the items of pipe and track, which were not entirely reported, actual costs are estimated at $37.00 per foot of advance, making the total cost $18,500.00.

Characteristics of the National vein on and above the Sussex level are described in the original report on DMA 115, dated March 28, 1951.

Galena and sphalerite occur with minor amounts of chalcopyrite, gold, and silver in a strong fault zone known as the National vein along which ore occurs as a series of discontinuous bodies.

The National vein is exposed on the Sussex level 560 feet beyond the present end of the drift on that vein on the San Juan level, 320 feet below. This portion of the vein on the Sussex level was extensively stoped and is well mineralized. A sample from the breast assayed 8.65 percent lead over a width of 1.8 feet. There is no doubt that the National vein continues to the limits of the property which are 670 feet beyond the end of development on the Sussex level.

The National vein is continuously exposed on the San Juan level for 160 feet and is now being stoped. The operator reports 319 tons of mill ore assayed 8.26 percent lead.

Two complementary samples across the southeast face of the drift on the National vein (fig. 1) assayed:

Sample number	Width in feet	Ounces per ton		Percent		
		Gold	Silver	Copper	Lead	Zinc
H-633	2.0	0.16	1.7	0.30	1.05	0.5
H-634	2.6	0.06	1.7	0.11	0.35	0.1

The National vein is exposed for 260 feet in the raise between the San Juan and the seventh levels, proving continuity to below the San Juan level. The operator reports that 729 tons of development rock from the raise had a mill head assay of 7.7 percent lead.

The proposed exploration program is within the favorable area outlined on Plate 2 accompanying the geologic section of the original report (DMA 115).

The project would terminate within 330 feet of the Sussex end line and 740 feet from the end line of the National lode claim.

The original estimate of 20,000 tons of inferred ore, assaying 0.13 ounce gold and 2.7 ounces silver per ton, 9.7 percent lead, 2.2 percent zinc, and 0.3 percent copper, from the favorable zone outlined on the aforementioned Plate 2 remains as the best estimate available for the joint projects and is substantiated, in part, by the results of the original project, DMA 115, contract I-DMA-76.

All indications from development on the National vein encourage the assumption that it will continue on the San Juan level within the limits of the proposed exploration program. Vein widths will vary from less than 1 inch to 6 feet.

The proposed program to extend the San Juan level 500 feet to the southeast along the National vein, at the operator's estimated cost of $32.00 per foot and totaling $16,000.00, is recommended for approval. This amount, however, is $5.00 per foot less than his actual costs for driving 1,118 feet of drift during the period June 1951 - June 1952. Cost of the project based on $37.00 per foot would be $18,500.00.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/cb

cc: 8

SURNAME COPY
Adams

Defense Minerals Exploration Administration
Robert E. Adams
2017

14X3923.970, Working Fund, Interior, DMEA
November 25, 1952
9:30 a.m.

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

Assignment of Contract Numbers

REURTEL 11-24-52 LUPTON MINING COMPANY, INC., DMEA 2759, CONTRACT NUMBER IDM-E-451 ASSIGNED THIS CONTRACT.

URANIUM DEVELOPMENT CORPORATION, DMEA 2618, CONTRACT NUMBER IDM-E-452 ASSIGNED THIS CONTRACT.

C. O. Mittendorf

ADMINISTRATOR

N5 in R-R

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

SENT
NOV 25 1952
Clerical Service Section

SPECIAL

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

Mr. C. O. Mittendorf
November 24, 1952
12:35 P.M.

DN 235 BUREAU MINES 11-24-52 10-35 AM

C O MITTENDORF

E 451

PLEASE ASSIGN A NUMBER TO CONTRACTS COVERING THE OXXX FOLLOWING DOCKETS-- DMEA 2759 LUPTON MINING COMPANY, INC., A COLORADO CORPORATION GEORGETOWN, COLORADO. PROPERTY LOCATED IN CLEAR CREEK COUNTY, COLORADO, COMMODITY, LEAD, ZINC. CONTRACT DATED NOVEMBER 24,1952. GOVERNMENT PARTICIPATION $8,000.00, TOTAL AMOUNT OF CONTRACT $16,000.00.

5040

E 452

DMEA 2618, URANIUM CORPOXXXXXX DEVELOPMENT CORPORATION, A COLORADO CORPORATION, 620 E AND C BUILDING, DENVER, COLORADO, PROPERTY LOCATED IN MONTROSECOUNTY, COLORADO, COMMODITY, URANIUM. CONTRACT DATED NOVEMBER 24,1952. GOVERNMENT PARTICIPATION $19,570.00. TOTAL AMOUNT OF CONTRACT $21,744.45. PLEASE REPLY RETURN TELETYPE.

W H KING 9040

Denver, Colo.

Nov 24 1 37 PM '52
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Docket Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

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

1952

224 New Customhouse
Denver 2, Colorado

November 25, 1952

Registered
56644

Memorandum

To: C. O. Mittendorf

From: Executive Officer, Field Team, Region IV

Subject: Docket DMEA 2759, Contract Idm-E451, Lupton Mining Co., Inc. (Lead-Zinc)

Enclosed are the original and two copies of Contract Idm-E451. Copies of this contract have been given to the Operator, the Fiscal Office of Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

Cal 12-1

RECEIVED
DEC 5 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 28 1952

November 20, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2759 (Lead-Zinc) Lupton Mining Co., Inc., Grizzly Mine, Clear Creek County, Colorado

The application for Government assistance in exploration work estimated to cost $16,000 has been approved by us and a contract is being prepared.

Government participation will be 50 percent, or $8,000.

Four copies of the Final Report will be forwarded with your copy of the contract.

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

for John F. Shaw
W. H. King

for Ogden Tevetz
A. H. Koschmann

Enclosures

DMEA Form 3b
(Revised)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMEA Docket No. 2759

Name of Applicant Lupton Mining Co., Inc.

Change:	From		To	
	III 1	☐	III 1	☒ 11-1952
	III 2	☐	III 2	☐
	III 3	☐	III 3	☐
	III 4	☒	III 4	☐
	III 5	☐	III 5	☐

Add:

II 7 $ 16,000

II 8 $ 16,000

II 8a % 50

Remarks:

Initials of person preparing sheet H.M.C.

Date sheet prepared 11-19-52

17367

DMEA Form 3b
(Revised)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMEA Docket No. 2759

Name of Applicant Lupton Mining Co., Inc.

Change:	From		To	
	III 1	☐	III 1	☒ 11-1952
	III 2	☐	III 2	☐
	III 3	☐	III 3	☐
	III 4	☒	III 4	☐
	III 5	☐	III 5	☐

Add:

II 7 $ 16,000

II 8 $ 16,000

II 8a % 50

Remarks:

Initials of person preparing sheet H.M.C.

Date sheet prepared 11-19-52

17367

MF-103
(Revised April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 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 2759
Metal or Mineral
Date Received 11-3-52
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: Lupton Mining Company, Inc., a corporation duly organized
P. O. Box 498) and existing under and by virtue
Georgetown, Colorado) of the laws of the State of Colo.
Ellis P. Lupton, President; John J. Lupton, Secretary-Treas.

(*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 In Clear Creek Co., Colo., patented claims: National Lode No. 115, Sussex Lode No. 20037; located in Sec. 29; T4S; R 45W, 6th P.M.

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

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

(*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.

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

(*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 5 days and be completed within 6 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.).

(*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 October 21, 1952

LUPTON MINING COMPANY, INC.,
(Applicant)

By Ellis P Lupton

President

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

SUPPLEMENT TO FORM DF-103

Re: Application Lupton Mining Company, Inc.,
Georgetown, Colorado

4(a) The mine has just completed a $75,000 tunnel and air shaft on the San Juan level for drainage and haulage purposes. The tunnel was driven from creek-level to where it cuts the National Vein, and it is along the National Vein that we want to drift, since, at 343 feet above the San Juan Level, we drifted 1800 feet on the National Vein and produced 2 million pounds of Lead and Zinc.

We own the operation and the mine is accessible the year round for examination.

(b) Past production prior to 1949 was everal million pounds of lead and zinc. There are no known reserves at present.

(c) The vein is a fissure vein and 343 feet above our present level, we drove 1800 on the vein and produced lots of ore; and we believe the orebody reaches down to the present level and if we drive forward, we will open up a large quantity of commercial ore (see attached maps).

(d) The road to the mine is an all-weather road and is 1.8 miles South of U. S. Highway 6, and 5 miles west and south of Silver Plume, our supply center. We ship concentrates by truck to Leadville, to the American Smelting & Refining Company's Arkansas Valley Plant.

(e) The manpower, materials, supplies, equipment, water and power are all available for use on the project.

5(b) The work will consist of driving a 5'x7' tunnel S.E. on the National Vein 500 feet into the mountain, with the tunnel acting as a haulage and drainage tunnel.

6 The cost will be $32.00 per foot, over all. We just completed a 2100 foot drift and the average cost was $32.01 per foot so we know exactly what the cost will be.

(a) None
(b) Included in per foot cost above
(c) " " " " " "
(d) " " " " " "
(e) None
(f) "
(g) Included in per foot cost above
(h) " " " " " "

7(a) Yes
(b) I will furnish the money to meet my part of contract or equipment as needed, as we own drills, mucking machine, compressors, cars, etc.

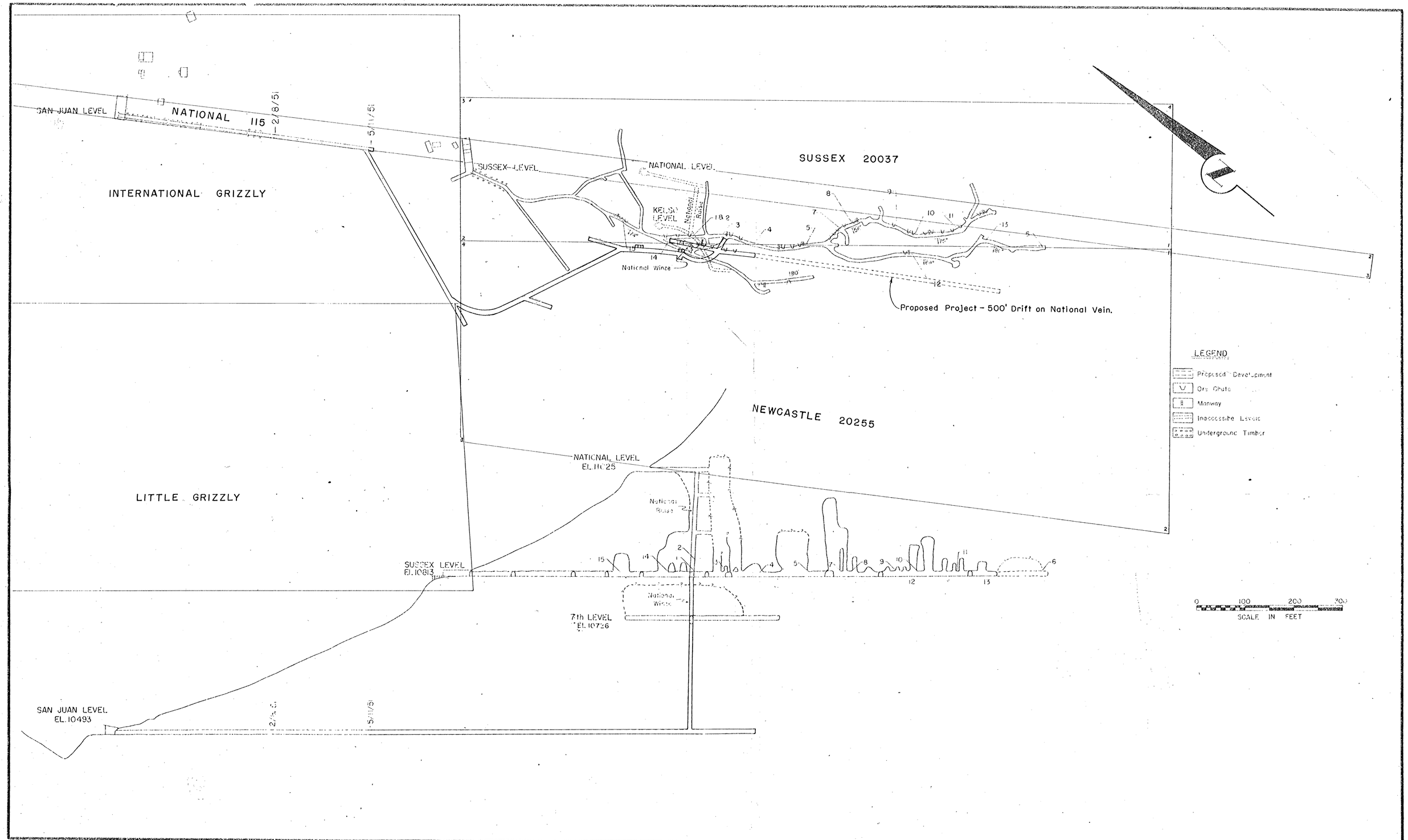

FIGURE 2 - LUPTON MINING CO., GRIZZLY MINE, CLEAR CREEK COUNTY, COLORADO. DMEA 2759