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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1954

224 New Customhouse
Denver 2, Colorado

April 27, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2854 (Lead-Copper), Contract Idm-E572, Mariposa Mining Company, San Miguel County, Colorado

Enclosed for your records are the original and two copies of "Rescission of Exploration Project Contract by Agreement Before Work is Begun" which was prepared and has been executed in conformance with authorization contained in a teletype from George C. Selfridge dated April 6, 1954. Also enclosed are three sets of data relevant to the rescission agreement.

A copy of the rescission agreement has been forwarded to the operator, a copy given to the Finance Office, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

DIVISION COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1954

RESCISSION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 7th day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Mariposa Mining Company, hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-2572, Docket No. DMEA 2854, dated July 24, 1953, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

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

Operator

By George T. McCall
George T. McCall
Vice President & General Manager

United States of America

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

WASH DC BU MINES 310
4-6-54

30 1954

W H KING,

REURTT APRIL 5, DOCKET DMEA-2854, MARIPOSA MINING COMPANY, CONTRACT IDM-E572. MUTUAL TERMINATION AGREEMENT NOT NECESSARY SINCE NO WORK HAS BEEN DONE. USE RESCISSION FORM INSTEAD.

GEORGE C. SELRIDGE

4/5/54

C. O. MITTENDORF DMEA WASH

REFERENCE DOCKET 2854, CONTRACT IDM-E572, MARIPOSA MINING COMPANY. WORK NOT COMMENCED PRIOR TO MARCH 24, 1954 AS PROVIDED UNDER AMENDMENT NO. 2. OPERATOR ADVISES THAT THEY DO NOT WITH TO MAINTAIN THE CONTRACT IN FORCE DUE TO UNCERTAINTY OF LEAD MARKET. PLEASE TELETYPE AUTHORIZATION TO PREPARE TERMINATION BY MUTUAL AGREEMENT.

W. H. KING

cc Townsend
Koschmann
Traver

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

March 31, 1954

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

Re: Docket DMEA 2854 (Lead-Copper)
Contract Idm-E572

Dear Mr. King:

Please be advised that work was not commenced prior to March 24, 1954, as provided under Amendment No. 2 of our Contract Idm-E572.

We do not wish to maintain the contract in force, due to the uncertainty in the lead market. Please consider this our formal notice to this effect.

We thank you for your many courtesies and cooperation thru out, and regret that conditions do not favor our commencing the project.

Very truly yours,

/s/ George T. McCall

George T. McCall, Manager

cc: Mr. A.A.Bulde, President
Mariposa Mining Company
1633 South 44th Street
Milwaukee 14, Wisconsin

224 New Custombouse
Denver 2, Colorado

March 26, 1954

Mr. George T. McCall
Vice President and General Manager
Mariposa Mining Company
P. O. Box 1720
Telluride, Colorado

Re: Docket DMEA 2854 (Lead-Copper)

Dear Mr. McCall:

Your attention is directed to Amendment No. 2 to Contract Idm-H572 wherein it is stipulated that the project work shall be commenced prior to March 24, 1954.

Please advise this office as to whether or not the project work was commenced prior to the date stipulated. In the event work has not been started, and if you are desirous in maintaining the contract in force, it will be necessary for you to obtain an amendment to the contract to further extend the date for starting work under the contract provisions.

Your request for such an amendment should be forwarded to this office in sextuplicate giving a justification as to why work was not commenced and why additional time will be required.

Very truly yours,

John F. Shaw, for
W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann
JWTownsend

APR 6 1954

TELETYPE

[redacted]

WBGriswold/bjl, Rm. 4058, Ext. 3669

Base Metals, DMEA, Interior

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to the Office of Secy.)

Date:

To: W. H. King, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Reurtt April 5, Docket DMEA-2854, Mariposa Mining Company, Contract 14X-3572. Mutual termination agreement not necessary since no work has been done. Use rescission form instead.

George C. Selfridge

Chairman, Operating Committee

(4/6/54)

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

SENT

APR 6 1954

Clerical Service Section

C
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TELETYPE

Griswold
Betty

DN 235 BUREAU MINES 4-5-54 3-45 PM

C O MITTENDORF

REFERENCE DOCKET 2854, CONTRACT IDM-E572, MARIPOSA MINING COMPANY. WORK NOT COMMENCED PRIOR TO MARCH 24,1954 AS PROVIDED UNDER AMENDMENT NO.2. OPERATOR ADVISES THAT THEY DO NOT WISH TO MAINTAIN THE CONTRACT IN FORCE DUE TO UNCERTAINTY OF LEAD MARKET. PLEASE TELETYPE AUTHORIZATION TO PREPARE TERMINATION BY MUTUAL AGREEMENT.

W. H. KING

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

224 New Customhouse
Denver 2, Colorado

January 19, 1954

Memorandum

To: C. C. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2354 (Lead-Copper), Contract Idm-E572, Mariposa Mining Co., San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E572 which has been executed to authorize an extension of the starting date of work under the contract from 120 days to prior to March 24, 1954, and an extension of the period for completion of the project work from 10 months to prior to October 24, 1954. Also enclosed are three sets of data relevant to the amendment.

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

W. H. King

W. H. King

Enclosures

APPROVED

COMMENTS

No. 2

AMENDMENT OF CONTRACT: No. Idm-2572

Contract Docket No. DMEA 2854, dated July 24, 1953, between the United States of America and Mariposa Mining Company is hereby amended as follows, effective as of the date of the contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A) (February 1952) as amended by Amendment No. 1, dated October 8, 1953, following the words "The Operator", delete "within 120 days from the date of this contract" and in lieu thereof substitute "prior to March 24, 1954"; following the words "and shall bring the project to completion", delete "within a period of ten (10) months from the date of this contract" and in lieu thereof substitute "prior to October 24, 1954".

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 JAN 19 1954

MARIPOSA MINING COMPANY

By George T. McCall
George T. McCall,
Vice President and
General Manager

UNITED STATES OF AMERICA

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

(Seal)

November 22, 1953

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

Dear Mr. King:

Please be advised that our company desires to keep the contract in force, and we hereby request that the contract be amended to further extend the starting date of the work by 4 months, to approximately March 24th, 1954.

Very truly yours,

MANIPOSA MINING COMPANY

George T. McCall

George T. McCall, Manager

224 New Customhouse
Denver 2, Colorado

November 3, 1953.

Mr. George T. McCall, Manager
Mariposa Mining Company
P. O. Box 1720
Telluride, Colorado

Re: Docket No. DMEA-2854
(Lead-Copper), Contract
Idm-E572

Dear Mr. McCall:

Receipt is acknowledged of your letter of October 30, 1953, wherein you advise that you are suspending operations for the winter, and that it is only a possibility that you will resume operations again in the spring.

Your attention is directed to Article 3, which is amended by Amendment No. 1 to exploration project contract Form MF-200(A), on which your contract is prepared.

It is stipulated in the above-cited Article, that work shall commence within a period of 120 days from the date of the contract, or by November 24, 1953.

If you are desirous of maintaining the contract in force, it will be necessary for you to request an amendment to the contract to further extend the date of starting work under the terms of the contract. If you are not desirous of maintaining the contract in force, then you should request that the contract be rescinded before the start of any work.

In either case, we will appreciate receipt of six copies of your request.

Very truly yours,

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

C
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Y

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

October 30, 1953

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

Dear Mr. King:

We sincerely regret to inform you at this stage of the contract that our company is going to suspend operations for the winter, at least, and that it is only a possibility that we will commence again in the spring.

Your cooperation has been very heartening, and I would like to impress upon you that this turn of events is completely beyond the control of the miners.

Very truly yours,

(signed) George T. McCall

Manager

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

224 New Customhouse
Denver 2, Colorado

October 8, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2854 (Lead-Copper), Contract Idm-E572, Mariposa Mining Company, San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 1 to the subject contract which has been executed to extend the completion date of the contract from 8 months to 10 months. Also enclosed are three copies of a letter from the operator requesting the amendment.

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

W. H. King

W. H. King

Enclosures

APPROVED BY _____

_____

910

NO. 1

AMENDMENT OF CONTRACT: No. Idm-2572

Contract Docket No. DMEA 2854, dated July 24, 1953, between the United States of America and Mariposa Mining Company is hereby amended as follows, effective as of the date of the contract:

> Referring to "Article 3. Exploration Project," following the words "The Operator, within" delete "60" and in lieu thereof substitute "120", following the words "within a period of" delete "8 months" and in lieu thereof substitute "ten (10) months."

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

Dated: OCT 8 1953

MARIPOSA MINING COMPANY

By George T. McCall
George T. McCall, Vice President
and General Manager

UNITED STATES OF AMERICA

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

Attest
Frank Mikulski
Secy

Seal

C
O
P
Y

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

September 19, 1953.

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

Re: Contract No. Idm-E572
Docket No. DMEA-2854

Dear Mr. King:

It is going to be impossible for us to start the project within the 60 day deadline. We request an extension on the starting date. It is difficult to say just when we can start, as we have no idea what condition the drift ahead of us is in.

I submit the following progress report to you for the purpose of showing you that we are making a conscientious effort to meet our obligations.

.....

Since notification of our contract's approval, we have advanced nearly 300 feet through the old caved tunnel, much of this being spiled. This puts us about 2550 feet from the portal, or about 300 feet from the starting point of the exploration project. On October 15th, we shall have been working on this tunnel for one year, at a total cost to us of about $17,000.

On surface, we have installed a 1200 foot power line and substation, utility building, compressor building, and over one mile of road. We have most of the winter's supplies for the project at the portal, and have purchased a new compressor for the job.

.....

The cave we are working on now has a strong breeze blowing thru it, and for this reason we anticipate a cave of short distance, with at least a breezeway open from here to the end of the tunnel. Spiling should be at a minimum from here on, with comparatively rapid advance to the starting point.

Mr. Dare of your office was here and oriented me on the forms to be filled out, and he assured me of an extension for the starting date. We hope that you will recognize our sincerity and trust that you will award us an extension.

Very truly yours,

/s/ George T. McCall, Manager

cc: Mr. Traver
Mr. Dulde

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.

MF-203

OWNER'S CONSENT TO LIEN

RECEIVED

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

Patented lode mining claims located in Secs. 32 and 33, T. 42 N., and Secs. 4 and 5, T. 41 N., R. 9 W., New Mexico principal meridian further described in Annex I attached.

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/ Marlpeak Mining Company
P. O. Box 501
Telluride, 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/$ [redacted], 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 15th day of June, 1953.

MONARCH MINES INC. [Seal]

Edward W. Schulthis [Seal]
President

Charles Jurnek [Seal]
Sec. & Treas.

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.

(*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.

THE UNITED STATES OF AMERICA

MARIPOSA MINING COMPANY
(Operator)

By W. H. Kerr
Executive Officer - DMEA
Field Team-Region IV

By George T. McCall
Vice-President & General Manager

I, Frank Malicki, certify that I am the secretary of the corporation named as Operator herein; that George T. McCall, who signed this contract on behalf of the Operator, was then Vice Pres. & General Manager 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.

Frank Malicki [CORPORATE SEAL]

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

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Lands Minerals Administration
RECEIVED
AUG 5 1953

DOCKET DMEA 2854

COMMODITY Lead-Copper

Idn—1572

Amended
Betty

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 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] Mariposa Mining Company, Incorporated in Colorado
P. O. Box 508
Telluride, 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 San Miguel, described as follows:[3] Mining Claims located in Sec. 32 and 33, T. 42 N., and Sec. 4 and 5, T. 41 N., R. 9 W. further described in ANNEX I, which is attached.

the Operator represents and undertakes:[4]

(*a*) [redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien 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 Copper

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 $10,600.00, which is 50 percent of $21,200.00, 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.

ANNEX I - to Owner's Consent to Lien Form MF-203 attached.

Patented Claims

Claim	Survey Number	Claim	Survey Number
Buckeye claim	6019	Little Johnny	20027
Buckeye No. 2	12415	Little Tony	20027
Butterfly	6019	Mizpah	20027
Broadway	5735	Modena	20027
Balm of Gilead	12416	Montana	6979
Dave Day	20027	Milwaukee	20393
Dewey	20392	Robert Perry	20027
Duffy	13364	Pathfinder	20027
Horrible	20393	Rock Island	1189
Hundinger	20393	R. W. Steele	20027
Hundinger No. 1	20393	Sehley	20027
Ida	12343	Terrible	1435
Ida No. 1	12342	Sun Down	12235
Ida No. 2	12342	Wedge	20393
Jerry	20374	Zuma	20393

Docket No. DMEA 2854

ANNEX NO. I

Exploration Project Contract Form MF-200 (A)

Article I Operator's property rights

Patented Claims

Claim	Survey Number	Claim	Survey Number
Buckeye claim	6919	Little Johnny	20027
Buckeye No. 2	12418	Little Tony	20027
Butterfly	6019	Mizpah	20027
Broadway	5725	Modena	20027
Balm of Gilead	12416	Montana	6979
Bare Day	20027	Milwaukee	20028
Denny	20028	Robert Perry	20027
Duffy	12564	Pathfinder	20027
Horrible	20075	Rock Island	1109
Hemlinger	20026	R. W. Steele	20027
Hemlinger No. 1	20025	Sahley	20027
Ida	12543	Terrible	1428
Ida No. 1	12542	Sun Down	12236
Ida No. 2	12542	Wedge	20235
Jerry	20274	Zuma	20265

Exhibit A

Description of the work

A crosscut will be driven in a northeasterly direction from the No. 4 level on the Ida vein to the North vein, a distance of approximately 320 feet. The point of beginning of this crosscut is approximately 75 feet east of the junction of the drift on the Ida vein and the crosscut south as shown in Figure 2 and Figure 3, which are attached and made a part of Exhibit A.

A drift will be driven a total of 200 feet on the North vein from the point the vein is intersected by the crosscut. The direction of the drifting on the North vein must have the prior written approval of the DMEA representative.

Estimated Cost of the Project

320 feet of crosscutting at $40.00 per foot -	$12,800.00
200 feet of drifting at $40.00 per foot -	8,000.00
Total cost of project -	$21,200.00
Government participation at 50% -	$10,600.00

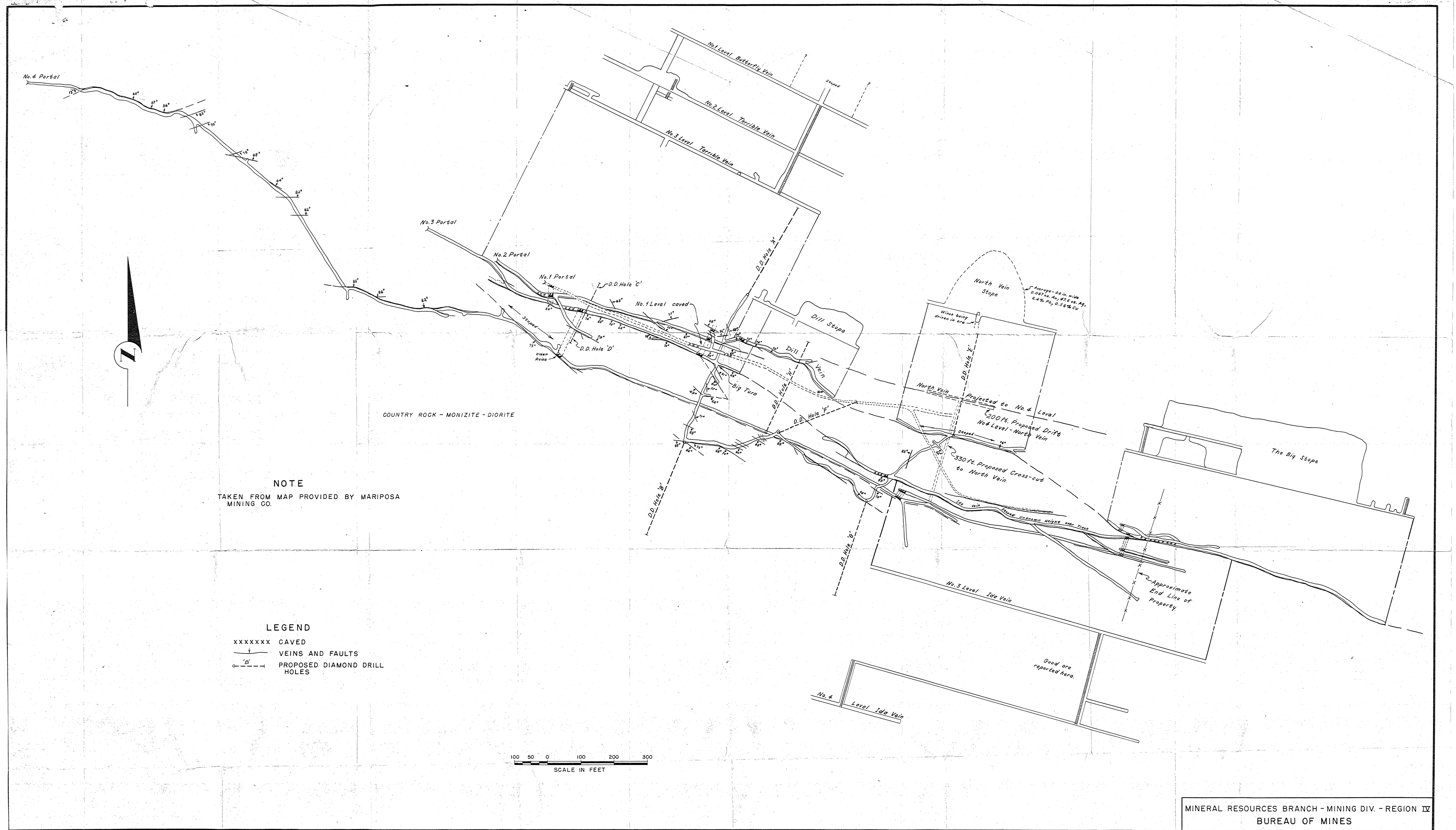
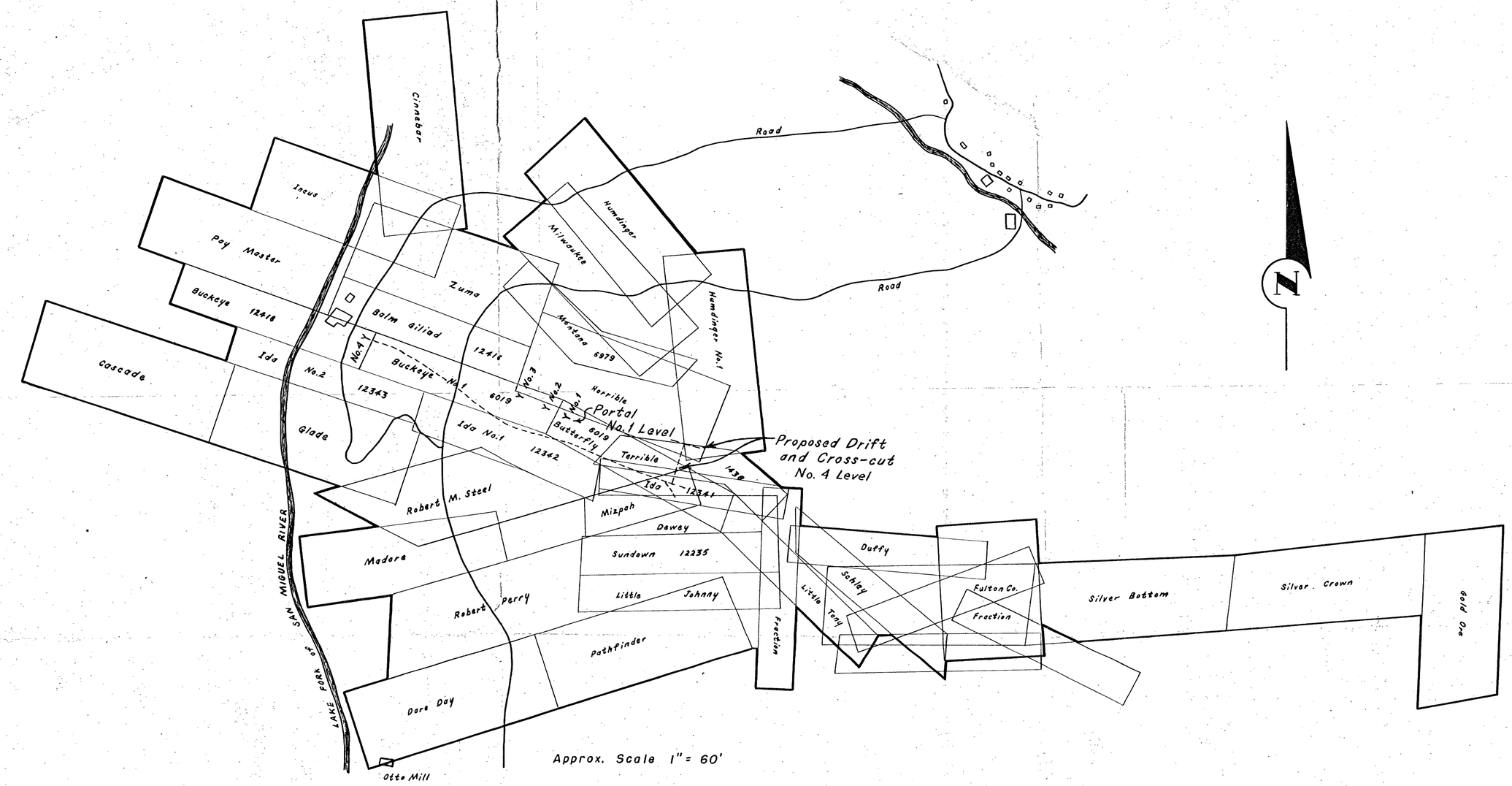


FIGURE 3 - UNDERGROUND WORKINGS AND PROPOSED EXPLORATION, BUTTERFLY MINE, SAN MIGUEL COUNTY, COLO. DMEA 2854



Approx. Scale 1" = 60'

NOTE
FROM MAP PROVIDED BY
MARIPOSA MINING CO.

MINERAL RESOURCES BRANCH - MINING DIV. - REGION IV
BUREAU OF MINES

FIGURE 2 - CLAIM MAP, MARIPOSA MINING COMPANY, SAN MIGUEL COUNTY, COLO. DMEA 2854