☐ Audited

W[illegible] ANALYSIS SHEET - DMEA PROJECT[illegible]

☐ Actual Cost

☐ Certified

Analysis as of February 1959

Incl. Voucher for None

☑ Agreed Unit Costs

Name Gattie Boy Mines Inc

Docket No. 3068

State San Juan County Colorado

Commodity Tungsten

Idm-E No. 620

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	300	10,200.00	N		
Raising				0	
Shafts				N	
Winzes				F	
Drilling (Specify)					
Surface Excavation					
Underground Excavation				N	
Roads and Trails		1800.00		0	
Operating Equipment Purchased				N	
Surface Rehabilitation & Repairs					F
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		12,000.00			

Contract terminated when no work was performed.

Prepared by [signature]

71626

400 regular file

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

RECEIVED
OCT 10 1955

224 New Customhouse
Denver 2, Colorado

October 5, 1955

Memorandum

Copy attached 400

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, DMEA Docket 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Reference is made to our memorandum of February 10, 1955 by which a royalty payment check in the amount of $39.68 from Eugene Kleinknecht was transmitted to your office. Contract Idm-E620 was officially terminated by our letter of September 28, 1955 to Mr. Carl H. Peterson (copy enclosed) with no payments having been made by the Government.

We request that a check be drawn payable to Eugene Kleinknecht for the full amount of $39.68 and transmitted to this office. We will return it to Mr. Kleinknecht with an appropriate letter of explanation.

W. M. TRAVER

W. M. Traver

RDB/vj

cc: Royalty File E620
Sec. Opr. Comm. (2)
J. F. Shaw (2)
Berkenkotter
Chron.

RECEIVED
OCT 10 1935

400

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

224 New Customhouse
Denver 2, Colorado

September 29, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Celtic Boy Mines, Inc., San Juan County, Colorado

WSM

Enclosed find three copies of a memorandum, dated September 26, 1955, from the inspecting engineer, with initialed approval by the Supervising Engineer, relative to the status of project work under Contract Idm-E620.

The inspecting engineer states that project work had not been resumed as of the time of his visit, September 26, 1955. The suspension-termination provision contained in Amendment No. 4, as extended by Amendment No. 5, stipulates that work was to begin on or before September 15, 1955. Because work was not resumed as required, we have notified the Operator by our letter of September 28, 1955, three copies of which are also enclosed, that the project was automatically terminated as of September 15, 1955. The Government did not participate in the costs of any approved and completed work provisions and under Paragraph 4 of Amendment No. 4, the contract is rescinded, the same as if the contract had never been entered into.

W. M. Traver

W. M. Traver

Enclosures

WLD:prl

cc: Harshman
Shaw (2)
Townsend
Corres.file

} w/copy of Harrar's memorandum 9/26/55; and copy of our letter to Peterson 9/28/55

Chron.

Denver 2, Colorado **CERTIFIED MAIL** September 28, 1955

Mr. Carl E. Peterson, Secretary
Baltic Bay Mines, Inc.
210 Mercantile Building
Denver 2, Colorado

Re: Docket DMEA 3068 (Tungsten)
Contract Km-3620

Dear Mr. Peterson:

According to the suspension period as provided in Amendment No. 4, and as extended by Amendment No. 5, project work was to be started on or before September 15, 1955. Paragraph 4 of Amendment No. 4 states that if work is not started before termination of the suspension period, the Contract is automatically rescinded and cancelled as of the date of the Contract, the same as if the Contract had never been entered into.

This is to inform you that because work has not been started as required, the Contract was automatically terminated as of September 15, 1955. Because the Government did not contribute in any approved and completed unit-cost work, you are not required to submit a final report.

Very truly yours,

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

WMTapel
cc: Chairman, Spec. Comm. (3)
Blackburn
Shaw (2)
Kennamer
Corres., file
Chron.

DMEA
Date Rec'd.
SEP 28 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
September 26, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 3068, Contract Bim-3620 (Tungsten) Gaitie Boy group, Gaitie Boy Mines, Inc., San Juan County, Colorado - Status of contract.

The Gaitie Boy mine property was inspected on September 20, 1955. Work under the contract has not been started to date and no information was obtainable locally on any intent to start.

According to the terms of Amendment No. 5 to the contract, work should have been resumed not later than September 15, 1955.

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

cc 9
Bilderbacks
3620
Chron

CMH/cm

402 RC.

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

224 New Customhouse
Denver 2, Colorado

August 10, 1955

AIR MAIL

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA-3068 (Tungsten) Contract Idm-E620
Galtie Boy Mines, Inc. (Galtie Boy group)
San Juan County, Colorado

30.68

We are preparing a two months' extension of the subject contract in accordance with your teletype instructions of August 8, 1955.

A routine inspection of the projects at the San Juan area was requested by this office for immediately after August 1, with a report on the status of the subject contract, among others. There is attached four copies of the resulting memorandum report on the status of this particular operation by the U.S.B.M. inspecting engineer, initialed by John F. Shaw, Supervisor.

Under the circumstances it appears questionable as to whether the extension should be made, although at the Operator's insistence, he was advised verbally that an extension would be forthcoming. We will, therefore, continue with the preparation of the extension unless you advise of a change in your decision in the light of new developments.

W. M. Traver

Attachments

SPH,
No answer necessary.
RC.

RECEIVED
AUG 12 1955

AUG

Building 20
Denver Federal Center
Denver 2, Colorado
August 9, 1955

BUREAU OF MINES
Colorado

Region III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 3068, Contract Idm-E620 (Tungsten) (Galtie Boy group) Galtie Boy Mines, Inc., San Juan County, Colorado -- Progress report for the period October 1953 to August 3, 1955, and status of the Contract.

The subject contract was signed October 2, 1953. Since then, amendments No's. 1, 2 and 4 to the contract have advanced the date for beginning the work to July 15, 1955 and for completion of work under the Contract to March 15, 1956.

The property was examined by the writer and John F. Able, engineering aide on August 3, 1955. Work under the Contract has not been started to date, although the road up to the Ohio mine was passable to the examining team. James Baudino, county road foreman, was contacted at Silverton and stated that he was not aware of any plans to use county equipment on the road. R. K. Wyman, County Treasurer, stated that taxes on the Galtie Boy group of claims were delinquent since 1951 and he did not believe the County Commissioners would consent to use of their equipment until Galtie Boy Mines, Inc., paid their bills. Mr. Wyman also was not aware of any request to the County for assistance to construct the road as the first stage of work under the Contract.

According to the County records, the Ohio and Dawn of Day patented claims listed in the Contract are not now the property of Galtie Boy Mines, Inc., but are owned by Paul Ruhter and the Vic Steele estate. Title to the rest of the Galtie Boy group of claims appears to be cloudy.

Mr. Carl H. Peterson appears to be in considerable disfavor in the area and had been described in most uncomplimentary terms.

for John F. Shaw
C.M. Harrer
Mining Engineer

RECEIVED
AUG 1 7 1955

CMH:jw

cc: 8
EMHarshman
E620
Chron.

400

AUG - 4 1955

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

Re: Docket No. DMEA 3068 - Tungsten
Baltic Bay Mines, Inc.
Baltic Bay Group
San Juan County, Colorado
Contract No. Ida-2620

Dear Mr. Traver:

Reference is made to your letter of July 21, 1955, with enclosed letter from applicant dated July 20, 1955, requesting a six weeks extension of time from July 15, 1955. We also thank you for your teletype of July 28, 1955, advising us of your reasons for making no recommendation.

The request does not seem unreasonable under the existing conditions and you are authorized to prepare an amendment allowing a two months extension of time.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

TLChapman:fec
8-3-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. III
Messrs. Holliday, USBM
Kiilsgaard, USGS

Interior Department
Defense Minerals Exploration
Administration
14X1401 (01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund
to the Office of the Secretary)

TELETYPE

JUL 2 8 1955

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

Reurlet July 21, 1955 Docket DMEA 3068, Tungsten, Galisio Bay Mines, Inc.

Not clear to us whether you are approving extension of suspension period, please advise.

W. S. Martin
ACTING Chairman, Operating Committee

WSMartin/fcc
7-26-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. III
R. W. Holliday, USBM
T. H. Killsgaard, USGS

STANDARD FORM No. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

T E L E T Y P E

FROM Interior Department
Defense Minerals Exploration
BUREAU Administration
14X4401 (01) Revolving Fund,
CHG. APPROPRIATION Defense Production Act,
Interior (Allocated Working Fund
to the Office of the Secretary)

U. S. GOVERNMENT PRINTING OFFICE 10—1723

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

Reurlet July 21, 1955 Docket DMEA 3068, Tungsten, Galtie Boy Mines, Inc.

Please either comment or advise why you consider comment unnecessary.

Chairman, Operating Committee

C
O
P
Y

TELETYPE

DN 235 BUR MINES 7-28-55 10-06 AM

W S MARTIN, ACTING CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT TODAY ON DMEA 3068, CONTRACT IDM E 620, GALTIE BOY MINES, INC. OPERATOR REQUEST SIX WEEKS EXTENSION OF SUSPENSION PERIOD AUTHORIZED BY AMENDMENT NO. 4. REGION III FIELD TEAM ON 7-5 RECOMMENDED DENIAL OF SIMILAR REQUEST FROM SAME OPERATOR ON DMA 606, CONTRACT I-DMA E-29 AND DMA 1870, CONTRACT IDM E-309. CONSEQUENTLY WE SUBMITTED SUBJECT REQUEST 7-21 WITHOUT RECOMMENDATION.

WSM

REGION III FIELD TEAM
BY W M TRAVER

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

400

RECEIVED
JUL 25 1955

224 New Customhouse
Denver, Colorado

July 21, 1955

WSM

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA FieldTeam, Region III

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc. (Galtie Boy Group), San Juan County, Colorado

Attached are the original and three copies of a letter dated July 20, 1955 addressed to the Executive Officer, Region III, from Carl H. Peterson, Galtie Boy Mines, Inc., requesting a six-week extension of the suspension period. Suspension-termination of the starting date was authorized by Amendment No. 4 which designated the effective restarting date as July 15, 1955.

We are forwarding this letter to you for your consideration with no comment.

W. M. Traver

E. N. Harshman

DMEA Field Team, Region III

Enclosures

RECEIVED
JUL 25 1955

July 20, 1955

Mr. William Traver
Executive Officer, AEC
Region IV
224 New Customs Building
Denver, Colorado

RE: Shea 3068 (Tungsten)
Contract IL-620

Dear Mr. Traver:

In our preparation to start the road work into the Gaitie Bay mine our D-8 cat was in such mechanical condition that it is going to need a considerable amount of repair before we can use it on the road so we have made arrangements to rent the San Juan County Cat but they have some prior commitments, therefore, I am compelled to ask an extension of about six weeks as it will take a good portion of this time to clean up the slides on the old part of the road, plus waiting on the county.

Trusting we will be accommodated in this matter, I remain

Very truly yours,

Carl H. Peterson

Carl H. Peterson

CH:rw

JAN 1 0 1955

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

Re: Docket No. DMEA 3068 - Tungsten
Celtic Boy Mines, Inc.
Celtic Boy Group
San Juan County, Colorado
Contract No. Idm-8520

Dear Mr. King:

Enclosed are the original and five copies of a proposed amendment, Amendment No. 4, to the above-referenced contract signed by the Administrator for the Government, together with Annex II (3 pages).

If the terms and conditions of this proposed amendment are satisfactory to you and the operator, all six copies should be signed and the usual distribution made.

If any part of this proposed amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the proposed amendment are to be returned to this office, together with the proposed changes for consideration.

Please note that the amendment while authorizing suspension of the exploration during the period beginning November 29, 1954, and ending not later than July 15, 1955, also automatically cancels the subject contract as you recommended if the work is not resumed before termination of the suspension period. In addition, Annex II increases the royalty repay period to eleven years.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

FARutledge:foc 1-5-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. IV
R. W. Geehan, USBM
Thor H. Kiilsgaard, USGS

400

December 22, 1954

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of amendment
Docket No. DMEA 3068 - Tungsten
Galtie Boy Mines, Inc.
Galtie Boy group of claims
San Juan County, Colorado
Contract Idm-E-620

In accordance with the recommendations contained in the Field Team's letter of December 15, 1954, it is requested that an amendment be prepared to recess operations under the subject contract from November 29, 1954, until not later than July 15, 1955, with the provision that if work is not commenced prior to the latter date, the contract is rescinded.

In drafting the amendment, you may wish to refer to the following amendments which granted recesses of operations and extended the life of the contracts involved:

Amendment No. 8 - Docket DMEA 2343-Tungsten; Contract Idm-E333
George Jump

Amendment No. 3 - Docket DMEA 2440-Tungsten; Contract Idm-E300
Minerals Engineering Co.

Amendment No. 1 - Docket DMEA 2617-Tungsten; Contract Idm-E567.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket
Adm. Read. File
Code 400

Js 12/22/54

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

400

224 New Customhouse
Denver 2, Colorado

December 15, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are the original and three copies of a letter dated November 9, 1954 from Carl H. Peterson, Secretary, Galtie Boy Mines, Inc., requesting permission to recess operations on the subject contract from November 29, 1954 to July 15, 1955.

Authorizing a recess of operations for that period of time will involve a like extension of the period for completion of the project work which will extend the life of the contract beyond that for which authorization is delegated to this office, therefore we are forwarding the matter for your consideration and appropriate action with the recommendation that the recess of operations be granted by amendment, the completion period extended, and recitation incorporated in the amendment to the effect that if work is not commenced prior to July 15, 1955 the contract is rescinded.

The operator has performed some work under the terms of the contract, as amended by Amendment No. 3, however, the Government has not participated in any costs thereof as the entire unit of work has not been completed.

W. H. King

W. H. King

Encls.

December 9, 1954

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

Dear Mr. King:

We ask permission to recess operations on Docket #3068, contract Idm-E620, from November 29, 1954 to ~~June 1st~~ July 15th, 1955.

The access road to the Minnesota Vein was not completed due to the fact we did not start work until Oct. 1st and early snowfall made it impossible to complete it this year. However, work will be resumed as early as possible next spring prior to June 1st, weather permitting.

We have been unable to check the dumps this fall to see if any ores have been removed or shipped on which royalty would be due the Government. However, when we get back up to the workings next spring we will check these dumps and notify you at that time.

Respectfully submitted,

Galtie Boy Mines, Inc.

Carl H. Peterson

Carl H. Peterson, Sec'y.

December 9, 1954

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

Dear Mr. King:

We ask permission to recess operations on Docket #3068, contract Idm-E620, from November 29, 1954 to ~~June 1st,~~ July 15th, 1955.

The access road to the Minnesota Vein was not completed due to the fact we did not start work until Oct. 1st and early snowfall made it impossible to complete it this year. However, work will be resumed as early as possible next spring prior to June 1st, weather permitting.

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Respectfully submitted,

Galtie Boy Mines, Inc.

Carl H. Peterson

Carl H. Peterson, Sec'y.

December 9, 1954

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

Dear Mr. King:

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We have been unable to check the dumps this fall to see if any ores have been removed or shipped on which royalty would be due the Government. However, when we get back up to the workings next spring we will check these dumps and notify you at that time.

Respectfully submitted,

Galtie Boy Mines, Inc.

Carl H. Peterson

Carl H. Peterson, Sec'y.

OCT 1 4 1954

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

Re: Docket No. DMEA 3068-Tungsten
Galtie Boy Mines, Inc.
Galtie Boy Group
San Juan County, Colorado
Contract No. Idm-E5B0

Dear Mr. King:

Enclosed are the original and five copies of a proposed amendment, Amendment No. 2, to the above-referenced contract signed by the Administrator for the Government.

If the terms and conditions of this proposed amendment are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

If any part of this proposed amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the proposed amendment are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

cc: DOCKET
CODE 400
FT, REG. IV
ADM. READ. FILE
OPER. COMM.
R. W. GEEHAN, USBM
THOR KIILSGAARD, USGS

FARutledge/ls
10-11-54

Extract from: Region IV report, Sept. 19, 1954
Contract Idm-E620, Docket DMEA 3068 - Tungsten
Galtie Boy Mines, Inc.
Galtie Boy group of claims
San Juan County, Colorado

An inspection of the project was made September 9th for the purpose of recommending a change in location of the access road. A short section, about 125 feet, of the access road has already been completed.

402

224 New Customhouse
Denver 2, Colorado

August 25, 1954

Memorandum

WSM

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-8620, Galtie Boy Mines, Inc., San Juan County, Colorado

In conjunction with and supplementing information forwarded by our memoranda of August 6 and 13, 1954, we are enclosing the following material:

1. One copy of the agreement dated October 1, 1952 between Carl Peterson and Mrs. Bacon relative to payments in compliance with the terms of the lease between the owners and Galtie Boy Mines, Inc.

2. One copy of a letter dated August 23, 1954 to Mr. Carl H. Peterson, Secretary, U.S. Metals Corporation, from Eva M. Bacon wherein she confirms that the lease on the Galtie Boy Mines is in good standing.

As evidenced by Mrs. Bacon's letter it appears that our information which raised a doubt relative to the present validity of the Galtie Boy lease referred to in our memorandum of August 6, was in error.

In addition to the above material we are enclosing the original and four copies of a letter dated August 17, 1954 from Carl H. Peterson wherein he requests an extension of the starting date for work under the subject contract and an extension of the period for completion of the project work.

Upon preparing to commence work under the terms of the contract the operator found that it would be desirable to change the access road to the proposed tunnel site to a different route in order to bypass cliffs and slide rock which would be encountered on the route as indicated on the map attached to the contract.

We are forwarding the matter for your consideration and appropriate action with the recommendation that an amendment be prepared in order to provide time for resolving matters relative to relocation of the road site.

W H King
W. H. King

JWT:jp
cc Subject - Chron
WMTraver - AHKoschmann w/encls
Encls. JWTownsend

August 23, 1954
Denver, Colorado

Mr. Carl H. Peterson
Secretary
U. S. Metals Corporation
1021 - 15th Street
Denver, Colorado

Dear Mr. Peterson:

[illegible]

[illegible]

Geo. M. Boen

ACOMA 4327

GALTIE BOY MINES, INC.
PRODUCERS OF COPPER, LEAD AND ZINC
MERCANTILE BUILDING
1031 - 17 TENTH STREET
DENVER 2, COLORADO

October 1, 1953

Mrs. E. M. Bacon
4220 Pecos Street
Denver, Colorado

Dear Mrs. Bacon:

The Galtie Boy Mines, Inc. agree to pay $50.00 per month, starting 30 days after receipt of your last royalty check for 1953, until such time that you have received the minimum payment of $500.00 yearly, for the year 1953, as set forth in the Galtie Boy Bond & Lease.

Very truly yours,

Carl H. Peterson, Secy.

Approved by:

_____

August 17, 1954

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

Re: Docket DMEA 3068 (Tungsten
Contract Idm-E620

Dear Mr. King:

There has been a misunderstanding by us in reference to the work on the Galtie Boy claims. We have been informed by a member of your staff, and due to the fact that we haven't actually worked on the road we were informed that we were in violation of the contract.

Therefore, we ask that the starting date be extended to on or before September 1, 1954 and that the completion date be extended to September 1, 1955, as in all probability winter storms will force suspension of operations about October 15, 1954.

Sincerely yours,

GALTIE BOY MINES, INC.

By Carl H. Peterson
Carl H. Peterson, Secretary

August 17, 1954

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

Re: Docket DMEA 3068 (Tungsten
Contract Idm-E620

Dear Mr. King:

There has been a misunderstanding by us in reference to the work on the Galtie Boy claims. We have been informed by a member of your staff, and due to the fact that we haven't actually worked on the road we were informed that we were in violation of the contract.

Therefore, we ask that the starting date be extended to on or before September 1, 1954 and that the completion date be extended to September 1, 1955, as in all probability winter storms will force suspension of operations about October 15, 1954.

Sincerely yours,

GALTIE BOY MINES, INC.

By Carl H Peterson
Carl H. Peterson, Secretary

August 17, 1954

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

Re: Docket DMEA 3068 (Tungsten
Contract Idm-E620

Dear Mr. King:

There has been a misunderstanding by us in reference to the work on the Galtie Boy claims. We have been informed by a member of your staff, and due to the fact that we haven't actually worked on the road we were informed that we were in violation of the contract.

Therefore, we ask that the starting date be extended to on or before September 1, 1954 and that the completion date be extended to September 1, 1955, as in all probability winter storms will force suspension of operations about October 15, 1954.

Sincerely yours,

GALTIE BOY MINES, INC.

By Carl H. Peterson
Carl H. Peterson, Secretary

400

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

Rutledge
Ext. 5285

140

Interior Department
Defense Minerals Exploration
Administration
14X4401(01) Revolving Fund
Defense Production Act,
Interior (Allocated Working Fund to
the Office of the Secretary)

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

SEP 21 1954

T E L E T Y P E

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

WSM

Reurtt September 16, Docket DMEA-3068, Gaitis Boy Mines, Inc., Contract Idm-E620. Amendment No. 2 being prepared extending starting date to prior to October 1, 1954, and completion date to prior to September 1, 1955, as requested by Operator.

George C. Selfridge

Chairman, Operating Committee

FARutledge/JLHofflund/emd 9/21/54

Copy to: Confirmation
DMEA Docket
Solicitor's Docket
W. S. Martin (2)
Adm. R. File
Operating Comm.
Mr. Melcher, USBM
Mr. Killsgaard, USGS
Mr. Hofflund
chron.
pending

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

STANDARD FORM No. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

Rutledge
Ext. 5285

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM Interior Department

BUREAU Defense Minerals Exploration Administration

CHG. APPROPRIATION 14X4401(01) Revolving Fund Defense Production Act, Interior (Allocated Working Fund to the Office of the Secretary)

10—1723 U. S. GOVERNMENT PRINTING OFFICE

T E L E T Y P E

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

Reurtt September 16, Docket DMEA 3068, Galtie Boy Mines, Inc., Contract Idm-E620. Amendment No. 2 being prepared extending starting date to prior to ~~September~~ October 1, 1954, and completion date to prior to September 1, 1955, as requested by Operator. ~~Execution of referenced amendment by Operator will be subject to proof that Mrs. Bacon is sole owner of the property.~~

Chairman, Operating Committee

Received
J. H. Jerrard
9/21/54

[illegible]

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

September 21, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Galtie Boy Mines, Inc., Docket No. DMEA-3068
Tungsten, Contract No. Idm-E620

I have redrafted a proposed teletype from the Operating Committee to the Executive Officer, Region IV, which was submitted to this office on a routing slip dated September 20, making the following changes:

1. The date for starting the work is changed from "prior to September 1, 1954," to prior to October 1, 1954." This conforms with the instructions relating to the matter contained in memorandum from the Chief, Iron and Ferro-Alloys Division to the Assistant Solicitor dated September 2, confirmed now by phone with Mr. Martin.

2. I have eliminated the requirement for ". . . proof that Mrs. Bacon is the sole owner of the property." The docket, as of this date and as of the date the contract was entered into indicates that Bacon and Ross are the owners and lessors of the property, the lessees having assigned to Galtie Boy Mines, the Operator. Mr. Martin's memorandum dated September 2 to the Administrator states that: "DMEA has now been informed by letter of August 23, 1954, from Eva M. Bacon, that the lease is in good standing." The letter from Mrs Bacon does not appear in the docket submitted to me, but as far as this office is concerned no letter from the lessor-owners or either of them, is necessary to show that the lease is in good standing. We have an Owner's Consent to Lien signed by these two lessors, and if there is any defect in the Operator's right of possession the lessors will still remain liable.

J. L. Hofflund

JLHofflund/emd
Copy to: DMEA Docket
Solicitor's Docket
W.S.Martin (2)
J.LHofflund
Attachment chron.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

DMEA REG IV

400

/16/54

CHAIRMAN, OPERATING COMMITTEE DMEA WASH

REFERENCE DOCKET DMEA 3068, CONTRACT IDM-E620, GALTIE BOY MINES, INC., OUR MEMORANDUM OF AUGUST 25 1954. PLEASE TELETYPE ADVICE AS TO STATUS OF AMENDMENT TO EXTEND RECESS AND COMPLETION PERIOD, ALSO ADVISE NUMBER YOU WILL ASSIGN TO AMENDMENT IF IN PREPARATION.

JOHN F SHAW FOR W H KING

cc: Townsend
Administrator

CONFIRMATION

#2

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY DMEA REG IV

TELETYPE

Originator:
Ext.: Room:

Appro.:
Date: 9/16/54
Time:
No.:
To: CHAIRMAN, OPERATING COMMITTEE DMEA WASH

Subject:

REFERENCE DOCKET DMEA 3068, CONTRACT IDM-E620, GALTIE BOY MINES, INC., OUR MEMORANDUM OF AUGUST 25 1954. PLEASE TELETYPE ADVICE AS TO STATUS OF AMENDMENT TO EXTEND RECESS AND COMPLETION PERIOD, ALSO ADVISE NUMBER YOU WILL ASSIGN TO AMENDMENT IF IN PREPARATION.

John F. Shaw
JOHN F SHAW FOR W H KING

Authorized:
CONFIRMATION

Sign original message and transmit to Room _____ in duplicate

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

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9.20

REFERRED TO:

1. 400
2.
3.
4.

FOR:

- ..... Action
- ..... Approval
- ..... Comment
- ..... Conference
- ..... Consideration
- ..... Filing
- ..... Instructions
- ..... Investigation
- ..... Initials
- ..... Mailing
- ..... Previous correspondence
- ..... Recommendation
- ..... Record of .....
- ..... Referring to .....
- ..... Reply for signature of .....
- ..... Rewriting
- ..... Signature
- ..... Suggestions
- ..... Your information

REMARKS: The original teletypes was just rec'd this A.M.
C.

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

September 2, 1954

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of amendment extending starting date
Docket No. DMEA 3068 - Tungsten
Galtie Boy Mines, Inc.
San Juan County, Colorado
Contract No. dm-1620

Transmitted herewith is the rough draft of a proposed amendment, Amendment No. 2, for your use in preparing the amendment in final form as follows:

1. In Article 3. Exploration project, following the words "The Operator" amend to read "prior to ~~September~~ October 1, 1954."

2. In Article 3. Exploration project, following the words "and shall bring the project to completion" amend to read "prior to September 1, 1955."

Your attention is called to the attached memorandum to the Administrator, DMEA, which notes that there is some doubt as to the Operator's control of the subject property. In addition, the Owner's Consent to Lien was executed by Mrs. Recon and Frank L. Ross. We believe, therefore, that Amendment No. 2 should be subject to submission by the Operator of proof that Mrs. Recon is sole owner.

W. L. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

FARutledge:fcc
9-2-54
cc to: Docket
Code 400 ✓
Adm. Reading File

October

September 2, 1954

Mr. Miller

To: Administrator, DMEA

From: Chief, Iron and Ferro-Alloys Division

Subject: Amendment extending starting date on contract
Docket No. DMEA 3068 - Tungsten
Baltic Boy Mines, Inc.
San Juan County, Colorado
Contract No. idg-5620

A second amendment to allow additional time for the Operator to begin operations under the subject contract is recommended for the following reasons:

(a) to enable the Operator to determine a question of ownership.

(b) to allow time to relocate the access road.

A summary of the docket follows:

1. The subject contract was executed October 2, 1953, by Region IV, for an exploration project costing $12,000.00. Work was to start within 60 days or by December 1, 1953.

2. On December 4, 1953, Mr. Walter A. Falk, President, Falk Metals Corporation, requested DMEA to extend the starting date to July 1, 1954, because of the heavy snowfall in the district. The first big snow of the season had already fallen when the subject contract was signed and it was economically unsound to start exploration.

3. Amendment No. 1, extending the allowable starting and completion dates respectively until July 1, and November 1, 1954, was executed December 15, 1953, by the Executive Officer, DMEA Field Team, Region IV.

4. By letter of July 21, 1954, Carl H. Peterson, Secretary, Baltic Boy Mines, Incorporated, informed the Executive Officer, Region IV, that operations under the subject contract were resumed July 1, 1954.

5. However the Field Team was informed that the exploration work was not started and that there was a possible legal question as to the Operator's rights to the property.

6. DMEA has now been informed by letter of August 23, 1954, from Eva M. Bacon, that the lease is in good standing. The same letter, however, makes no reference to an interest in the property held by Frank L. Ross, as evidenced by the document between Frank L. Ross and Walter W. Bentley, W. R. Green, and Carl H. Peterson, dated September 11, 1950, and contained in the subject docket.

7. Carl H. Peterson, Secretary, Galtie Roy Mines, Inc., by letter of August 17, 1954, requested the starting date be further extended to "on or before September 1, 1954" and the completion date be extended to September 1, 1955, because winter storms will force suspension of operations about October 15, 1954.

8. The Field Team recommended approval of the requested time extension.

This Division believes that the requested Amendment should be executed subject to submission by the Operator of proof of control of the property, and also that exploration must be started not later than September 1, 1954.

M. S. Martin, Chief
Iron and Ferro-Alloys Division

FARutledge:foc
9-2-54
cc to: Docket
Code 400
Adm. Reading File

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

402

224 New Customhouse
Denver 2, Colorado

August 13, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

In conjunction with and supplementing information forwarded by our memorandum of August 6, 1954, we are enclosing a copy of a letter dated August 9, 1954 from Carl H. Peterson, Secretary, Galtie Boy Mines, Inc., which is a partial reply to information requested in our letter to him of August 6, 1954.

Also enclosed is a copy of a letter from this office dated August 13, 1954 requesting the balance of information asked for in our letter of August 6.

W. H. King

W. H King

Encls.

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

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

224 New Customhouse
Denver 2, Colorado

August 13, 1954

Mr. Carl H. Peterson, Secretary
Celtic Boy Mines, Inc.
210 Mercantile Building
Denver 2, Colorado

Re: Docket DMA 3028 (Thurston)
Contract Idm-2020

Dear Mr. Peterson:

Receipt is acknowledged of your letter of August 9, 1954, in reply to our letter of August 6, 1954 wherein we requested certain information relative to the resumption of operations and the present validity of your lease on the property involved in the contract.

Your letter of August 9 explains the situation relative to the validity of your lease, however you neglected to provide the information requested relative to commencement of operations within the time provided under Article 3 of the contract.

If for some reason beyond your control you were unable to commence operations by July 1, 1954 as stipulated in the contract you should request a further extension of the commencement date for such time as will be necessary.

Very truly yours,

W. H. KING

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

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann
Chairman, Oper. Comm.
JWTownsend

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

COPY

FALK METALS CORPORATION
1031 Fifteenth Street
Denver 2, Colorado

August 9, 1954

Mr. John F. Shaw, Auditor
U.S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 3068 (Tungsten)
Contract Idm-E620

Dear Mr. Shaw:

Your letter of August 6, 1954 received in reference to we having difficulty with the Galtie Boy lease.

This is to advise you that this information is 100% erroneous. We had a lot of internal trouble due to Larry Nowell, and James Grant, and I could write several pages but that isn't necessary because they left us in the hole about $42,000.00 which money, now Walter Falk and the writer is clearing up. Through a forged deal they thought they had a lease on the Galtie Boy but they were just as wrong on this as everything they had done.

However, this thing that Ross thought he had put across helped us in this respect. He disassociated himself entirely from the property. He misrepresented himself to us in 1950 as he stated that he was the last survivor of the corporation that went bankrupt in 1909 and we found that this was all fraudulent statements and we were going to quite the title against him but we don't have to do that now because he is now out and Mrs. Bacon is the title holder of the property and we owe her $4,000.00, plus $24.50 which will be paid on the 23rd when it is due. Our lease with her calls for 1½% royalty with a guaranteed $500.00 a year payment. Last year her royalty was about $100.00, more or less. So on the first of October, 1953 I made the following agreement with her which we have carried out 100%:

Mr. Falk and I can pay her anytime we want to and we will probably this fall from our uranium sales, and then we will be the owners of the Galtie Boy property together with a few other associates like my own family. The content of the letter to Mrs. Bacon is as follows:

> "The Galtie Boy Mines, Inc. agree to pay $50.00 per month, starting 30 days after receipt of your last royalty check for 1953, until such time that you have received the minimum payment of $500.00 yearly, for the year 1953 as set forth in the Galtie Boy Bond & Lease."
>
> /s/ Carl H Peterson, Sec'y
>
> Approved by:
> /s/ Mrs. E.W. Bacon

Trusting that this information has answered your questions.

I remain-

Sincerely yours,
/s/ Carl H. Peterson by gd
Carl H. Peterson

CHP:gd

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

402

224 New Customhouse
Denver 2, Colorado

August 6, 1954

WSM

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed for your information, relative to work under the subject contract, is a copy of a letter from Carl H. Peterson, Secretary, Galtie Boy Mines, Inc., dated July 21, 1954, wherein he advised that operations were resumed under the subject contract, and a copy of a letter from this office to Mr. Peterson requesting clarification as to the resumption of operations and the validity of his lease on the property involved in the contract.

Relative to the validity of the lease, we have been informed that at least a portion of the property was leased by the owners to another party on January 20, 1954.

We will forward additional information in the matter when it is made available to this office.

John F. Shaw
For W. H. King

Enclosures

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

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

224 New Customhouse
Denver 2, Colorado

August 6, 1954

Mr. Carl H. Peterson, Secretary
Galtie Boy Mines, Inc.
210 Mercantile Building
Denver 2, Colorado

Re: Docket DMEA 3068 (Tungsten)
Contract Idm-E620

Dear Mr. Peterson:

Reference is made to your letter of July 21, 1954 wherein you state that you resumed operations on the above captioned contract July 1, 1954.

We have been informed that operations were not resumed as you stated. In addition we have been informed that there is a question as to the present validity of your lease on the property involved in the contract, Owner's Consent to Lien for which was signed by Eva M. Bacon and Frank L. Ross.

We will appreciate advice at your earliest convenience clarifying these matters.

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
Chairman, Operating Committee

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

U. S. Metals Corporation
208 Mercantile Building
Denver 2, Colorado

July 21, 1954

Mining Division
Date Rec'd
JUL 22 1954
BUREAU OF MINES
Denver, Colorado

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

RE: DMLA-3068

Dear Mr. King:

We resumed operations on the above captioned contract July 1, 1954.

It is our intention to first complete the access road to the Minnesota Vein and then bring in the necessary equipment and start the actual drifting on the Minnesota Vein.

Respectfully submitted,

CARTER [illegible] ATED

Carl H. Peterson, Secretary

FEB - 9 1954

Hon. John F. Kennedy
United States Senate
Washington 25, D. C.

My dear Senator Kennedy:

This acknowledges your memorandum of February 5, 1954, enclosing letter of February 1 from Sumner S. Fanger, Attorney and Counsellor at Law, 812-815 Parker House Office Building, Boston 8, Massachusetts. Mr. Fanger inquired about the status of any Government exploration contract with Galtie Boy Mines, Inc. (Our docket No. DMEA 3068 - tungsten).

We are pleased to inform you that Contract No. Idm-E620, with the Galtie Boy Mines, Inc., was signed on October 2, 1953. The contract, covering an exploration project on the Galtie Boy group of claims, San Juan County, Colorado, is in the amount of $12,000.00, of which the Government's contribution could amount to $9,000.00. An amendment to the contract was recently approved to extend the starting date to July 1, 1954, and the completion date to November 1, 1954.

Until completion of the project and receipt of final reports thereon, we will not be in a position to advise whether a "Certification of Discovery or Development" will be made. In the event of such certification, however, the amount of the Government's contribution would be repayable in the form of royalty as set forth in Section 10, as amended, of the attached DMEA Order-1, as amended.

In accordance with your request, Mr. Fanger's letter is returned herewith.

If we can be of any further assistance in this matter, please let us know.

Sincerely yours,

G. O. Mittendorf

Administrator

Enclosure

cc: DOCKET
FT, REG. 4
CODE 400

cc: ADM. READ. FILE
WSMartin/ls 2/9/54

C O P Y

SUMNER S. FANGER
Attorney and Counsellor at Law

- - -

Lafayette 3-8399

Parker House Office Building
Suite 812-815
44 School Street
Boston 8, Massachusetts

February 1, 1954

Honorable John F. Kennedy
Senate Office Building
Washington, D. C.

Dear Senator:

Our mutual friend Phil Fine has suggested my writing you with reference to the following matter.

A Colorado organization, in which a client of mine has invested the fruits of his military service pay, has advised him that "A U. S. Government Exploration loan of $12,000.00 has been approved by the U. S. Government to begin work in the Galtie Boy Mine for tungsten".

We suspect that this statement may not be true and we would, therefore, like to check on the same. Could you advise us as to where and to whom we may write for verification.

The loan could have been made to any one of the following:

Galtie Boy Mine, Inc.
U. S. Metals Corporation
Silverton Mining Trust Fund
Falk Metals Corporation

Any assistance that you can render would be greatly appreciated.

Very truly yours,

Signed: Sumner S. Fanger

Sumner S. Fanger

SSF/rpr

Copy for 400

United States Senate

February 5, 1954

Re: Loan to Galtie Boy Mine, Inc.
Letter from Sumner S. Fanger

Respectfully referred to
DMEA, Dept. of Interior, Int. B Room 4539
Wash*n, D.C.

---

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Signed: JOHN F. KENNEDY

John F. Kennedy U. S. S.

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

224 New Customhouse
Denver 2, Colorado

October 8, 1953

3068

WSM

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are four copies of the examination report on Docket No. DMEA 3068. A contract has been prepared and is in effect.

W. H. King

W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

August 24, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 3068 (Tungsten), Galtie Boy Mines, Inc., San Juan County, Colorado.

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

The applicant requested $44,700.00 for work, some of which could not be classified as exploration.

The examiners recommend a modified exploration program to consist of extending the access road to the Minnesota claim and driving an adit 300 feet on the Minnesota vein at a total estimated cost of $12,000.00.

We concur in this recommendation.

W. H. King

W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

[illegible]
[illegible] ASMC
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

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

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 3068, Galtie Bay Group of claims (Tungsten), Galtie Bay Mines, Inc., San Juan County, Colorado

Submitted herewith are the original and eight copies of the "Summary, Conclusions, and Recommendations", by E. N. Harshman and Carl Belser, and of Belser's engineering report on the above docket.

The applicant's proposal was to construct an access road, drift 300 feet and raise 150 feet on the Minnesota vein, drift 60 feet and raise 250 feet on the Galtie Bay vein, and timber the exploratory work as required, at a total estimated cost of $44,700.00.

Belser concludes the Minnesota vein merits limited exploration and recommends a modified project including the access road and 300 feet of drifting on the vein from where the road encounters it. He estimates the cost of the road as $1,800.00 and the drifting as $10,268.94, or $34.23 per foot, and suggests a short-form, unit-cost contract with the road set up at $1,800.00 and the drifting at $34.00 per foot for the 300 feet, or $10,200.00—a total for the contract of $12,000.00, Government participation 75 percent, or $9,000.00.

I concur with the conclusions and recommendations.

The brochure forwarded by your memorandum of June 30, 1953, with instructions to make a field examination, and copies of the lease and lease assignment obtained from the applicant are also enclosed.

I assume Carl H. Peterson's letter of July 1, 1953, to the Administrator, of which you sent me a copy August 12, clarifies Washington's inquiries regarding the answer to Question 10 on the application form MF-103.

W. M. Traver

W. M. Traver

enclosures
WMT/cb

cc: 8, DMEA 3068, Chron.

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

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

200 New Customhouse
Denver 2, Colorado

August 13, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3068, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are 8 copies of the geologic report by E. N. Harshman covering DMEA Docket 3068, Galtie Boy Mines, Inc., San Juan County, Colorado.

The applicant proposes to explore for tungsten ore by driving 60 feet of drift and 250 feet of raise on the Galtie Boy vein, and 300 feet of drift and 150 feet of raise in the Minnesota vein, at an estimated cost of $44,700.

Harshman concludes that the exploration program submitted by the applicant is far more extensive than is warranted by the size of any ore shoots that may be discovered. However, he recommends exploration on the Minnesota vein and 1400 feet of access road; but work on the Galtie Boy vein is to be denied until the applicant makes all the workings accessible for examination and sampling.

I concur in this recommendation.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3068, Celtic Boy Mines, Inc.

Celtic Boy Group

San Juan County, Colo.

Tungsten

E. N. Harshman, Geologist
Geological Survey

Carl Balser, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

August 12, 1953

DMEA 3065

GALTIE BOY MINES, INC.
GALTIE BOY GROUP
SAN JUAN COUNTY, COLO.

Summary, Conclusions, and Recommendations

By E. N. Harshman
Geologist
Geological Survey

and

Carl Palser
Mining Engineer
Bureau of Mines

DMEA 3068

GALTIE BOY MINES, INC.
GALTIE BOY GROUP
SAN JUAN COUNTY, COLO.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By E. N. Harshman and Carl Belser

The Minnesota vein of Galtie Boy Mines, Inc., 8 miles northwest of Silverton, Colo., is a fairly strong vein which is reported to have produced $37,000.00 worth of tungsten ore during World War I. The company's Galtie Boy vein is about 600 feet north of the Minnesota vein. The Galtie Boy Mines, Inc., has submitted an application for a Defense Mineral Exploration Administration loan for a project providing for an access road, 360 feet of drifting, and 400 feet of raising, estimated by the applicant to cost $44,700.00.

Both the Galtie Boy and Minnesota veins are in dense fine-grained andesite of the Silverton volcanic series; they have been formed primarily by fissure filling. Two stages of mineralization are recognized; (1) an early base-metal sulfide-gold-silver stage and (2) a later hubnerite stage. Both veins strike N. 50° - 55° W. and dip steeply northeast. Total vein widths range from 1 to 3 feet; the hubnerite bearing streak ranges from 1 to 6 inches.

There is a strong possibility that the ore shoot in the Minnesota vein continues downward. Tungsten ore in the Galtie Boy tunnel appears to occur in small lenses that do not warrant Government participation in exploration.

The applicant planned to drift 60 feet in the Galtie Boy tunnel and to raise approximately 250 feet to the upper Galtie Boy mine workings. The company also proposed to drive a new adit 300 feet on the Minnesota vein and to raise from this adit 150 feet to the old workings.

This program has been modified to the building of the access road and driving of 300 feet of drift on the Minnesota vein. This program is estimated to cost $12,000.00—Government participation 75 percent, or $9,000.00. An exploration loan for this amount is recommended for approval. A short-form, unit-cost, contract is suggested.

GALTIE BOY MINES, INC.

GALTIE BOY GROUP OF CLAIMS

SAN JUAN COUNTY, COLORADO

DMEA DOCKET 3068

Geologic Report

By E. N. Harshman
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE

10-16-53
(date)

GALTIE BOY MINES INC.
GALTIE BOY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

INTRODUCTION

Galtie Boy Mines Inc., 210 Mercantile Building, Denver 2, Colorado, has applied for Government assistance, DMEA Docket 3068, to explore for tungsten ore on the Galtie Boy group of claims, Red Mountain Mining District, San Juan County, Colorado. The claims are located on Dry Gulch, a tributary of Cement Creek, about 5-1/2 miles north of Silverton, Colorado.

The proposed exploration, estimated by the applicant to cost $44,700, consists of 60 feet of drift and 250 feet of raise on the Galtie Boy vein and 300 feet of drift and 150 feet of raise on the Minnesota vein.

The property was examined on July 14, 1953, in company with Carl Belser and Russell R. McClellan, U. S. Bureau of Mines. The program was discussed with the applicant's representative in Silverton; he did not accompany the examining team.

It is concluded that although some work is justified on the Galtie Boy group of claims, the program outlined by the applicant is not commensurate with the probable size of any ore shoot that might be discovered. A limited program of exploration on the Minnesota vein is recommended.

GEOLOGY

The mines in the Cement Creek area lie within the Silverton caldera. Except for a few small intrusive bodies of rhyolite and latite

the exposed rock is predominantly andesite of the upper part of the Silverton volcanic series. The andesite is extensively fractured; many of the fractures are mineralized.

Metalliferous deposits are of two types, true fissure veins and chimney deposits. There is some gradation between the two. Vein deposits fall into two distinct mineralogic types: (1) quartz-gold-pyrite veins containing base metal sulfides, and (2) quartz-tungsten veins. The tungsten veins occur independently or as a late stage of mineralization along earlier gold-quartz-base metal sulfide veins.

The Gaitie Boy and Minnesota veins are exposed on the steep slopes of Dry Gulch about 3/4 of a mile west of Gladstone, an old mining camp on Cement Creek. The veins are in a fine-grained, dark-gray to green, dense, andesite. The wall rock is somewhat silicified along the fissures, but the veins were formed principally by filling of open spaces.

Two stages of mineralization are recognized in the veins on the Gaitie Boy group of claims. Quartz, pyrite, galena, sphalerite, gold and silver were deposited in the first stage; subsequently, quartz and hubnerite were deposited in fractures and open spaces in the earlier vein material. Total vein widths range from 1 to 3 feet. Hubnerite and quartz of the second stage of mineralization are deposited in irregular masses and small lenses, principally along the walls of the earlier veins.

Hubnerite ore was mined from an adit on the Minnesota vein and stopes were worked to the ground surface. From an examination of the dumps and pillars in the accessible part of one old stope, it appears that the vein contained very minor amounts of pyrite, galena, and sphalerite and appreciable amounts of hubnerite concentrated in lenticular bodies along the walls of the base metal sulfide vein. The total width

of the vein ranges from 2 to 4 feet, the width of the hubnerite bearing streak ranges from 1 to 6 inches.

The Minnesota vein strikes N. 55° W. and dips 80° northeast. An assay on one sample taken across 1.8 feet from a pillar in the accessible stope, shown on figure 2 of the engineering report, shows a content of 2.85% WO_3.

The Gaitie Boy workings ordinarily are inaccessible due to bad air. A former attempt to examine them was unsuccessful. At the time of this examination part of the workings were accessible but due to the poor quality of the air only a hurried examination was made and no samples were taken.

The Gaitie Boy vein strikes N. 50° W. and dips 80° to 85° northeast. It cuts fine-grained andesites (Silverton volcanics) and ranges in width from 2 to 5 feet. Mineralogically, it is similar to the Minnesota vein although the hubnerite content is low. Hubnerite was noted in 2 very narrow low grade ore shoots on splits from the main vein (figure 3). The length of each shoot is about 15 feet and the average width is less than 1 foot. The results of assays on three samples taken by the applicant are shown on figure 3.

Old mine maps show a raise on the Gaitie Boy vein at a point about 1000 feet from the portal. The height of the raise is unknown and it could not be reached at the time of the examination.

CONCLUSIONS AND RECOMMENDATIONS

The exploration program submitted by the applicant is far more extensive than is justified by the probable size of any hubnerite ore shoot that may be discovered. The applicant has made no attempt to

ventilate the Gaitie Boy workings but from the limited examination of a part of workings it is concluded that any ore discovered on the Gaitie Boy vein will be of value principally for its gold and silver content. An attempt should be made by the applicant to rehabilitate the raise on the Gaitie Boy vein for part of the requested exploration may already have been accomplished.

Exploration on the Minnesota vein may discover significant bodies of hubnerite ore. Ore has been produced from stopes on the Minnesota vein and is now being produced from the Ohio vein, a similar structure 500 feet to the southwest.

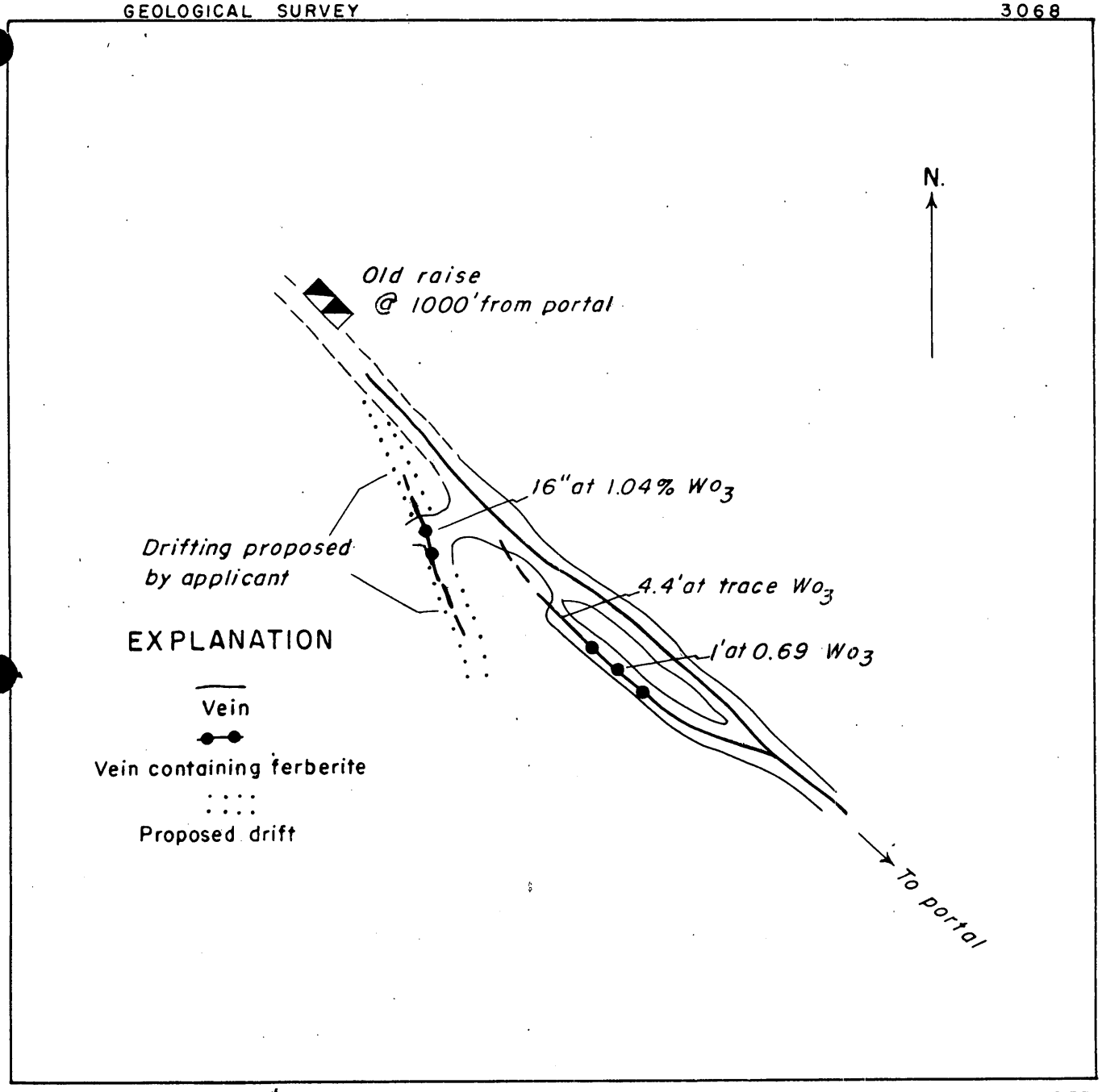
The following changes in the applicant's program are recommended.

(1) Eliminate exploration on the Gaitie Boy vein until such time as the applicant makes all of the workings accessible for detailed examination and sampling.

(2) Defer the approval of raising on the Minnesota vein until geologic data are obtained by drifting on the vein.

(3) Increase the length of the proposed access road from 1300 feet to 1400 feet.

The exploration is recommended only on the Minnesota vein and consists of 1400 feet of access road and 300 feet of drifting. The drift portal should be located 150 feet vertically below the old workings on the Minnesota vein. This program is estimated by the U. S. Bureau of Mines to cost $12,000 (Government participation $9,000).



Map from sketch submitted by applicant

E.N. Harshman, July 1953

FIGURE 3.—GEOLOGIC PLAN OF A PART OF GALTIE BOY MINE.

40 0 80 Feet

DMEA 3068

GALTIE BOY MINES, INC.
GALTIE BOY GROUP
SAN JUAN COUNTY, COLO.

Engineering Report

By Carl Palmer
Mining Engineer
Bureau of Mines

DMEA 3068

GALTIE BOY MINES, INC.
GALTIE BOY GROUP
SAN JUAN COUNTY, COLO.

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ILLUSTRATIONS

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2. Claim and exploration map, Galtie Boy group, Red Mountain Mining District, San Juan County, Colo.	4

DMEA 3068

GALTIE BOY MINES, INC.
GALTIE BOY GROUP
SAN JUAN COUNTY, COLO.

ENGINEERING REPORT

By Carl Belser

INTRODUCTION

Galtie Boy Mines, Inc., controls the Galtie Boy group of claims, located about 8 miles northwest of Silverton, Colo., and has applied for a Defense Minerals Exploration Administration loan to explore the Galtie Boy and Minnesota mines for tungsten. The applicant submitted a proposal estimated to cost $44,700.00--Government participation 75 percent, or $33,525.00--to explore tungsten-bearing veins which are exposed in the Minnesota and Galtie Boy mine workings.

The proposal called for 1,300 feet of access road, 360 feet of drifting, and 400 feet of raising. Two previous applications for exploration assistance (DMA 3638 and DMEA 2287) on the referenced property, but not embracing the same mines, have been denied.

ACKNOWLEDGMENTS

Project proposals and anticipated over-all drifting and raising costs were discussed with engineers of the Bureau of Mines familiar with similar mining operations in the San Juan area.

The plan of the mining claims and the underground workings was reproduced from a map in a report by the applicant.

The examination was made with W. L. Dare and R. R. McLellan, mining engineers, Bureau of Mines, and E. N. Harshman, geologist, Geological Survey.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Galtie Boy group is located in the Red Mountain Mining District, T. 42 N., R. 7 W., New Mexico principal meridian, San Juan County, Colo. (fig. 1). The property consists of six patented mining claims in Dry Gulch, a tributary of Cement Creek. Other mines in the vicinity include the Ohio, Galena Queen, Lark, Henrietta, and Joe and John. The altitude of the Galtie Boy tunnel portal is 10,887 feet, and severe winter weather usually prevents year-around operation.

HISTORY AND PRODUCTION

Tungsten deposits were known to occur in San Juan County as early as 1899 and 11,000 pounds of concentrate, containing 69.4 percent WO_3, were produced in 1900.

The Minnesota mine is reported to have produced tungsten valued at $37,000.00 during World War I. Low-grade huebnerite ore is visible in two veins in the Galtie Boy tunnel, but production records, if any, are not available. The Ohio mine, 600 feet south of the Minnesota mine, produced tungsten during World War I, and has a recorded production for 1951-52 of 6,433 pounds of WO_3 worth $16,299.00. The 1951-52 production came almost entirely from the Ohio-Dawn of Day dumps which sublessees report have averaged over 0.9 percent recoverable WO_3, after screening.

OWNERSHIP AND EXTENT

The Galtie Boy group consists of six patented claims, each approximately 300 feet by 1,500 feet. They are: Dry Gulch, Galtie Boy,

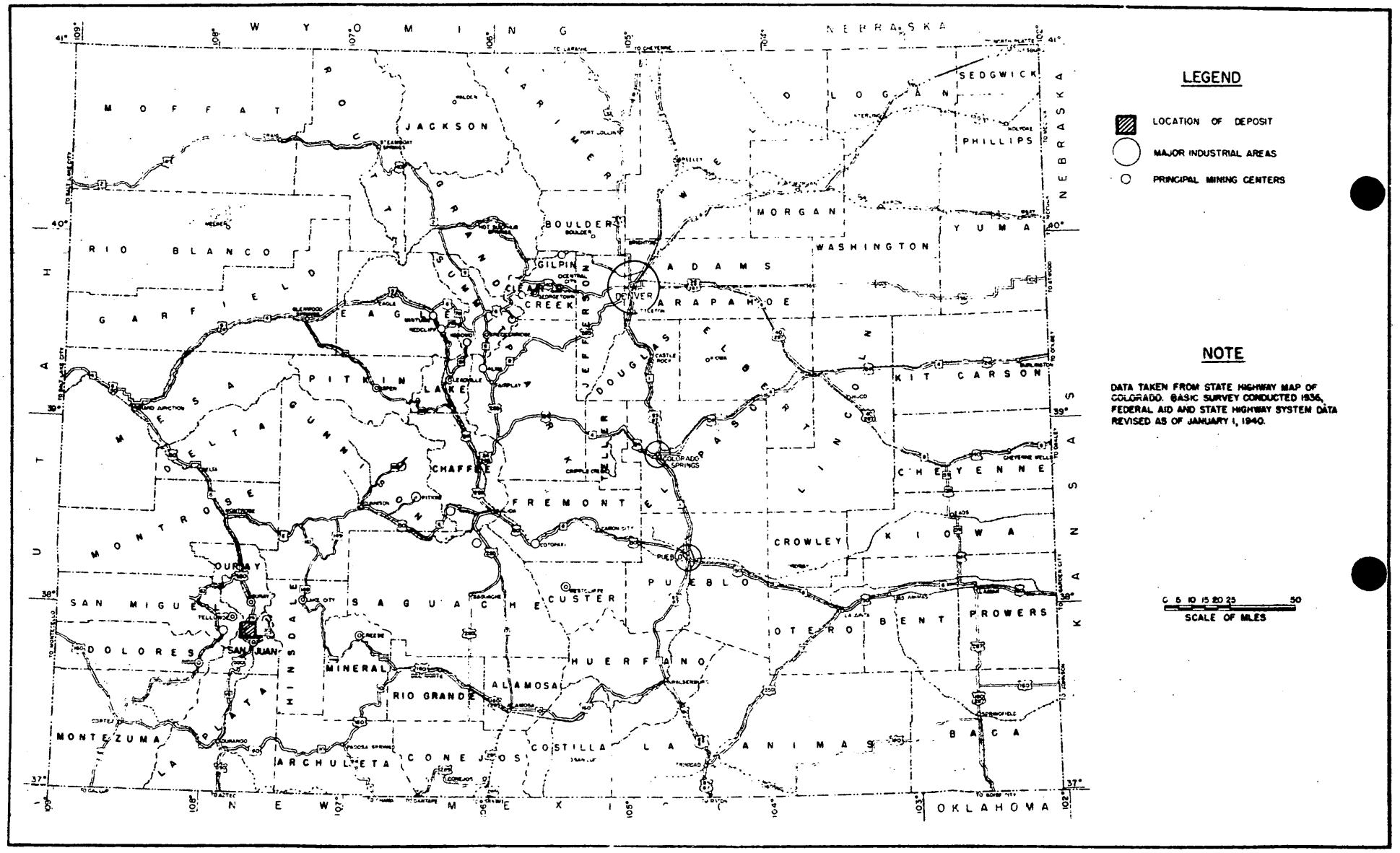


FIGURE 1. - LOCATION MAP, GALTIE BOY GROUP, RED MOUNTAIN MINING DISTRICT, SAN JUAN COUNTY, COLO. (DMEA 3068).

Gold Dollar, Last Chance, Little Mack, and Minnesota—all survey number 1833. These claims are owned by Frank L. Ross and Mrs. E. M. Bacon, and were leased, with an option to purchase, to Walter W. Bentley, W. R. Green, and Carl H. Peterson. The lease ran to January 1, 1952, with annual extensions, providing a $1,700.00 minimum annual royalty is paid to the owners. In case the option to purchase is exercised, the owners agree to deliver a good and valid title, free of all encumbrances, except taxes. On May 4, 1951, the lessees assigned their lease and option to Caltie Boy Mines, Inc., Carl H. Peterson, secretary, Mercantile Building, 1031 15th Street, Denver 2, Colo.

The Camp Bird claim, included in the above lease and option, but not included in the application, may be found to conflict with part of the Caltie Boy claim, but does not affect the present application. The ending of the last line in the second paragraph of the assignment of mining lease should probably read: "with annual extentions." Proof of minimum royalty payments has not been included with the application.

DESCRIPTION OF THE DEPOSITS

The Caltie Boy tunnel contains at least three veins with northwesterly strikes and northeast dips. The two most southerly veins contain small lenses of low-grade hubnerite ore.

The Minnesota is a strong vein from one to three feet wide, which cuts through the Silverton volcanic series. The vein strikes about N. 55° W. and dips steeply to the northeast.

The ore occurs as hubnerite, and the gangue is chiefly quartz. The Minnesota mine workings indicate that the hubnerite mineralization was fairly consistent throughout the area mined. The wall rock could be classified as firm.

MINEABLE ORE RESERVES

The property contains no known ore reserves at this time with the possible exception of the Minnesota mine dump and a small amount of low-grade stope fills. A 1.8-foot channel sample, taken by R. R. McLellan from the vein in the upper Minnesota mine workings, assayed 2.85 percent WO_3. A grab sample from the Ohio dump assayed 1.05 percent WO_3 and a channel sample from an underhand stope in the upper Ohio tunnel assayed 4.00 percent WO_3 over a width of 1.2 feet.

PRESENT STATUS

Exploration and Development

The mine workings are shown on the accompanying figure 2. The upper Caltie Boy workings have been obliterated by snow slides, are inaccessible, and not shown on the figure. The Caltie Boy tunnel, with its portal on the Gold Dollar claim, has approximately 1,400 feet of crosscuts and drifts. The main crosscut and part of the drift are in good condition, but bad air prevented an inspection of the area

near the raise, which is reported to be caved. The portal of the lower Minnesota adit is caved and the floor of the upper adit has been stoped out from below.

Mining and Milling Equipment and Other Facilities

There are no mining and milling equipment, buildings, or other facilities on the property. The Galtie Boy tunnel has a 12-pound rail track from the portal to the breast.

The sublessees of the Ohio claim operate a small tungsten concentrator in the Yukon Mill building, about 4 miles below the Ohio mine, on Cement Creek.

PROJECT PROPOSALS, WITH COSTS

The applicant proposes to extend a road northward from the first switchback on the Ohio mine road, to the Galtie Boy tunnel dump, and thence southwesterly up the hill until the excavation for the road cuts the Minnesota vein. The construction of this access road meets with the approval of the examining team. The applicant also proposes 60 feet of drifting on a vein showing a small lense of low-grade hubnerite ore in the Galtie Boy tunnel, followed by approximately 250 feet of raising to the upper Galtie Boy workings. Because of the small size of the tungsten mineralization on this level, the examining team does not concur with this proposal. The applicant further proposes to drift into the hill on the Minnesota vein at the point where it is exposed by the new road for a distance of 300 feet, and to raise from this new level to the present lower Minnesota adit,

a distance of approximately 150 feet. The 300 feet of drifting meets with the approval of the examining team, but the raise is not considered as exploratory work.

Estimated Cost of Project

Minnesota mine

Access Road to Mine (Competion time - 14 days)

Independent Contracts			
Bulldozer and operator at $100.00 per day (all supplies furnished), 14 days		$ 1,400.00	
Labor and Supervision			
16 shifts, or rock work, at $14.40 per shift	$ 230.40		
Supervision - 10 percent of $500.00,	50.00	280.40	
Operating Materials and Supplies			
Explosives		55.00	
Operating Equipment (Purchase)			
Small tools, steel, et cetera,		42.12	
Miscellaneous			
Payroll taxes at $1.50/$100.00	$ 4.21		
Liability insurance at $2.95/$100.00	8.27		
Bookkeeping	10.00	22.48	
Total cost of access road			$ 1,800.00

Drifting on the Minnesota Vein, 300 feet (Completion time - 3 months)

Labor and Supervision		
All labor to be contracted at $15.00 per foot	$4,500.00	
Supervision - 25 percent of $500.00/month,	375.00	$ 4,875.00
Operating Materials and Supplies		
Timber, 150 feet at $0.20 per foot,	$ 30.00	
Lagging, 500 feet at $0.10 per square foot,	50.00	
Explosives, 4,500 pounds; caps, 2,000; fuse, 15,000 feet	1,241.00	
Pipe, 400 feet, 2-inch, black at $34.96/100 feet; valves, et cetera	160.00	
Track, 400 feet, 12 pound; ties, 300; spikes, 1,200; fish plates, 54 pair	360.00	
Gasoline, 2,250 gallons; oil, 200 quarts	500.00	
Drill steel, $121.00; carbide, $30.00; drill bits, $315.00; miscellaneous tools, $100.00	566.00	2,907.00
Operating Equipment		
Rental:		
Compressor, $300.00/month,	$ 900.00	
Mucking machine, $225.00/month,	675.00	
Rock drill, complete, $100.00/month,	300.00	
Mine cars, three 1-ton, $5.00/month	45.00	
Small air receiver, $15.00/month	45.00	1,965.00

Miscellaneous			
Repairs to equipment	$ 100.00		
Payroll taxes, $1.50/$100.00	73.13		
Liability insurance, $2.95/ $100.00	143.81		
Bookkeeping, $15.00/month	45.00	$ 421.94	
Contingencies			
Freight		100.00	
Total cost of drifting			$10,268.94
Cost per foot			$34.23

Allowing $34.00 per foot for 300 feet of drifting on the Minnesota vein, the cost would be $10,200.00.

Recapitulation of Project Costs

Access Road	$ 1,800.00
Driving 300 feet on the Minnesota vein at $34.00 per foot	10,200.00
Total	$12,000.00

The access road will require 14 shifts of work with a bulldozer and a small (undetermined) amount of rock work. The 300 feet of drifting will require approximately 3 months to complete, but may be delayed by an early winter.

Government participation in tungsten exploration projects is 75 percent, or, in this case, $9,000.00.

CONCLUSIONS

The Minnesota vein is a strong vein which, in the past, has produced tungsten ore, and merits further exploration with depth. Raising from the proposed drift on the Minnesota vein is considered more development than exploration. Tungsten veins, as exposed in the Caltie Boy tunnel, appear to be small and of little importance, and, until more information is available, a Government-participation program there is not considered advisable.

RECOMMENDATIONS

A program comprising approximately 1,400 feet of access road and 300 feet of drifting on the Minnesota vein is recommended for approval. The estimated cost is $1,800.00 for the access road and $34.00 per foot, $10,200.00, for 300 feet of drifting—a total of $12,000.00. The Government's participation will be 75 percent, or $9,000.00.

A contract on short-form MF-200 (A) is suggested, providing contribution by the Government on the basis of the estimated costs on units of work performed.

cb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 6 1953

224 New Customhouse
Denver 2, Colorado

October 6, 1953

REGISTERED

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are the original and two copies of Contract Idm-E620. 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

gp

400

SEP 11 1953

Air Mail

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

Re: Docket No. 3068 - Tungsten
Caltie Boy Mines, Inc.
Caltie Boy Mines
San Juan County, Colorado

Dear Mr. King:

We acknowledge receipt of your letter of August 24, 1953, advising that you expect to execute a contract on the subject property.

On checking our files we find that we have photostatic copies of the pertinent leases, assignment of the lease, and the owner's consent to lien. Hence we are enclosing the following for your files:

(1) One photostatic copy of lease, Mrs. A. M. Bacon to Walter W. Bentley, W. R. Green, and Carl H. Peterson.

(2) One photostatic copy of lease, Frank L. Ross to Walter W. Bentley, W. R. Green, and Carl H. Peterson.

(3) One photostatic copy of assignment of leases from Walter W. Bentley, W. R. Green, and Carl H. Peterson to Caltie Boy Mines, Inc.

(4) Six copies of Owner's Consent to Lien. *

*P.S. -Since the old Owner's Consent to Lien calls for a maximum royalty of 5% and has been replaced by the new form, it is advisable that the owners submit the Owner's Consent to Lien on the new forms.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures
APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Copy to: Docket
Field Team, Reg. 4
Adm. Read. File
Code 400
Oper. Comm.
Mary Miller, USGS
R. W. Geehan, USBM

TLChapman/ls
9/9/53

400

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

224 New Customhouse
Denver 2, Colorado

August 24, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 3068 (Tungsten), Galtie Boy Mines, Inc., San Juan County, Colorado.

The application for Government assistance in exploration work estimated to cost $12,000.00 has been approved by us and a contract is being prepared.

Government participation will be 75 percent or $9,000.00.

Four copies of the Final Report will be forwarded when the contract is executed. Two copies of Form 3b are attached.

W. H. King
W. H. King

E. N. Hawkman
for A. M. Koschmann

Enclosures

Copy Retained 400

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

400

JUL 13 1953

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

Re: Docket No. DMEA 3068 - Tungsten
Galtie Boy Mines, Inc.
Galtie Boy Group of Claims
San Juan County, Colorado

Dear Mr. King:

Transmitted herewith for your information are two copies of a letter dated July 1, 1953, received from Galtie Boy Mines, Inc.

Unless you specifically request copies of the enclosures which accompanied the applicant's letter we will retain all copies in this office.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

WSMartin:foc 7-9-53

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

cc: Docket
Code 400
FT. Reg. 4
Operating Comm.
Admr. Reading File
Mr. Geehan, USBM
Mr. Lemmon, USGS

400

JUN 25 1953

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

Re: Docket No. DMEA 3060 - Tungsten
Galtie Boy Mines, Inc.
Galtie Boy Group of Claims
San Juan County, Colorado

Dear Mr. King:

Reference is made to the subject application for exploration assistance which is being referred to your office for a field examination. Two previous applications for exploration assistance on the referenced property have been denied - dockets DMA 363X and DMEA 2287.

We are now requesting a field team examination because of the modest current production reports from adjoining claims.

Memoranda by Robert W. Geehan, Bureau of Mines and D. M. Lemmon, Geological Survey, have been prepared and are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

FARutledge:foc 6-19-53

cc: Docket
Code 400
FT. Reg. IV
Operating Committee
Adm. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS

JUN 2 5 1953

Mr. Carl H. Peterson, Secretary
Galtie Boy Mines, Inc.
210 Mercantile Building
Denver 2, Colorado

Re: Docket No. DMEA 3068 - Tungsten
Galtie Boy Mines, Inc.
Galtie Boy Group of Claims
San Juan County, Colorado

Dear Mr. Peterson:

Reference is made to the subject application for exploration assistance at the Galtie Boy group of claims. After a review by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration, the subject application has been referred to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado, for a field examination.

The Regional Office will contact you at an early date with regard to an examination of your property. Any assistance that you can render the members of the field team during the examination will be appreciated.

Enclosed you will find three sets of Owner's Consent to Lien forms for execution. Please return six copies of each. The Owner's Consent to Lien for both Mrs. E. M. Bacon and Frank L. Ross must state the amount of their interest in the property. The other Consent to Lien form must be signed by Walter W. Bentley, W. R. Green, and Carl H. Peterson.

In answer to Question 10 on the application form, MF-103, it was stated: "We are prepared to invest $11,175.00 in the project, with the consideration that our total assets and equities in our mines, mill and equipment are appraised at proper values." It would be appreciated if you would clarify this statement.

Sincerely yours,

C. O. Mittendorf
Administrator

FARutledge:foc
6-19-53
cc: Docket R.W. Geehan, USBM
Code 400 D. M. Lemmon, USGS
Enclosures REG. IV

Oper. Comm.
Adm. Reading File

COPY

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

June 11, 1953

Memorandum

To: W. S. Martin, DMEA

From: Robert W. Geehan

Subject: Galtie Boy Mines, Inc., San Juan County, DMEA 3068 (See DMEA 2287) - Tungsten

The applicant proposes drifting and raising on the Minnesota and Galtie Boy claims at a total cost of $44,700. This sum includes $2,700 for a road.

The information on shipments from the Ohio and Dawn of Day is not pertinent, except to indicate that there is tungsten in the district.

Very little information is given regarding the Minnesots claim; however, exploration may be justified. A map is included which shows areas sampled at the Galtic Boy. If the long adit is mainly on the same structure, it would seem that only a very short section contains tungsten. There is also a question regarding the caved raise shown on the map. Is any information available regarding this? The raise proposed would be in the same general area.

The applicant states (10) "We are prepared to invest $11,175 in the project with the consideration that our total assets and equities in our mines, mill and equipment are appraised at proper values". The meaning of this statement needs clarification.

It is recommended that this application be sent to the Field Team. However, it may be desirable to obtain as much ~~xxx~~ information as possible from the meaning of the statement regarding the investment by the applicant before sending the docket.

/s/ Robert W. Geehan

IN REPLY REFER TO:
G-MD-DML
400

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

June 17, 1953

Memorandum

To: W. S. Martin, DMEA

From: D. M. Lemmon, USGS

Subject: Exploration application $44,700 DMEA-3068
Galtie Boy Mines, Inc. Tungsten
Silverton, Colorado

The Galtie Boy Mines, Inc. state that work done in 1951 and 1952 by lessees resulted in production of 321 units of WO_3 in hand-sorted ore and concentrates containing 14 to 58 percent WO_3. This output is cited in justification of a request for reconsideration of an application for an exploration loan.

The sum required for exploration appears much too great for the size of expectable target. However, I have no record of a recent field examination of the property, and suggest that the application be referred to the Field Team for recommendations.

D. M. Lemmon

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

400

MF-103 Should Be Filed With General Technical Data Form MF-100

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 3 1953

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. 1068
Metal or Mineral
Date Received 6/8/53
Amount $
Participation (Government %)

Name and address of applicant

Galtie Boy Mines, Inc.
210 Mercantile Bldg.
Denver 2, Colorado

Date

May 4, 1951 loan

If you have already filed MF-100, give date filed ....., type of assistance requested .....,

2287

DMA Docket Number (if available) .....

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

Galtie Boy Mines, Inc.
(Name of company)

By [signature]
(Signature of authorized official)

May 26, 1953
(Date)

Secretary
(Title)

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—64067-2

May 26, 1953.

Mr. J. H. East, Jr.
Regional Director, Bureau of Mines
224 New Custom Building
Denver, Colorado.

Dear Mr. East:

On December 11, 1951, we filed an application, Docket # 2287, for an exploration loan on the Galtie Boy Mine, pursuant to Mineral Order 5, under the Defense Production Act of 1950. This application was rejected on February 15, 1952 on the ground that the nature of the work proposed did not constitute exploration under the regulations.

We are herewith submitting additional and new information, and request that the application be reconsidered as a result of the production to date, and information not available when the original application was filed. Copies of the original application are still in the files of the Defense Minerals Administration, so we are referring to them rather than re-submitting entire new sets of maps and documents. However, a new copy of Form M.F. 103 is attached, with changes made in the answers where they differ from the original application.

During the summer of 1951 and 1952, lessees worked with hand tools only, on the dumps and stope fills on the Ohio and Dawn of Day claims. They have shipped concentrates and hand sorted crude ore as follows:

	Lot #	Net Wt.	Assay	#Tungstic Acid	Gross Value
Aug. 3, 1951	138	250#	30.80	77.00	177.10
" " "	139	130#	45.80	59.54	154.80
" 23, "	181	1081#	14.10	152.42	333.80
Sept. 17 "	218	195#	51.30	99.01	269.31
Oct. 30 "	265	1580#	19.40	306.52	680.47
Nov. 29 "	7540	868#	50.30	436.60	1178.82
July 23 1952	8593	843#	59.60	502.43	1424.39
Aug. 29 1952	8188	258#	31.70	81.79	137.70
" " "	8180	514#	45.80	189.61	388.68
Nov. 4 "	1024B	3332#	58.60	1952.55	5237.68
" " "	1024A	882#	44.00	388.08	865.42
" 29 "	1124A	1274#	43.60	555.46	1269.23
" " "	1124B	2967#	55.00	1631.85	4181.59

6,432.86 # WO_3 = 321.64 units WO_3

The lessees have constructed a road to the portals of the Dawn of Day and Ohio tunnels, and have installed milling equipment in the Yukon Mill building about four miles from the mine. They expect to keep the mill operating fairly steadily on newly mined ore and dump material from the two claims. On July 23, 1952, the writer took head and tail samples at the mill which assayed as follows:

Heads - 0.48% WO3 (Screened dump ore from Ohio)
Fine jig and table tails combined - 0.28% WO3
(70% of tails)
Coarse jig tails - 0.12% WO3 (80% of tails)
Weighted average of tailing Sample 0.18% WO3

The tailings are being impounded for retreatment when they are able to add a re-grind circuit, a better jig and flotation cells.

The flow sheet of the mill is as follows:

Pan feeder to trommel, plus 1/4" oversize to rolls in closed circuit with trommel.
Minus 1/4" to vibrating screen, whence
-1/4" to plus 1/8" to coarse jig, overflow to tailing
minus 1/8" to plus 16 mesh to fine jig, overflow to tailing. Minus 16 mesh to Wilfley table, overflow to tailings. Table middlings are saved for future retreatment. Table and jig concentrates dried and sacked for shipment.

With this history of production resulting from hand methods alone, and the installation of milling facilities in the nearest feasible location we feel that consideration should now be given to exploration of showings on adjacent claims. It should be noted that no assistance is required nor requested to continue the program on the Ohio and Dawn of Day claims, as these activities will continue with hand methods as at present.

This re-application concerns two occurrences of tungsten ore other than those discussed above. The first of these is on the Minnesota claim where tungsten ore was produced during World War I. The value of this production is reported to have been $37,000, but we do not have any records to substantiate this figure. The old workings consist of a tunnel shown on old maps as being about 150 feet long, and a

stope above it which came to the surface. At present the tunnel is not accessible, but the stope can be entered, and sampled along the unmined surface pillar. The average of our samples taken there gives a width of 1.2 feet of 2.6% WO3. The old stope fill has been partly reworked by screening out the fines, and a sample of some sacked screenings left there assayed 1.1% WO3. The stope can be seen for approximately 50 feet in length and may extend much further. The project we propose is to go down the hill toward Dry Gulch Creek and at a point approximately 150 feet below this stope, start an exploration tunnel 300 feet in length, which would explore the downward extension of this ore chute. At the most favorable point under the stope, we would drive a raise 150 feet up to the present tunnel. This work would give access to any ore below the present tunnel, and also allow the remaining ore in the pillars and stope fills to be recovered.

The second phase of the project pertains to the lower Galtie Boy tunnel, which courses through the Gold Dollar, Little Mack, and Galtie Boy claims. There is an upper tunnel which is reported to have contained very good tungsten ore. Snow slides and rock slides have covered this old portal and largely removed the dump, but pieces of tungsten ore are to be found in the slide rocks. The original owners gave up this site, and drove the lower Galtie Boy tunnel from a slide-free site. In this lower tunnel there is a tungsten ore showing which is opened up for about 15 feet in length and from 8 to 10 feet in height. A small shipment was made in 1941 from this point, but we do not have a record of the returns. The vein averages one foot in width with narrow seams of hubnerite through it, and at the strongest exposure assays 1.1% WO3. Our proposal is to drift 30 feet each way on this vein, and drive an exploration raise on the present showing for 250 feet, or until it holes the old upper tunnel, whichever is sooner.

In our original application we requested government participation in re-opening and clearing out the lower Galtie Boy tunnel, but we will not include this in the present application, as we have found recently that the amount of clean up is small and we are able to provide that feature without cost to the government.

In connection with both phases of the application,

a new road will be required to connect the present road to the Ohio claim with the Galtie Boy portal, and a back-switch from this new road to the point selected as a portal site for a lower tunnel on the Minnesota. This is estimated to require about 1300 feet of new road which we propose to construct with our own equipment at an estimated cost of $2700.00.

During July 1952 a reconnaissance trip to these claims was made by Dr. Kuhn of the United States government service, together with his assistants. They were not able to inspect the Galtie Boy tunnel because of bad air, but they did see the stope on the Minnesota and took a sample from the surface pillar, as well as inspect the Ohio workings and take samples there. We do not have access to these assays, nor to any opinion Dr. Kuhn may have as to the merits of this application, but through channels available to you, it may be possible to obtain them.

In addition to a revised copy of Form MF-103, an estimate sheet of the costs required to carry out the proposed project is also attached.

Respectfully submitted,

GALTIE BOY MINES, INC.

Carl H. Peterson

Carl H. Peterson,
Secretary

WWB
CHPird

Galtie Boy Mines, Inc., 210 Mercantile Bldg., Denver 2, Colorado

1(a). The real property involved in this application are the following mining claims:

Dry Gulch, U.S. Mining Survey #18636

Minnesota, U.S. Mining Survey #18636

Last Chance, U.S. Mining Survey #18636

Galtie Boy, U.S. Mining Survey #18636

Little Mack, U.S. Mining Survey #18636

Gold Dollar, U.S. Mining Survey #18636

1(b). See attached.

1(c). See list of claims under 1(a).

2(a). Expect to find hubnerite.

2(b). On the Minnesota Claim, a strong quartz vein cuts rocks of the Silverton volcanic series. The only minerals noted were hubernite and quartz, with some iron oxide. The vein outcrops on the slope of Dry Gulch, a steep (38°) hillside, with a strike of N40° W, and dip of about 80° N.E. There is an old drift high up the slope which is not accessible. The area above this drift was stoped from about 10 feet from the portal to about 60 feet from the portal, beyond which point the sto e is not accessible. This stope was worked to surface except at the inner end where a sizeable pillar has been left above the stoped area. The vein persists as far as can be seen under the pillar until hidden by stope fill. This quartz vein in the pillar averages about 1.2 feet wide and assays 2.6% WO3. It is proposed to drop down the hillside along the outcrop to an elevation about 150 feet lower than the present tunnel, then drift along the vein for 300 feet. This would explore the downward projection of the 50 foot area that was stoped on the upper tunnel level. From the most favorable showing in this area, raise 150 feet to the upper tunnel, to explore the vein in this area, and also provide ventilation and access to the upper tunnel area for future exploration there.

On the Galtie Boy Claim, at a point about 1000 feet from the portal, a crosscut was driven from the drift following the Galtie Boy vein. This crosscut was driven to the left, or footwall side of the drift, and at about 15 feet from the Galtie Boy vein cut a nearly parallel vein about 1 foot wide, of quartz with bunches and stringers of high grade hubnerite. By drifting a total length of about 15 feet was exposed, and a small shipment of high grade hubnerite was produced by cobbing. At one point in the back of this drift

2 (b). (Continued)

there is a fairly strong showing of hubnerite assayed 1.0% WO_3 for 1 foot wide. The strong quartz vein persists in both faces.

At 85 feet southeast of this working, a drift on a foot-wall split of the vein shows a quartz vein from 2 to 3 feet wide, which at one point shows hubnerite, which assayed 0.69% WO_3 for 1 foot in width.

At least one more showing is reported to be in the extreme southeasterly end of the mine, but this was not seen due to bad air.

In the Galtie Boy, it is proposed that drifts on present exposures be advanced 60 feet, and from the most favorable location available, raise 250 feet, or to the upper tunnel level, if less than that distance.

3 (a). The proposed work is to consist of:

Approximately 1500 feet of road, estimated to cost	$2700.00
300 feet of drifting on the Minnesota Claim @ $45./ft.	13500.00
60 feet of drifting on the Galtie Boy Claim @ $45./ft.	2700.00
250 feet of raising in the Galtie Boy Claim @ $60./ft.	15000.00
150 feet of raising in the Minnesota Claim @ $60./ft.	9000.00
360 feet of timbering in drift (Only if necessary @ $5.ft.	1800.00
(See attached estimated costs of drifting, raising and timbering)	
	$44,700.00

3 (b). This project can be started during July, 1953, and can be completed in 10 months, but it may be necessary to recess the program from November to May if snow conditions are bad, and snowslides interfere.

4 (a). See attached tracing of plat of patent surveys, with the proposed road and tunnel on the Minnesota Claim shown, and a Brunton Compass survey of a portion of the Galtie Boy workings.

5. There are no facilities nor buildings on the property.

6,7-8-9. It is proposed to do the work under the "short Form", at a stated price per foot of progress.

10. We are prepared to invest $11,175.00 in the project., with the consideration that our total assets and equities in our mines, mill and equipment are appraised at proper values.

COSTS OF DRIFTING PER FOOT BASED ON 100 FEET OF ADVANCE PER MONTH

		Per Foot Costs
Labor, drifting per foot		$15.00
Labor, (Supervision) (20% time) $500/mo.		1.00
Labor (Engineering & Surveying) (20% time) $750/mo.		1.50
F.I.C.A. Taxes	1.5%	
Colo. Unemployment Taxes	2.7%	
State Comp. Insurance	2.51%	
	6.71% equal	1.17

Explosives

45 sticks power @ 7 1/3¢ each	3.30
5 primers @ .02157	.11
30' fuse @ 1.3¢ per ft.	.39
Drill Steel	.27
Steel rail plus freight	2.00
Rail ties, spikes & fish plates	.48
Vent tubing per foot	1.00
Water pipe and fittings per ft.	.25
Airline pipe and fittings per ft.	.50
Buildings for compressor and change room	1.10
Misel. costs (picks, shovels and small tools)	.29
Compressor Fuel, Oil and repairs	4.60
Transportation cost of men to and from mine	.45
Mucking Machine Rental $225.00/mo. (Exclusive of repairs)	2.25
Rock Drill Rental 100.00/mo. (Exclusive of repairs)	1.00
5-2 ton capacity mine cars @ 16.00 mo. each	.80
Mine Lamp Rentals	.11
Ventilating Fan Rental 51.00/mo. (Exclusive of repairs)	.51
Air Receiver Rental 210.00/mo. (Exclusive of repairs)	2.10
Compressor Rental $300.00/mo. (Exclusive of repairs)	3.00
Steel bit Grinder Rental 20.00/mo.	.20
Air Trammer Rental $160.00 mo. (Exclusive of repairs)	1.60
Total Estimated costs per foot of advance	$45.14

ESTIMATED COSTS OF TIMBERING

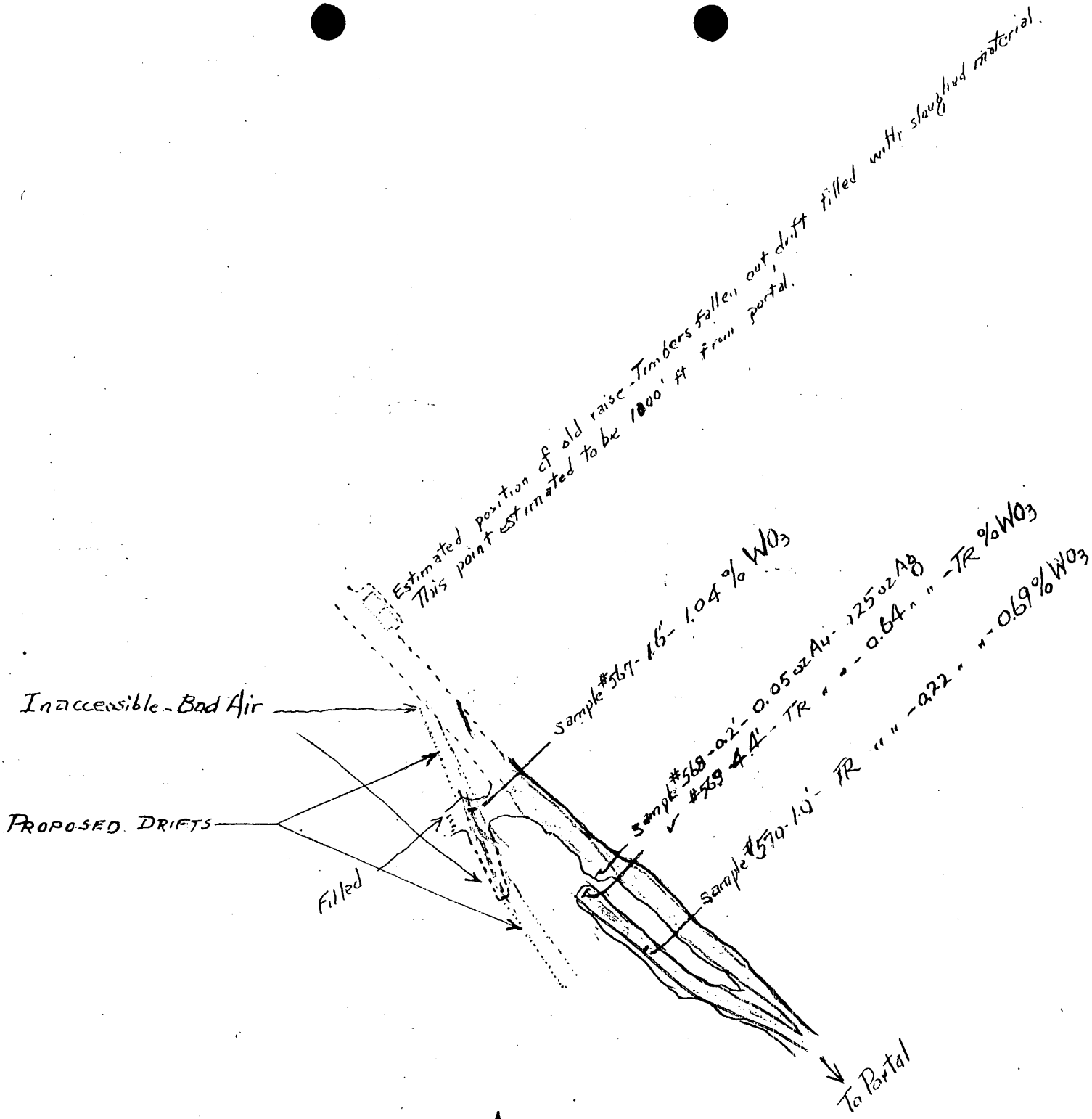
	Per Ft.
Labor	$3.50
Materials (Lumber etc.)	1.50
Employment Taxes and Insurance 6.71%	.23
Total Estimated Costs	$5.23

COSTS OF RAISING PER FOOT BASED on 75 FEET OF ADVANCE PER MONTH

		Per Foot Costs
Labor, drifting per feet, (Raising)		$18.00
Labor, (Supervision) (20% time) $800/mo.		1.33
Labor (Engineering & Surveying) (20% time) $750/mo.		2.00
F.I.C.A. Taxes	1.5%	
Colo. Unemployment Taxes	2.7%	
State Comp. Insurance	2.51%	
	6.71% equal	1.34

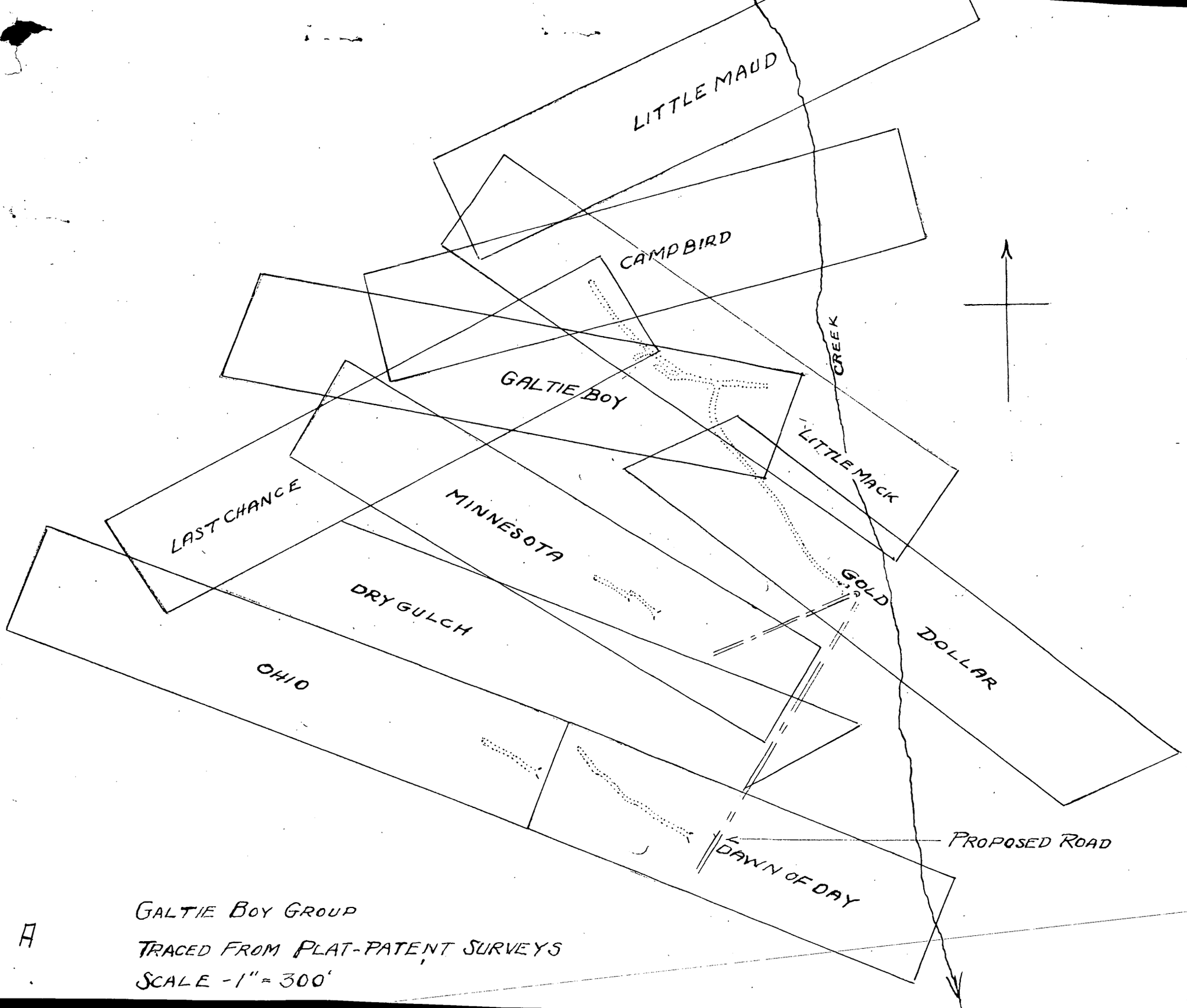
Explosives

45 sticks power @ 7 1/3¢ each	3.30
5 primers @ .02157	.11
30' fuse @ 1.3¢ per ft.	.39
Drill Steel	.27
Vent tubing per foot	1.00
Water pipe and fittings per ft.	.25
Airline pipe and fittings per ft.	.58
Buildings for compressor and change room	1.87
Miscl. costs (picks, shovels and small tools)	.39
Compressor Fuel, Oil and repairs	6.13
Transportation cost of men to and from mine	.60
Mucking Machine Rental $225.00/mo. (Exclusive of repairs)	3.00
Rock Drill Rental 100.00/mo. (Exclusive of repairs)	1.33
5-2 ton capacity mine cars @ 16.00 mo. each	1.06
Mine Lamp Rentals	.14
Ventilating Fan Rental 51.00/mo. (Exclusive of repairs)	.68
Air Receiver Rental 210.00/mo. (Exclusive of repairs)	2.80
Compressor Rental $300.00/mo. (Exclusive of repairs)	4.00
Steel bit Grinder Rental 20.00/mo.	.26
Air Trammer Rental $160.00 mo. (Exclusive of repairs)	2.13
Labor, timbering	3.50
Timbers, wedges, etc.	3.65
Total Estimated costs per foot of advance	$60.03



GALTIE BOY - LOWER TUNNEL
Scale 1" = 40'
Aug 22, 1952 - W.W.B.
Brunton Compass Survey

3068



GALTIE BOY GROUP

TRACED FROM PLAT-PATENT SURVEYS

SCALE - 1" = 300'

A

3068

No. 5

AMENDMENT OF CONTRACT: Idm-2620

Contract Docket No. DMEA 3068, dated October 2, 1953, between the United States of America and Galtie Boy Mines, Inc., is amended as follows, effective July 15, 1955:

Referring to Amendment No. 4, dated January 7, 1955:

Paragraph 1(a), change July 15, 1955 to September 15, 1955.

Paragraph 2, change March 15, 1956 to May 15, 1956.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute nor the agreed unit cost of any item of work.

Dated August 19, 1955

GALTIE BOY MINES, INC.

By Carl H. Peterson
Carl H. Peterson, Secretary

UNITED STATES OF AMERICA

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

SEAL

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

224 New Customhouse
Denver 2, Colorado

January 25, 1955

WSM

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are the Government, Division, and Docket copies of Amendment No. 4 to Contract Idm-E620 which was prepared in Washington and signed by the Administrator, DMEA, for the Government, and forwarded by your letter of January 10, 1955 for signature by the operator.

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

W. M. Traver

W. M. Traver

Enclosures

Amend #4

SMR. 1186.05

Division Copy

EXPLORATION PROJECT CONTRACT
GALTIE BOY MINES, INC.
DOCKET NO. DMEA-3068

AMENDMENT NO. 4

It is agreed this 7th day of January, 1955, between the United States of America, Department of the Interior, acting through the Defense Minerals Exploration Administration, hereinafter called the "Government," and Galtie Boy Mines, Inc., hereinafter called the "Operator," parties to Exploration Project Contract Idm-E620 (Docket No. DMEA-3068), dated October 2, 1953, as amended, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning November 29, 1954, and ending not later than July 15, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed for completion of the work is extended to March 15, 1956.

3. Annex I attached to the contract is cancelled, and Annex II, attached hereto and made a part hereof, is substituted for the provisions of Article 6 of the Contract.

4. It is of the essence of the Contract that work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the Contract is automatically rescinded and cancelled as of the date of the Contract, without any obligation one party to the other, the same as if the Contract had never been entered into.

Amend #4

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

400 DRC

224 New Customhouse
Denver, Colorado

August 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are the original and two copies of Amendment No. 5 which was prepared and executed in this office as requested by the operator in his letter of July 20, 1955 and as authorized by you in your letter of August 4, 1955.

This amendment extends the suspension period to September 15, 1955 and the completion period to May 15, 1956. Copies of the amendment have been given to the operator, the Finance Officer, Region III, and a copy has been retained for our files.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
AUG 24 1955

Amend. #5

Amend #5

Amea 3068, Amend. #1, 2, 3, 4, 5,

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

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

THE UNITED STATES OF AMERICA

By C O Mitchendorf
Administrator Defense Minerals
Exploration Administration

Butler
Hoffland
"Appd. Sol. Off."
Rutledge
Martin
Guhan
Talbert
Selfridge

GALTIE BOY MINES, INC.

By Carl V Peterson
Secretary

EXPLORATION PROJECT CONTRACT
GALTIE BOY MINES, INC.
DOCKET NO. DMEA-3068

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5 1953

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the 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. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten 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.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

***The period "eleven years" is substituted for the period "ten years."**

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is 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.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

400

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1954

224 New Customhouse
Denver 2, Colorado

October 25, 1954

Memorandum

WSM

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-3620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are the original and two copies of Amendment No. 3 to Contract Idm-3620 which was prepared under authority delegated to this office to authorize a change in the location and extent of the access road to be constructed under the contract. Also enclosed are three sets of data relevant to the amendment.

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

W. H. King

W. H. King

Enclosures

Amend 3

Amend #3

Bureau of the Interior
Bureau of Mines and
RECE
OCT 27 1954

No. 5

AMENDMENT OF CONTRACT: No. Idm-8620

Contract Docket No. DMEA 3066, dated October 2, 1953, between the United States of America and Caltie Boy Mines, Inc., is hereby amended as follows, effective September 16, 1954:

> Referring to "EXHIBIT A" attached to Exploration Project Contract Form MF-200(A) (February 1952) captions "Description of the Work" and "Estimated Cost of the Project", it is hereby agreed that in lieu of construction of the access road from the point and at the location shown on Figure 2, which is attached and made a part of said "EXHIBIT A" instead the road will be constructed from the point and approximately at the location shown on the map titled "Sketch of Brunton Survey on Minnesota, Dry Gulch and Dawn of Day Showing Proposed Road, Scale - 1" = 200 ft. Date 8/19/54 which is attached hereto and made a part of this amendment: and further, whereas the proposed access road heretofore described will only be approximately 600 feet in length, instead of 1400 feet in length as originally proposed, now therefore it is agreed that the access road to be constructed at the revised location will be constructed at a unit cost of $800.00, the entire work constituting the unit of work.

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 25 1954

CALTIE BOY MINES, INC.

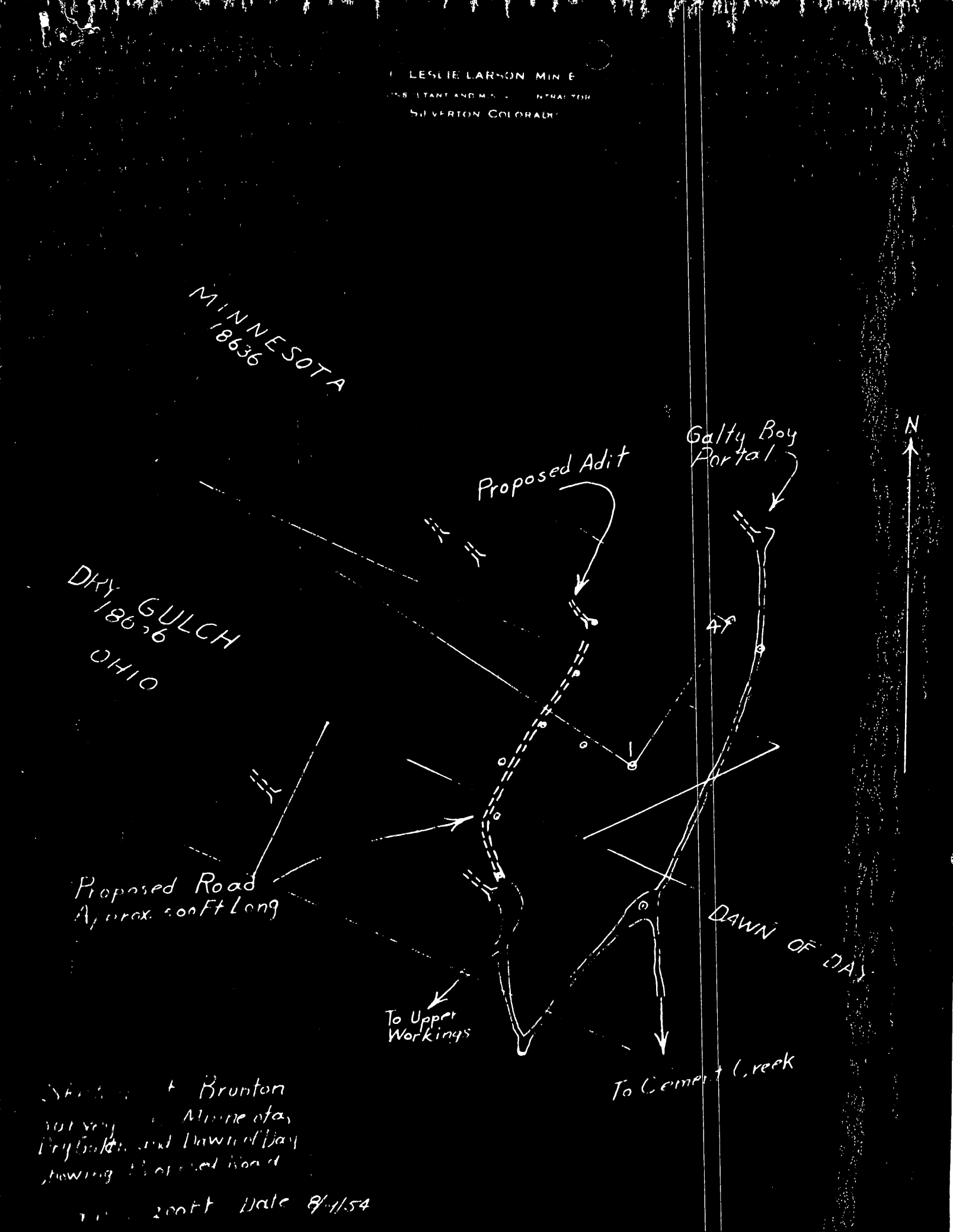
By [signature]

UNITED STATES OF AMERICA

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

Seal

LESLIE LARSON MINE
CONSULTANT AND MINING CONTRACTOR
SILVERTON COLORADO



Brunton
Minnesota
Dry Gulch and Dawn of Day
showing Proposed Road

Date 8/4/54

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 15, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3060, Contract Idm-2620 (Tungsten), Galtie Boy Mines, Inc. (Galtie Boy group), San Juan County, Colo.

Enclosed are the original and eight copies of a memorandum by Glen Walker approving to the Region IV Field Team the request made by the operator of the above contract to construct the access road to the Minnesota vein in a different position than authorized by the original contract.

While Walker recommends the changed road location, which will involve somewhat over 600 feet of road construction on an 8 percent grade, he is of the opinion that the road is being constructed by subcontractors who are primarily interested in the road for their own use and convenience in supplying ore from the Minnesota dump for their Yukon mill. For that reason, he recommends withholding payment for the access road when it is claimed until the operator of Contract Idm-2620 shows his intention regarding the start of and prosecution of drifting on the Minnesota vein.

The possibility should also be investigated of there having been dump ores milled from claims listed in Article 2 of the contract that are subject to Government royalty under Article 6 of the contract.

If, as Walker suggests, the changed road will represent a saving of $1,000.00 in costs, that savings, although it is not mentioned by the contractor and he possibly expects to collect $1,800.00 for an $800.00 job, should be available for other purposes, possibly additional drifting. At the moment, we are not able to make a recommendation for the use of the funds saved, preferring to wait until we see what develops when drifting starts.

W. M. Traver

enclosure

WMT/kp

cc/8, 2620, Chron

Ro

Road
+ Ore
milled
Ampl
3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 13, 1954

Memorandum

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

From: Glen Walker

Subject: DMEA 3068, Contract Ida-8620 (Tungsten), Galtie Boy Mines, Inc. (Galtie Boy group), San Juan County, Colo.--Monthly inspection report

Approximately 125 feet of new road, beginning at the Ohio mine ore bin and trending downhill northeast toward the Minnesota outcrop, has been finished. The road from the Dawn of Day switch-back to the Galtie Boy dump has also been redoned and smoothed into good condition.

The subcontractor indicated a line of stakes marking the general course of the newly proposed road from the Ohio ore bin to the point on the Minnesota outcrop where the new portal is to be located. A Brunton and tape survey was made along these stakes which indicated a total distance of 608 feet and a down grade of about 8 percent. Also, the distance from the lower Minnesota adit to the proposed adit site was measured and it checked very closely with the survey made by the contractor.

There appear to be no field conditions that would cause unusual difficulty to construction of the road in the location proposed by the contractor. It is, however, suggested that Government participation in payment be withheld until the remainder of the contract has been satisfactorily fulfilled; as it appears the subcontractor's prime objective for the road is to obtain the Minnesota dump for his operation of the Yukon mill, which has been down a month due to lack of ore. San Juan County equipment has been used for the latest work. Mr. Fleming, county road commissioner, was contacted and stated it was county policy to help small mine operators, but they expected reimbursement at the rate of $10.00 per hour for a dozer.

It is estimated that the construction of the road along the line staked by the contractor should not cost more than $800.00. It is suggested that the Government not participate in the cost of the road previously constructed from the Dawn of Day switch-back to the Galtie Boy dump as it cannot aid the exploration project in any manner.

Glen Walker
Glen Walker

GW/kp

cc/8. 2620. Chron

200 Mercantile Building
Denver 2, Colorado
August 26, 1954

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

Re: Docket No-MMA-3068

Dear Mr. King:

We ask permission to construct the access road to the Minnesota vein as per attached maps in lieu of the original proposal, due to a large rock slide area between the Celtic Boy Portal and the proposed adit on the Minnesota claim.

This new proposed road is much more practical and will eliminate the rock continually rolling down the mountain onto the road.

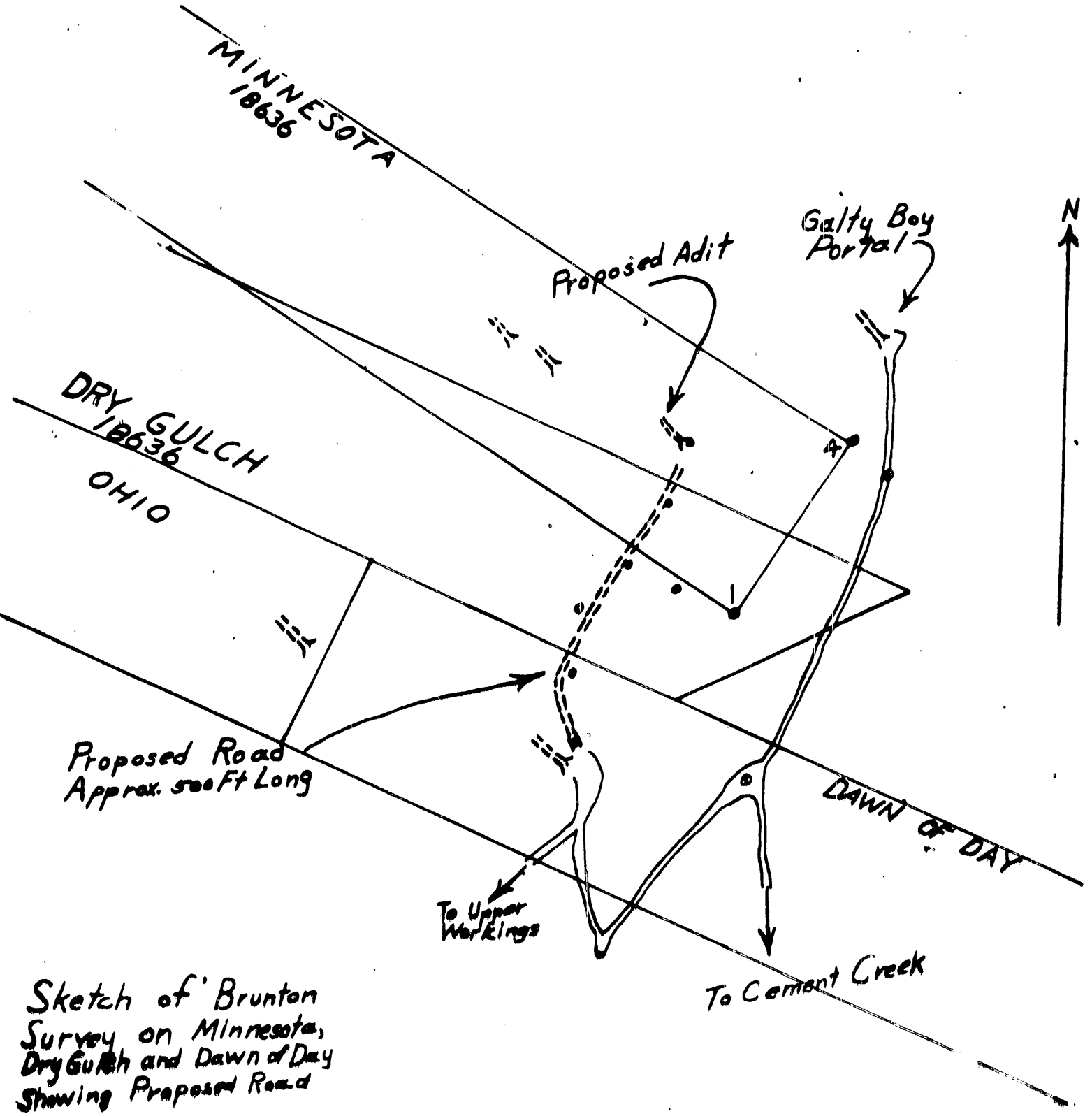
Respectfully submitted,

CELTIC BOY MINES, INC.

Carl H. Peterson

Carl H. Peterson, Secretary

C. L[illegible]Z LARSON, MIN. E.
CONSULTANT AND MINING CONTRACTOR
SILVERTON, COLORADO



Sketch of Brunton
Survey on Minnesota,
Dry Gulch and Dawn of Day
Showing Proposed Road

Scale—1" = 200 ft. Date 9/9/54

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 27 1954

400

224 New Customhouse
Denver 2, Colorado

October 25, 1954

WSM

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3068 (Tungsten), Contract Idm-E620, Galtie Boy Mines, Inc., San Juan County, Colorado

Enclosed are the Government, Division, and Docket copies of Amendment No. 2 to Contract Idm-E620 which was prepared in Washington and signed by the Administrator, DMEA, for the Government and forwarded by your memorandum of October 14, 1954 to authorize an extension of the period within which work would be commenced to October 1, 1954 and extend the period for completion of the project work to September 1, 1955.

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

W. H. King

W. H. King

Enclosures

Amend #2

Amend #2

DATA OF ORIGIN
INFORMATION NOT TO BE REPRODUCED
NATIONAL AERONAUTICS & SPACE ADMINISTRATION
WASHINGTON, D.C.

Division copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 27 1954

EXPLORATION PROJECT CONTRACT
GALATIE BOY MINES, INC.
DOCKET NO. DMEA-3068

AMENDMENT NO. 2

The undersigned parties to Contract No. Idm-2580 (Docket No. DMEA-3068), dated October 2, 1953, hereby agree that the contract shall be and is hereby amended as follows:

Referring to Article 3 of the contract form, as amended by Amendment No. 1, the time for commencing the work is extended to October 1, 1954, and the time for completing the work is extended to September 1, 1955.

Dated October 13, 1954.

THE UNITED STATES OF AMERICA

By C P Mitchell
Administrator, Defense Minerals
Exploration Administration

Hoffland
Rutledge
Talbert
Martin
Selfridge

GALATIE BOY MINES, INC.

By Earl H Pierce

U[illegible]TATES
DEPARTM[illegible]THE INTERIOR
DEFENSE MINER[illegible]TION ADMINISTRATION
WA[illegible]25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
406

224 New Customhouse
Denver 2, Colorado

December 24, 1953

WSM

Memorandum

To: C. O. Mittendorf, Admi[illegible]tor, DMEA

From: Executive Officer, DM[illegible]d Team, Region IV

Subject: Docket DMEA 3068 (Tung[illegible] Contract Idm-E620,
Galtie Boy Mines, Inc.,[illegible]Juan County, Colorado

Enclosed are the original[illegible]d two copies of Amendment No. 1 to Contract Idm-E620 which has been executed to extend the starting time to July 1, 1954, and e[illegible]ablish completion dates prior to November 1, 1954. Also enc[illegible]sed 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

Amend #1

Amend. #1

No. 1

AMENDMENT OF CONTRACT: No. Idm-2020

Contract Docket No. AEC 3008, dated October 2, 1953, between the United States of America and Galtie Boy Mines, Inc., is hereby amended as follows, effective as of the date of the contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form AE-200(..) (February 1952), following the words "The Operator", delete "within 60 (sixty) days from the date of this contract" and in lieu thereof substitute "prior to July 1, 1954", following the words "and shall bring the project to completion", delete "within a period of six (6) months from the date of this contract" and in lieu thereof substitute "prior to November 1, 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 December 16, 1953

GALTIE BOY MINES, INC.

By Alfred O. Brehmer
Alfred O. Brehmer, Treasurer

UNITED STATES OF AMERICA

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

(Seal)

PHONE MA. 7135
MA. 7136

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
DEC - 4 1954

FALK METALS CORPORATION
PRODUCERS OF COPPER, LEAD & ZINC
MERCANTILE BUILDING
1031 15TH STREET
DENVER 2, COLORADO

Silverton
Colorado
December 4
1954

Mr. William H. King
Chief Officer
Regent 4, Room 204
New Custom House Building
Denver, Colorado

Dear Mr. King:

I believe that it is necessary for us to ask for an extension on the Celtic Boy loan. I do not have the serial number with me so would you be so kind and fill in the number Idm-E620.

I am sure that you realize that this loan was granted about October 4, when the first big snow had already fallen, and there was no chance for us to start operations. We are asking that you set this loan up for us until July 1, 1954, because there we planned to do the "cat work" is on the shady side of the mountain. I believe it will be July 1 of next year before we will be able to start building this road.

Sincerely yours,

Walter A. Falk

Walter A. Falk, President
Falk Metals Corporation

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT - 9 1953

DOCKET NO. DMEA 3068

COMMODITY Tungsten

Idm-E620

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 2nd day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Galtie Boy Mines, Inc. A Colorado Corporation
210 Mercantile Building
Denver 2, Colorado

hereinafter called the "Operator," as follows: and as set forth in Annex I attached hereto and made a part hereof.

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 Juan, described as follows:[3] Patented lode mining claims, Ohio, Down of Day, Dry Gulch, Minnesota, Last Chance, Gold Doller, Galtie Boy, and Little Mack, all U. S. Mineral Survey No. 18636

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 (Sixty) days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of six (6) 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. *Cost 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 seventy-five (75) 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 $9,000.00, which is (75) percent of $12,000.00, 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: **See Annex I, substituted for that part of 6(a) preceding the colon.**

(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

Galtie Boy Mines, Inc.
(Operator)

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

By Lee K Peterson
Alfred O. Brehmer, Treasurer

I, Lee K Peterson certify that I am the secretary of the corporation named as Operator herein; that Alfred O Brehmer, who signed this contract on behalf of the Operator, was then Treasurer 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.

Lee K Peterson [CORPORATE SEAL]

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

EXHIBIT A

Description of the Work

Extend the access road approximately 1400 feet from the end of the present road on the Dawn of Day claim to the Minnesota vein as shown on Figure 2 which is attached and made a part of Exhibit A.

At the point where the new access road intersects the Minnesota vein, an adit will be driven on the Minnesota vein 300 feet in a northwesterly direction as shown on Figure 2.

Estimated Cost of the Project

1/ Extend access road approximately 1400 feet including bulldozer, rock work and any and all other costs incurred in completion of the road to the Minnesota vein---$1,800.00

300 feet of drifting on Minnesota vein at $34.00 per foot----------10,200.00

Total estimated cost	$12,000.00
Government participation at 75%	$ 9,000.00

1/ The entire work constitutes the unit of work.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Denver Land Office
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 Juan, described as follows:1/

Patented lode mining claims: Rio, Dawn of Day, Dry Gulch, Minnesota, Lead Queen, Gold Dollar, Cattle Boy, and Little Mack, all U. S. Mineral Survey No. 1893.

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/ Cattle Boy Mines, Inc. A Colorado Corporation
210 Mercantile Building
Denver 2, Colorado

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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.

4. Changes and added provisions _____

Dated this 24 day of August, 1953.

Eva M. Bacon [Seal]

Frank Ross [Seal]

_____ [Seal]

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 no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

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 the 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, in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

(b) 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.)

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.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
OCT 6 1953

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If 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 a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. 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, as follows: (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 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:

[illegible]

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

October 6, 1953.

Memorandum

To: All employees of the Department

From: Under Secretary

Subject: Meeting in Department Auditorium, October 9.

In order that the Department may get off to a good start in connection with the Community Chest Campaign, there will be a meeting held in the Department Auditorium at 2:00 p.m., October 9, for which an outstanding program has been arranged.

This Department has always responded generously in previous campaigns and the Secretary is confident that he can depend upon the cooperation of all Interior Department employees during this one. In an effort of this magnitude, the wholehearted support of everyone is needed. It is urged that you attend the meeting because I feel it will help the Department considerably in prosecuting a successful campaign.

Department Chairman
Community Chest Campaign

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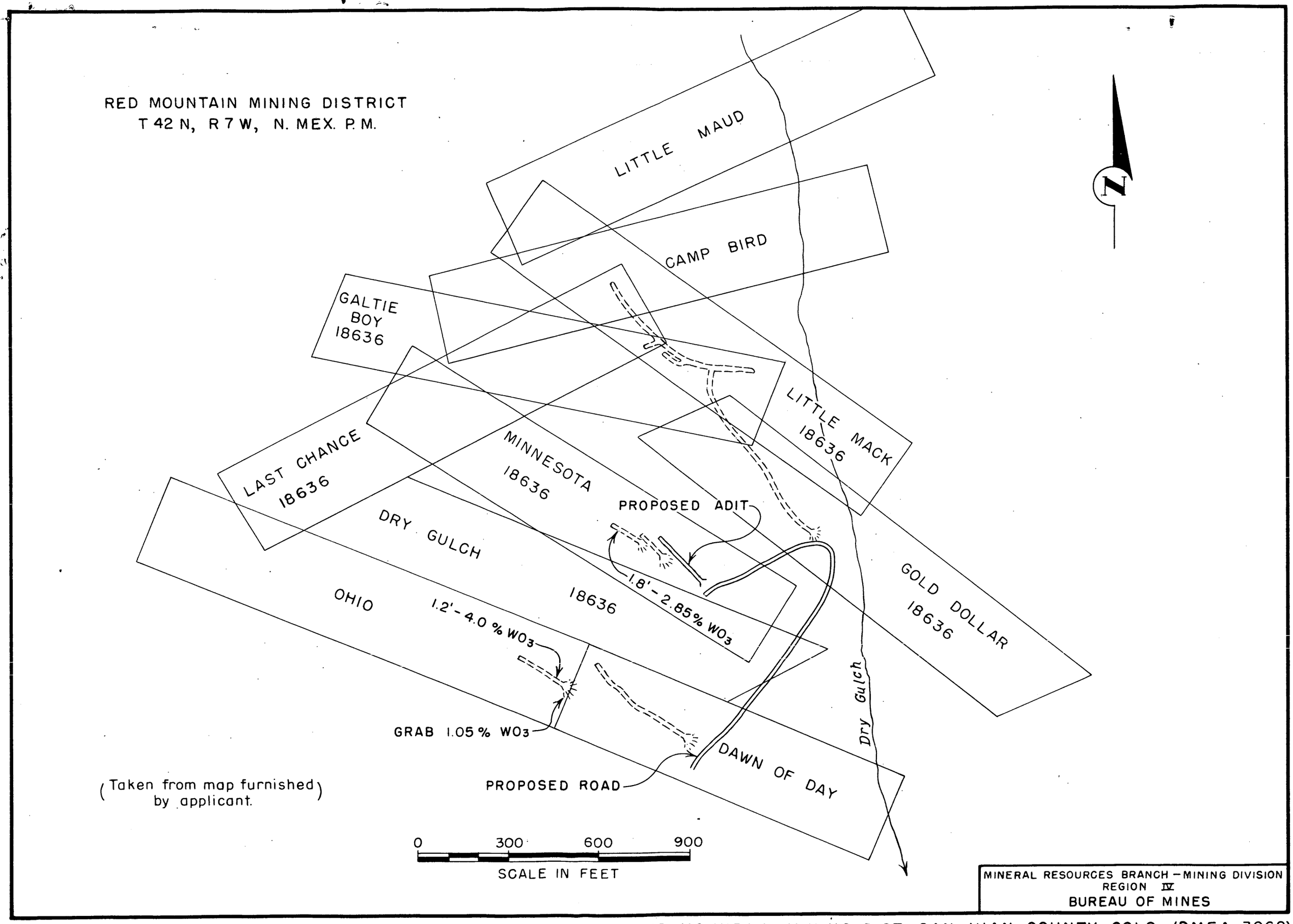
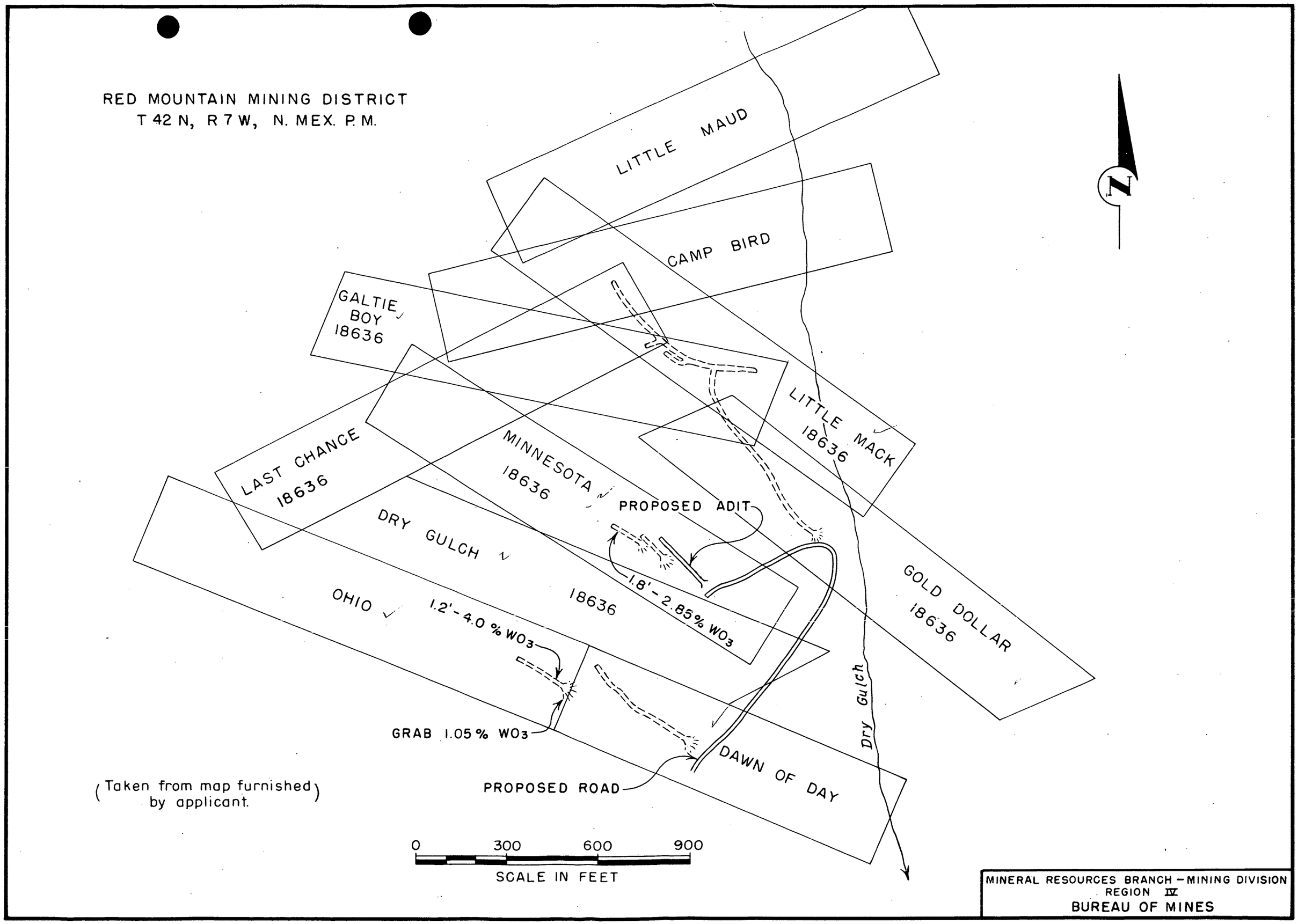


FIGURE 2 - CLAIM AND EXPLORATION MAP, GALTIE BOY GROUP, RED MOUNTAIN MINING DIST., SAN JUAN COUNTY, COLO. (DMEA 3068)



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