Mr. J. L. Sturmes
2600 Bunker Street
Denver 7, Colorado

Re: DMEA-3286 (Tungsten)
J. L. Sturmes JAN 1 1 1963
Pengout Claims
Boulder County, Colorado
Contract Ida-2699

Dear Mr. Sturmes:

In accordance with your request of December 3, 1962, for all pertinent information pertaining to the subject contract, enclosed are copies of the following:

(Operator's) Final Report on the Pengout Mine, Sugarloaf Mining District, Gordon Gulch, Boulder County, Boulder, Colorado. Docket DMEA 3286, Ida-2699.

Assay Report, Charles O. Parker & Co., to J. L. Sturmes, February 14, 1955.

Sample Sheet (map) on the Pengout Mine. Ida-2699. (Shows location of samples listed on assay report).

Reports on the subject project by Government engineers are confidential, for use of the Government only.

Your understanding that the Government's royalty obligation continues through 1964 is not entirely correct. The date of expiration of the royalty period is August 15, 1964, as stated in our letter of September 1, 1955, copy of which letter and of the certification of discovery or development are also enclosed.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

SFWoitfun
1-10-63
cc: Director's Reading File
Reg. III w/2 copies of Sturmes' ltr of 12/3/62
DMEA Division
Docket Code 500

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-R699, Docket DMEA-3286 (tungsten), dated August 19, 1954, with

J. L. Starnes
2609 Dexter
Denver 7, Colorado

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Poopout Claims located in Boulder County, Colorado, during the period June 16, 1959, through November 26, 1962.

A certification of discovery or development was issued on August 31, 1955, and, in accordance with Annex I of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated February 28, 1955, indicated accepted costs under the exploration contract amounting to $14,000.00 with the Government's contribution on a 75 percent basis being $10,500.00.

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

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 15, 1959. Accordingly, as of November 26, 1962, the royalty account of this project was found to be:

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

E. D. Talbert

E. D. Talbert, OME Auditor

December 6, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of the unpatented Poopout and Poopout Extension claims located in sec. 34, T. 1 N., R. 72 W., 6th P.M., Sugar Loaf Mining District. At the time the contract was executed the Operator was the owner by virtue of relocation on March 12, 1954. The contract contains the so-called "abandonment" provision.

Exploration work under the contract was completed January 12, 1955. No ores were produced during the exploration period. Subsequent examinations of the property and inquiries by DMEA and OME regional representatives found the property inactive through February 19, 1960.

In a November 26, 1962, reply to a MME Form 63 inquiry the Operator advised that neither change in property status nor production has occurred since February 19, 1960.

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

(1) The files indicate that no minerals have been produced from the property since the date of the contract; and

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

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 13 1962

DATE		
		800

Building 20 - Federal Center
Denver 25, Colorado

December 11, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-3286 (Tungsten)
Contract Idm-E699
J. L. Starnes
(Footpost Claims)
Boulder County, Colorado

Attached is the original Report of Royalty Review dated December 6, 1962 on the subject property covering the period June 16, 1959, through November 26, 1962.

Original signed by

Hugh N. Connors

Attachments

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm-E699
Chron
HNC/lm

DEC 6 1962

Memorandum

To: Acting Field Officer, Region XII

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

Subject: DMEA-3286 (Tungsten)
J. L. Starnes
Peepout Claims
Boulder County, Colorado
Contract IDm-8699

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 12-6-62

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

EXTRA COPY O. M. E RECEIVED SEP 26 1960		
DATE	INITIALS	CODE
		800

September 15, 1960
Lusk, Wyoming

Manager, Land Office
Bureau of Land Management
293 New Custom House
Denver, Colorado

Att: Mr. Bennett, extn. 216

Subject: Jackpout
MMA - IDM 499

Dear Mr. Bennett:

Under date of May 7, 1960, I called to your attention those certain instruments of record and requested from you certain requirements regarding my mining locations and certain reversite regulations.

I have this date been advised from California, that a certain court ruling was decided in favor of the miner.

As this particular property is very valuable and as I have considerable monies invested, I respectfully await your response.

Very truly yours,

J. L. Starnes

JLS:pm

cc. Mr. Hugh M. Connors
Acting Field Officer, M.,
Region 3,
Building 20
Denver Federal Center
Denver, Colorado

Selfridge (2)

REPORT OF
ROYALTY REVIEW

JUN 19 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Idm-[illegible]99, Docket No. [illegible] 3286, dated August 19, 1954, with

J. L. Starnes
2800 Walnut Street
Boulder, Colorado

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Tungsten, from property referred to as Poop Out Claim, located in Boulder County, Colorado, during the period August 19, 1954 to June 15, 1959.

A Certification of Discovery or Development was issued on August 31, 1955, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated February 28, 1955, indicated accepted costs under the exploration contract amounting to $14,000.00 with the Government's contribution on a 75 percent basis being $10,500.00.

No royalty has been paid to the Government to date in connection with this contract.

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

(a) According to the Field Team's Annual Report of certified project for the period January 15, to December 31, 1955, operation ceased about January 15, 1955; no ore has been shipped since August 19, 1954, (The date of the exploration contract). Subsequent semi-annual reports of Field Team during the period January 1, 1956 to December 31, 1958 indicate the property inactive and no operations or ore shipments are anticipated in 1959.

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

June 15, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

JUN 22

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-3286 (Tungsten)
J. L. Starnes
Contract No. Idm-8699

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

EDTalbert/ama
June 22, 1959

Copies to: Docket
Director's Reading File
Code 800

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

J. L. Starnes
2800 Walnut Street
Boulder, Colorado

pertaining to Exploration Project Contract No. Idm-E699, Docket No. DMEA 3286, including Amendment No. 1, for the months of September, 1954 to January, 1955, inclusive, covering a project for the exploration of tungsten on property known as Poopout Claim, located in Boulder County, Colorado.

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

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

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

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

Total cost as billed by Contractor:		$14,000.00
Exceptions:		
By DMEA Finance Officer	$0.0	
Herewith	0.0	
Total Accepted Cost		$14,000.00

The contract calls for a 75% participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Ten Thousand, Five Hundred, and no/100ths Dollars

$10,500.00

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

Date: February 28, 1955

T. H. Brading, Auditor.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
SEP 26 1955

224 New Customhouse
Denver 2, Colorado

September 21, 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: J. L. Starnes
Contract Idm-E699
Docket No. DMEA-3286

Dear Mr. Talbert:

Reference is made to your letter of September 15, 1955, regarding subject contract.

The primary reasons we have been holding Reports of Review are as follows:

1. Instructions in your letter to George Mavor, dated December 8, 1953, signed by Mr. Chambers, subject Idm-E455, DMEA-1953, Frank Bullock, Elko County, Nevada.

2. Due to a heavy work load in this region, in many cases two or more engineers have examined the same project, and in some cases, another engineer prepared the final report. Engineers do not always interpret the engineering results as applied to the contract in the same way, with the result that one engineer will approve an item, and on the next examination a different engineer will disallow a similar item. In the case mentioned below the Executive Officer approved both MF-104's.

I appreciate that it is our responsibility to interpret the terms of the contract insofar as reimbursement to the Operator is concerned; but at the same time have our opinions in agreement with those of the Executive Officer, which is not always clearly defined prior to receipt of the final engineering report.

The specific case I have in mind is the Flat Top Mining Company, Contract Idm-E672, Docket No. DMEA-3190. On July 27, 1955, at the specific request of Mr. Traver I wrote to Mr. Chambers for an opinion on the terms of this contract. You replied to his letter on August 1, 1955, and on August 4, 1955, I wrote you regarding a discussion I had had with John Shaw on this contract.

Glen Walker, one of the engineers who examined the project, is supposed to have written a final report on the contract, which apparently has been misfiled. In the meantime Walker was transferred from Denver to Grand Junction. Shaw told me last week that Walker was told to rewrite the final report if he was unable to locate the original. What his final measurements will be are questionable, as is Shaw's stand in the matter.

However, we will be guided by your instructions regarding the date on Reports of Review in the future. This letter is written so that you will understand the occasional comment on our work load report, "Holding for Final Engineer's Report."

Sincerely yours,

T H Brading

T. H. Brading, Auditor.

Mr Chambers

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

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

SEP 15 1955

Re: J. L. Starnes
Contract Idm-E699
Docket No. DMEA-3286

Dear Tom:

Reference is made to your letter of September 12, 1955, in reply to mine of August 31, 1955, relative to the release of the Report of Review covering the subject project.

Your comments on the monthly Work Load Reports to the effect that release was being held for the engineer's final report have been interpreted by this Division as indicating that the MF-104's had been reviewed, the Report of Review had been drafted but not typed, and that the engineer's final report was required for satisfactory verification of the units of work performed. Apparently, however, you have had the reports typed and dated prior to a confirmation of the units of work performed.

In no other DMEA region do we find it necessary as a matter of general procedure to withhold release of Reports of Review pending the availability of the engineer's final report. Since Region III (and no other region) has a procedure whereby very comprehensive interim reports from the engineers are attached to the monthly forms MF-104, it would seem that there would be less need for holding the Report of Review for release of the engineer's final report which may be delayed for any number of technical or administrative reasons. It should be noted that in the Report of Review format (page 68 of the Audit Manual) the second paragraph had a blank space (identified as "J"), for insertion of the applicable explanation (see comments at the bottom of page 69).

The date of a Report of Review, as well as an Audit Certificate, should be the date that the Report is signed by the auditor and either released to the Field Team or submitted to this Division for approval, as may be required in the circumstances. Of course a date slightly in advance of such signing and release or submission, to allow for typing time, is acceptable. Therefore, it is my suggestion, that you withhold typing of Reports of Review until you have performed all the work incident thereto including verification to your satisfaction

of the units of work performed. In case it is advantageous to have the Report of Review typed prior to what you may consider adequate verification, then the date should be left blank by the typist and inserted by you at the time of signature.

In regard to the last paragraph of your letter, I see no need for the formality of a transmittal letter to the Executive Officer. A reference or back-slip appears sufficient. However, this is a matter in which you have "free rein".

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
September 15, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

RECEIVED
SEP 14 1955

224 New Customhouse
Denver 2, Colorado

September 12, 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: J. L. Starnes
Contract Idm-E699
Docket No. DMEA-3286

Dear Mr. Talbert:

Reference is made to your letter of August 31, 1955, regarding apparent undue delay in releasing Report of Review covering subject contract.

This was a short form contract. My actual Report of Review was completed and the report was typed February 28, 1955.

On the Work Load Report for the month of February, 1955, this report was shown as completed in February, 1955. Under "Comments" notation was made that the release of this Report of Review was held pending release of Engineer's Final Report. A similar comment was made on the March Work Load Report. Attached is copy of letter from W. M. Traver dated April 29, 1955. Based on this information, Report of Review was released that same day.

It has been the understanding of both Don and myself that this was the procedure to be followed. In other words, in order to avoid any reflection on the Contract Administration and Audit Division by the Field Team, due to circumstances over which this Divison had no control, such as in the instant case, the date the work was completed should be shown.

I checked the contents of your letter with Mr. Traver, Executive Officer, and he stated that his letter to Mr. Christensen, was a routine form letter and no reflection on the Division was intended.

As I interpret your letter, in the future the date the final check of the Engineer's report is made will be the date shown on the Report of Review.

We have consistently followed the other procedure, excepting in isolated or unusual cases, and have gone on the theory that we were protecting the standards of the Contract Administration and Audit Division. In all cases our Work Load Report will show the month in which the work was completed, with the exception of the routine check of the Engineer's Report which usually can be accomplished in a relatively short time.

Quite often we will have a short lapse of time between on-site or royalty audits or reviews, which after all are time consuming, and will handle a Report of Review and date it on the date the work was completed, knowing that it will have to be held until the Engineer's Report is received.

As a suggestion subject to your approval, why not continue our present procedure and in our transmittal letter to the Executive Officer state "This report was completed on February 28 but distribution was delayed until April 29, pending receipt of Engineer's Final Report"?

Your comments in this matter will be appreciated.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor.

Enc.

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

RECEIVED
SEP 14 1955

224 New Customhouse
Denver 2, Colorado

April 29, 1955

Memorandum

To: Tom Brading

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA-3286 (Tungsten), Contract Idm-E699, J. L. Starnes (Poopout claim), Boulder County, Colorado

The work has been completed satisfactorily on the subject contract, and it is now in order for you to prepare an Audit Review Report.

W. M. Traver

W. M. Traver

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

AUG 31 1955

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Contract No. Idm-E699
Docket DMFA-3286
J. L. Starnes

Dear Mr. Brading:

The attention of this Division has been called to a memorandum dated May 3, 1955 from Mr. Traver to Mr. Christenson wherein it is stated that final payment under the subject contract should be made on a basis "which is in conformance with the Report of Review by the Contract Administration and Audit Division dated February 28, 1955 which was released to this office April 29, 1955."

The quoted statement has been interpreted as indicating a two month's delay by this Division in effecting release of the Report of Review. It is noted, however, that the Washington copies of the Report of Review were not received until May 2, 1955.

It is presumed that you withheld release of this report pending verification of the number of units of work performed. If this is true the Report should have borne the date that your review and verification was completed. Otherwise, the Report should have been released to the Field Team promptly after February 28, 1955.

Please check into this matter and advise me as to the facts and the steps taken to avoid a recurrence of this situation whereby this Division is charged with the responsibility for the delay in settlement.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
August 31, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

May 3, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3286 (Tungsten), Contract Idm-E699, J.L. Starnes, Poop Out Claims, Boulder County, Colorado — FINAL PAYMENT

Reference is made to our memorandum of February 17, 1955, whereby we transmitted the final Form MF-104 Operator's Monthly Report and Voucher for the month of January 1955 and instructed you to withhold the amount of $100.00 from reimbursement to the operator pending receipt of the operator's final report and release of the final Report of Review by the Contract Administration and Audit Division.

The operator's final report has been received, therefore we now recommend that final payment to the operator be made on the following basis, which is in conformance with the Report of Review by the Contract Administration and Audit Division dated February 28, 1955 which was released to this office April 29, 1955.

Basis for Final Payment

Total Accepted Cost	$14,000.00
Government Participation at 75%	10,500.00
Total Prior Payments	10,400.00
Balance Due the Operator	$ 100.00

JWT:jp
cc Subject
Chron
Sec. to Op. Comm. (2)
Shaw
Townsend

W. M. TRAVER

W. M. Traver

100.00
JJS

5/10/55 Dma 55-89

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 - 1955

Month of January, 1955 Docket No. DMEA 3286 Contract No. Idm-R609
Operator's Name J. L. Starnes Minerals Tungsten
Address 2800 Walnut Street, Boulder, Colorado
Contract Amount, $14,000.00 Government Participation: 75% Amount, $10,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts: Short Form						
~~Drilling~~ Surface Prep.	-	$500.00	$500.00			
~~Building~~ Headframe	-	$300.00	$300.00			
~~Crosscutting~~ Shaft Prep.	-	$700.00	$700.00			
Drifting	$1,140.00	$4,860.00	$6,000.00			
Sinking	-	$6,375.00	$6,375.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	$125.00	-	$125.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1265.00	$12,735.00	$14,000.00	*1265.00	12,735.00	14,000.00

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

Date Jan. 26, 1955 *Payee J. L. Starnes

J. L. Starnes

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 848.75

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 2-24-55 Vou. No DMA-55-65
(See other side)

* 100.00 Withheld

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 8699 in accordance with the terms of the contract.

Signature R. Bolmer, $948.75 Title Mining Engineer Date FEB 15 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Rest.

Signature W. M. Haven Title Executive Officer Date FEB 17 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 - 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1955 Docket No. DMEA 3288 Contract No. Ida-n699

Operator's Name J. L. Starnes Minerals Tungsten

Address 2800 Walnut Street., Boulder, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	$1140.00	38	$6000.00	200	$30.00	200	$30.00
Crosscutting								
Raising								
Shafts	foot	-	-	$6375.00	85	$75.00	85	$75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching Assays	each	$125.00	25	$125.00	25	$5.00	25	$5.00
West Pit Surface Prep.	job	-	-	$500.00	job	$500.00	job	$500.00
Road and Trail Headframe	job	-	-	$300.00	job	$300.00	job	$300.00
Shaft Prep.	job	-	-	$700.00	job	$700.00	job	$700.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1265.00	63	$14000.00				$14000.00

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

Date January 26, 1955 Operator J. L. Starnes

Per _____ Title _____

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 - 1955

Administrative Audit Difference Statement

Date: February 24, 1955
Payee's Reference: January 1955

Dr. J. L. Stanco
2600 Walnut Street
Denver, Colo.

Dear Mr. Stanco

Upon examination of the above Payee's reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$ 1,265.00
Difference	$
Amount Approved	$ 965.75

The reason for the difference was due to:

$ 299.00 withheld pending receipt of final report.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N.E.Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

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

224 New Customhouse
Denver 2, Colorado

February 17, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3286 (Tungsten), Contract Idm-E699, J.L. Starnes (Poop Out Claims), Boulder County, Colorado -- Operator's Monthly Progress Report for the period January 1955

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 percent of the amount reported by the operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $100.00 is to be withheld from payment to the operator pending receipt of the operator's final report and release of the final Report of Review by the Contract Administration and Audit Division.

Remarks:

Date of Report.....Jan. 26, 1955
Date Received in Field Office.....Feb. 14, 1955
Date Received in Region Office....Feb. 16, 1955

RDB: jp

Encls.

W. M. Traver

cc Subject
Chron
Sec. Op. Comm. (2)
Shaw
Townsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd
FEB 16 1955
BUREAU OF MINES

Region III

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

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw

From: R. L. Bolmer

Subject: DMEA 3286, Contract Idm-E699 (Tungsten) J. L. Starnes (Poop Out claims) Boulder County, Colorado - Progress report for January 1955

The progress reported for the period under the subject short-form contract--38 feet of drifting on the Poop Out vein--was verified during an inspection of the property February 7, 1955. The advance this period completes the 200 feet of drifting northeasterly from the shaft authorized under Stage II of the contract. The final round in the drift was mucked out January 12, 1955. This date can be considered the date of completion of the project. The analyses of the samples taken previously, however, were not received by the operator until February 14, 1955. The 25 analyses reported this period are authorized by Amendment No. 1 of the contract. The claim for reimbursement of the analysis charge is supported by a copy of the assay return from Charles O. Parker and Company, Denver, Colorado.

The Poop Out vein exposed along the final 38 feet of the northeast drift continued narrow and poorly defined and remained unmineralized.

The operator's final project report is in preparation and should be submitted shortly. It will include a map showing the locations of the samples, the analyses charges for which are claimed this period.

The $1,265.00 total costs reported on the operator's MF-104 forms for the period--equivalent to the completed 38 feet of drifting at the agreed upon unit price of $30.00 per foot plus 25 analyses at the authorized unit price of $5.00 each--are approved. Reimbursement to the operator of 75 percent of the approved costs, or $948.75, is recommended. Inasmuch as this will be the final and total amount due the operator under the terms of the contract, the usual percentage of holdback is in order until the operator's final report has been submitted and other details pertinent to the completion of the project have been settled.

R. L. Bolmer

R. L. Bolmer
Mining Engineer

cc 6

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
MAR 2 - 1955

(c).

A narrative report accompaning NF-104A on Docket No. DMEA 3286. Contract NO. Idm-2699 Poopout contract. Submitted with "Operators Monthly Report and Voucher"., and "Operators Unit Cost and Progress Report".

A total distance of 200 feet of drifting on the Poopout Vein has been accomplished within the terms of the above listed contract. A distance of 38 feet being submitted with the January Report.

No change in the Poopout Vein was noticed during the last 38 feet of drifting.

The final report shall list all geological and engineering data as prescribed under the above listed contract, including an estimate of ore reserves resulting from the exploration program.

Very truly yours,

J. L. Starnes

January 26, 1955.

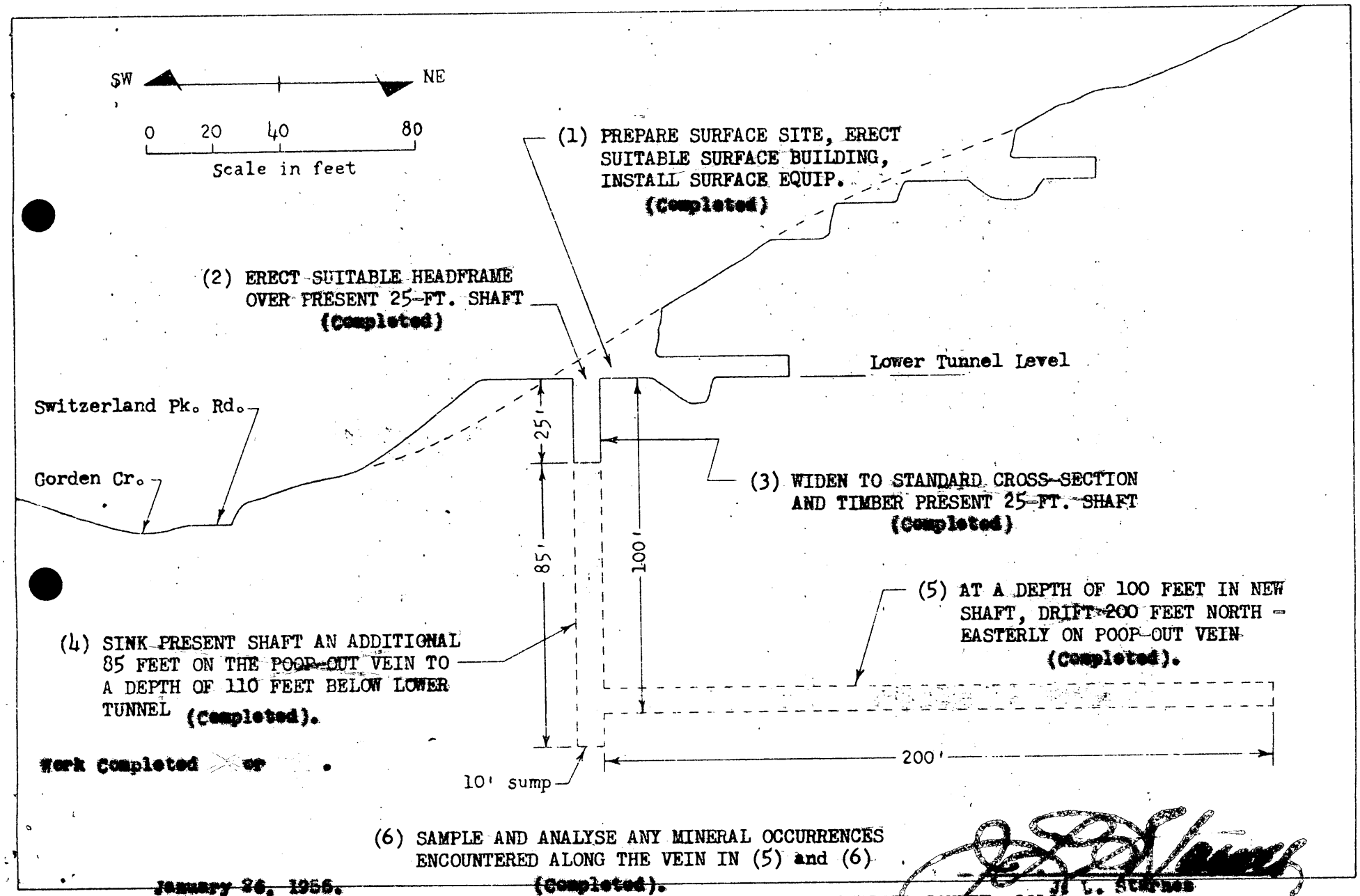


FIGURE 3 - LONGITUDINAL SECTION OF POOP-OUT VEIN, BOULDER COUNTY, COLO., SHOWING PRESENT WORKINGS AND PROPOSED EXPLORATION. DMEA 3286

2114 CURTIS STREET TELEPHONE MAin 1852

CHEMISTS • ASSAYERS • ENGINEERS
DENVER 2, COLORADO

Folio 6934

Date Feb. 14, 1955.

J. L. Stames,
Poopout Mine,
Gordon Gulch, Sugar Loaf, Colorado.

We hereby Certify, that the samples assayed for you gave the following results:

DESCRIPTION	GOLD OUNCES PER TON	SILVER OUNCES PER TON	COPPER PER CENT (WET)	LEAD PER CENT (WET)	ZINC PER CENT	IRON PER CENT	INSOLUBLE PER CENT	VALUE PER TON
			8 acetic acid (HC)					
Sample No. 1 - Vein			4.06%					
2 - 6" representative			4.07%					
3 - 10" " " "			2.00%					
4 - Vein			6.62%					
5 - 6" " " "			6.11%					
6 - 10" " " "			1.00%					
7 - Vein			3.32%					
8 - 6" " " "			3.04%					
9 - 10" " " "			1.14%					
10 - Vein " " "			6.44%					
11 - 6" " " "			4.70%					
12 - 10" " " "			2.19%					
13 - Vein			11.05%					
14 - 6" " " "			6.77%					
15 - 10" " " "			3.33%					
16 - Vein			2.19%					
17 - 6" " " "			1.01%					
18 - 10" " " "			0.76%					
19 - Vein			4.51%					
20 - 6" " " "			4.24%					
21 - 10" " " "			2.52%					
22 - Hand picked and sorted;			17.55%					
23 Average across 6" vein —			22.23%					—composite.
24 Average on 10" cut —			0.92%					
25 - Average on normalized—			4.99%					— vein material.

Gold at_____per ounce Copper at_____per unit

Silver at_____per ounce Zinc at_____per unit

Lead at_____per unit

Charge $125.00 Paid

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS

Charles O. Parker

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

Budget Bureau No. 42-R1036.4
Approval Expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
OPERATED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1954 Docket No. DMEA 3286 Contract No. Idm-5609
Operator's Name J. L. Starnes Minerals Tungsten
Address 2800 Walnut Street, Boulder, Colorado
Contract Amount, $ 14,000.00 Government Participation: 75 % Amount, $ 10,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
~~Drilling~~ Surface prep.	-	$500.00	$500.00			
~~Bulldozing~~ Headframe	-	$300.00	$300.00			
~~Prospecting~~ Shaft prep.	-	$700.00	$700.00			
Drifting	$2,430.00	$2,430.00	$4,860.00			
Sinking	-	$6,375.00	$6,375.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2,430.00	$10,305.00	$12,735.00	2430.00	10305.00	12735.00

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

Date Jan. 3, 1955 *Payee J. L. Starnes

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1822.50

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 1-14-55 Vou. No. DMA-55-54

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E699 in accordance with the terms of the contract.

Signature R. L. Bolmer, $1,822.50 Title Mining Engineer Date JAN 11 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. S. Ring Title Executive Officer Date JAN 13 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1954 Docket No. DMEA 3288 Contract No. Idm-3699
Operator's Name J. L. Starnes Minerals Tungsten
Address 2800 Walnut St., Boulder, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	foot	$2,430.00	81	$4,860.00	162	$30.00	200	$30.00
Crosscutting								
Raising								
Shafts	foot	-	-	$6,375.00	85	$75.00	85	$75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Dest. Tests								
Roads and Trails								
Surface Prep	job	-	-	$600.00	job	$600.00	job	$600.00
Headframe	job	-	-	$300.00	job	$300.00	job	$300.00
Shaft Prep.	job	-	-	$700.00	job	$700.00	job	$700.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2,430.00	81	$12,735.00				$14,000.00

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

Date Jan. 3, 1955. Operator J. L. Starnes

Per ..... Title .....

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

January 13, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3286 (Tungsten), Contract Idm-E699, J.L. Starnes, Boulder County, Colorado - Operator's Monthly Progress Report for the month of December 1954

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 percent of the amount reported by the operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of operator's report.....Jan. 3, 1955
Date report received in B.O.M. field office..Jan. 7, 1955
Date report received in regional office.....Jan. 12, 1955

Please mail operator's check to: 2800 Walnut Street
Boulder, Colorado

W. H. King

Enclosures
JWT:jp
cc Subject
Chron
Sec. Op. Comm. (2)
Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
January 12, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: W. M Traver

Subject: DMEA 3286, Contract I m-E699 (Tungsten), J. L. Starnes (Poop Out claims), Boulder County, Colo.--Progress report for December 1954

Enclosed are the original and four copies of the subject progress report, the fourth one--forms MF-104 and MF-104A, with narrative and progress sketch--and the original and six copies of R. L. Bolmer's memorandum covering his inspection of the underground progress and checking the reporting forms. The contract is unit cost on short-form MF-200(A) and no documentation is required.

Bolmer visited the project on his routine inspection January 3, 1955, and verified the 81 feet of drifting on 100-foot level of the Poop Out vein as authorized under Stage II of the contract. The drifting advance is correctly reported in the narrative and entered on the MF-104A forms. Entries and extensions are in order on reporting forms. The inspecting engineer describes the month's progress and reports that the operator will have samples of the vein available shortly and will probably complete the authorized drifting during January.

Payment is approved and certified on the MF-104 forms of $1,822.50 or 75 percent of the total, $2,430.00 claimed by the contractor.

L. D. Everett, for
W. M. Traver
Mining Engineer

WMT/dj

enclosures
cc: 5
E699
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
January 11, 1955

Memorandum

To: W. M. Traver

From: R. L. Bolmer

Subject: DMSA 3286, Contract Idm-E699 (Tungsten), J. L. Starnes (Poop Out claims), Boulder County, Colo.--Progress report for December 1954

The progress reported this period under the subject short-form contract--81 feet of drifting on the Poop Out vein--was verified during an inspection of the property January 3, 1955.

Two-hundred feet of drifting on the Poop Out vein northeasterly from the shaft at a depth of 100 feet below the lower tunnel level is authorized under Stage II of the contract. The drift had been advanced a total of 162 feet northeasterly from the shaft at the close of this reporting period.

The vein exposed along the drift this period continued as a narrow quartz structure within granite. It remained nearly vertical but its course varied between N. 35° E. and N. 65° E. The structure was barren of all tungsten mineral in the final 48 feet of advance. In the breast at 162 feet, the barren structure contains only about an inch of quartz and minor amounts of talc. The vein in this section is very tight and the granite wall rock is relatively unaltered.

The operator probably will complete the authorized contract work during January. Some attempt probably will be made to further explore and to mine the small and narrow ore shoots encountered in the shaft and along the 100-foot level drift. A certification of the discovery, therefore, probably is warranted. The operator has sampled the vein at various locations and will submit his sample data and assays next period.

The $2,430.00 total costs reported for the period on the operator's MF-104 forms--equivalent to the completed 81 feet of

drifting at the agreed upon unit price of $30.00 per foot--are approved. Reimbursement to the operator of 75 percent of the approved costs, or $1,822.50, is recommended.

R. L. Bolmer

R. L. Bolmer
Mining Engineer

RLB/dj

cc: 16
E699
DMEA Chron

PROPERTY OF THE UNITED
Defense Minerals Administration
RECEIVED
JAN 6 1958

(c).

A narrative report accompaning Mf-104A on Pocket No. DMRA 3236 Contract No. Idm-P699 Peopout contract. Submitted with "Operator's Monthly Report and Voucher"., and "Operator's Unit Cost and Progress Report".

A total distance of 162 feet of drifting on the Peopout Vein has been recorded this month. A distance of 81 feet of drifting has been accomplished this month of December. Several working shifts were lost due to the holidays and bad weather.

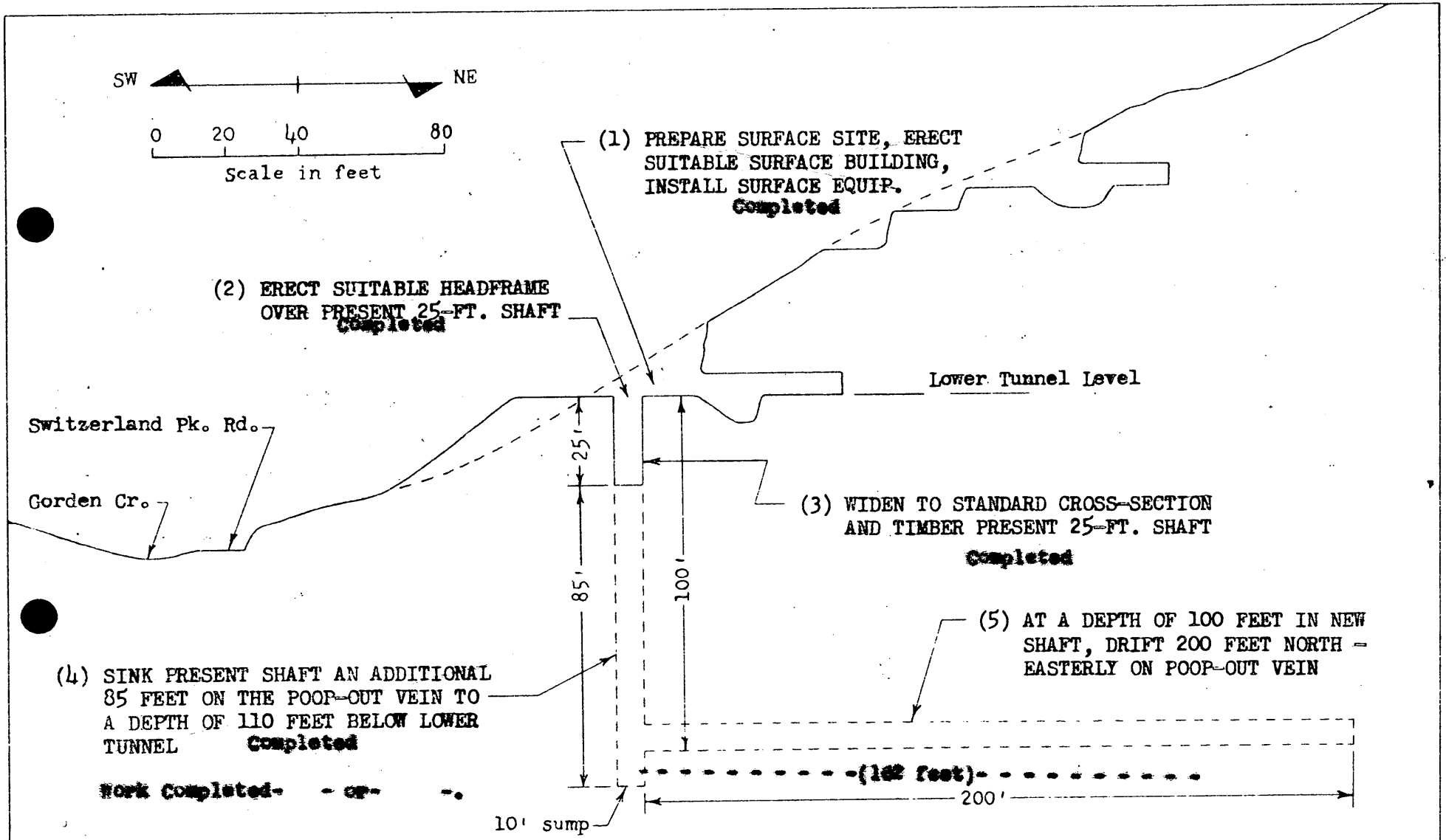
The vein appears to be weakening and little mineralization has been noticed during the later shifts. Drifting is now following several inches of horn-quartz.

Assays of the mineralized portions have been taken and are now in the process of being assayed for content. These assays will be submitted in the future to you.

Very truly yours,

J. E. Staines

January 3, 1958



Work Completed- - or- -.

(6) SAMPLE AND ANALYSE ANY MINERAL OCCURRENCES ENCOUNTERED ALONG THE VEIN IN (5) and (6)

Report for month of December, 1954.

J. L. Sterner

FIGURE 3 - LONGITUDINAL SECTION OF POOP-OUT VEIN, BOULDER COUNTY, COLO., SHOWING PRESENT WORKINGS AND PROPOSED EXPLORATION. DMEA 3286

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1954 Docket No. DMEA 3286 Contract No. Idm-609

Operator's Name J. L. Turner Minerals Tungsten

Address 2800 Walnut St., Boulder, Colorado

Contract Amount, $ 14,000.00 Government Participation: 75 % Amount, $ 10,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors: Short Form						
Drilling Surface prep.	-	500.00	500.00			
Bulldozing Headframe.	-	300.00	300.00			
Crosscutting Mill prep.	-	700.00	700.00			
Drifting	2,430.00	-	2,430.00			
Sinking	750.00	5,625.00	6,375.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,180.00	7,125.00	10,305.00			

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

Date Nov. 30, 1954 *Payee J. L. Turner

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2385.00

Signature Russell K. Cooper
(Authorized Certifying Officer)

Date 12-17-54 Vou. No DMA-II-41

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E699 in accordance with the terms of the contract.

Signature R. P. Bolmer, $2,385.00 Title Mining Engineer Date DEC - 8 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date DEC 13 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1954 Docket No. DMEA 5886 Contract No. 14m-699

Operator's Name J. L. Starnes Minerals Tungsten

Address 2800 Walnut St., Boulder, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Foot	$2,420.00	81	$2,420.00	81	$30.00	200	$30.00
Crosscutting								
Raising								
Shafts	Foot	750.00	10	$6,375.00	85	$75.00	85	$75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Surface Prep.	Job	-	-	$500.00	Job	$500.00	Job	$500.00
Headframe	Job	-	-	300.00	Job	300.00	Job	300.00
Shaft Prep.	Job	-	-	700.00	Job	700.00	Job	700.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$3,170.00	91	$10,305.00				$14,000.00

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

Date Nov. 30, 1954 Operator J. L. Starnes

Per _____ Title _____

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

December 13, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3286 (Tungsten), Contract Idm-E699, J.L. Starnes (Poop Out Claims), Boulder County, Colorado - Operator's Monthly Progress Report for the period November 1954.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 percent of the amount reported by the operator on Form MF 104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report.....November 30, 1954
Date Received in Field Office.....December 6, 1954
Date Received in Region Office....December 13, 1954

W H King
W. H. King

Encls.

RDB:jp
cc Subject
Chron
Sec. to Op. Comm. (2)
Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 10, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3286, Contract Idm-2699 (Tungsten), J. L. Starnes (Poop Out claims) Boulder County, Colo.,-Progress report for November 1954

Enclosed are the original and four copies of the subject progress report, the third one--forms MF-104 and MF-104A, with narrative and progress sketch--and the original and six copies of R. L. Bolmer's memorandum covering his inspection of the underground progress and checking the reporting forms. The contract is unit cost on short-form MF-200(A) and no documentation is required.

The progress reported by the contractor and entered on the MF-104A forms comprising 10 feet of shaft sinking and 81 feet of drifting northeast on the 100-foot level on the Poop Out vein was verified by Bolmer on his regular inspection made December 2, 1954. The shaft sinking was under Stage I and the drifting under Stage II, was authorized by the Field Team's letter of November 9, 1954, to the operator. The entries and extensions are correct on the reporting forms and the narrative covers the month's operations adequately. The inspection engineer describes the vein and its mineralization in the sections so far exposed and states that the exposures are apparently of no commercial significance.

Payment is approved and certified on the MF-104 forms of $2,385.00 or 75 percent of the total $3,180.00, claimed by the contractor.

W. M. Traver

W. M. Traver

WMT/dj
enclosures
cc: 5
2699
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 8, 1954

Memorandum

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

From: R. L. Bolmer

Subject: DMEA 3286, Contract Ida-8699 (Tungsten), J. L. Starnes (Poop Out claims), Boulder County, Colo.,-Progress report for November 1954

The progress reported this period under the subject short-form contract--10 feet of shaft sinking and 81 feet of drifting on the Poop Out vein--was verified during an inspection of the property December 2, 1954.

The Poop Out shaft was sunk an additional 10 feet on the Poop Out vein during November to a total depth of 108 feet below the lower tunnel level. The sinking performed this period completes the 85 feet of shaft sinking authorized under Stage I of the contract. Contract sinking operations were started during September at an existing depth in the shaft of 23 feet below the lower tunnel level.

Drifting on the Poop Out vein northeasterly from the shaft at a depth of 100 feet below the lower tunnel level is authorized under Stage II of the contract with the prior written approval of the DMEA Field Team, Region IV. Such approval was granted in a letter to the operator dated November 9, 1954. The authorized drift, actually begun at a depth of 99 feet in the shaft, had been advanced a total distance of 81 feet northeasterly along the vein on the date of inspection. The drift followed the course of the vein being driven N. 35° E. from the shaft for a distance of 61 feet thence N. 55° E. for 20 feet. The 3-to 5-inch, nearly vertical quartz vein exposed in this distance occurred mostly in granite. It contained narrow streaks (1/2 to 1-1/2 inches) of high-grade ferberite mineral along most of its exposed length. Near the breast of the drift, the vein split into two separate fissures, each of which contained about an inch of mineral. The ferberite content of the vein exposed to date along the level is a high-grade, nearly pure mineral; its present exposures, however, are too narrow to support anything but a marginal mining operation.

Funds for the analyses of samples are provided in the contract and the operator has indicated that he will sample the vein. A check sample taken during a previous inspection across a 5-inch width of the vein at a depth of 100 feet in the shaft assayed 4.21 percent WO_3.

The $3,100.00 total costs reported on the operator's MF-104 forms for this period--equivalent to the completed 10 feet of sinking and 81 feet of drifting at the agreed upon unit prices of $75.00 and $30.00 per foot, respectively--are approved.

Reimbursement to the operator of 75 percent of the reported costs, or $2,325.00, is recommended.

R. L. Bolmer

R. L. Bolmer
Mining Engineer

RLB/dj

enclosures
cc: 6
2699
Chron

Defense Minerals Administration
RECEIVED
DEC 6 1954

(c).

Narrative report accompaning MP-1041 on Docket No. DMA 3268 Contract No. Idm-3699 Prospect Contract. Submitted with "Operator's Monthly Report and Voucher, and Operators Unit Cost and Progress Report".

Stage I of the above mentioned has been completed within the terms of the contract. The written approval of the DMA Field Team, Region IV, has been received, granting approval to perform Stage II work as outlined in the contract and requested by my letter of October 29, 1954.

Todate a total of 61 feet of drifting on the "Prospect Vein has been recorded. There has been no unusual difficulty encountered.

The vein remains strong and pronounced and good content of high-grade tungsten mineralization is noticed. The vein varies in width from one inch up to thirteen inches in spots. An average of about four to five inches of good vein material with two to three stringers of high-grade "steel" ferberite therein. The stringers of "steel" ferberite average in width from 1/2 to 1 inch. The vein carried a strike of N.35°E., for a distance of sixty-one feet from the shaft and a strike of better than N.55°E., for the remaining twenty feet. There is no horizontal displacement noted in the face. The ground remains broken with numerous flats and slips. These flats and slips seem to have no effect upon the vein suggesting perhaps a later movement. One major flat about two feet in thickness was encountered in the sump however, with definate effect upon both the vein and the tungsten mineralization. The vein was as much as two feet in width below the flat and moved to the hanging wall. Small amounts of crystalline ferberite was noticed. Suggesting perhaps greater values with depth.

Lead in the form of galena is still encountered with the tungsten mineralization every now and then, however this appears to be of no great concern at the moment. There is no penalty and the lead can be removed from the concentrates should it make a more pronounced showing.

No accurate or representative sampling or assaying has as yet been attempted. I shall however sample and assay the workings to-date as soon as possible. I was waiting for a more "open" view of the workings to obtain a more reliable sample.

November 30, 1954.

J. L. Starnes

J. L. Starnes

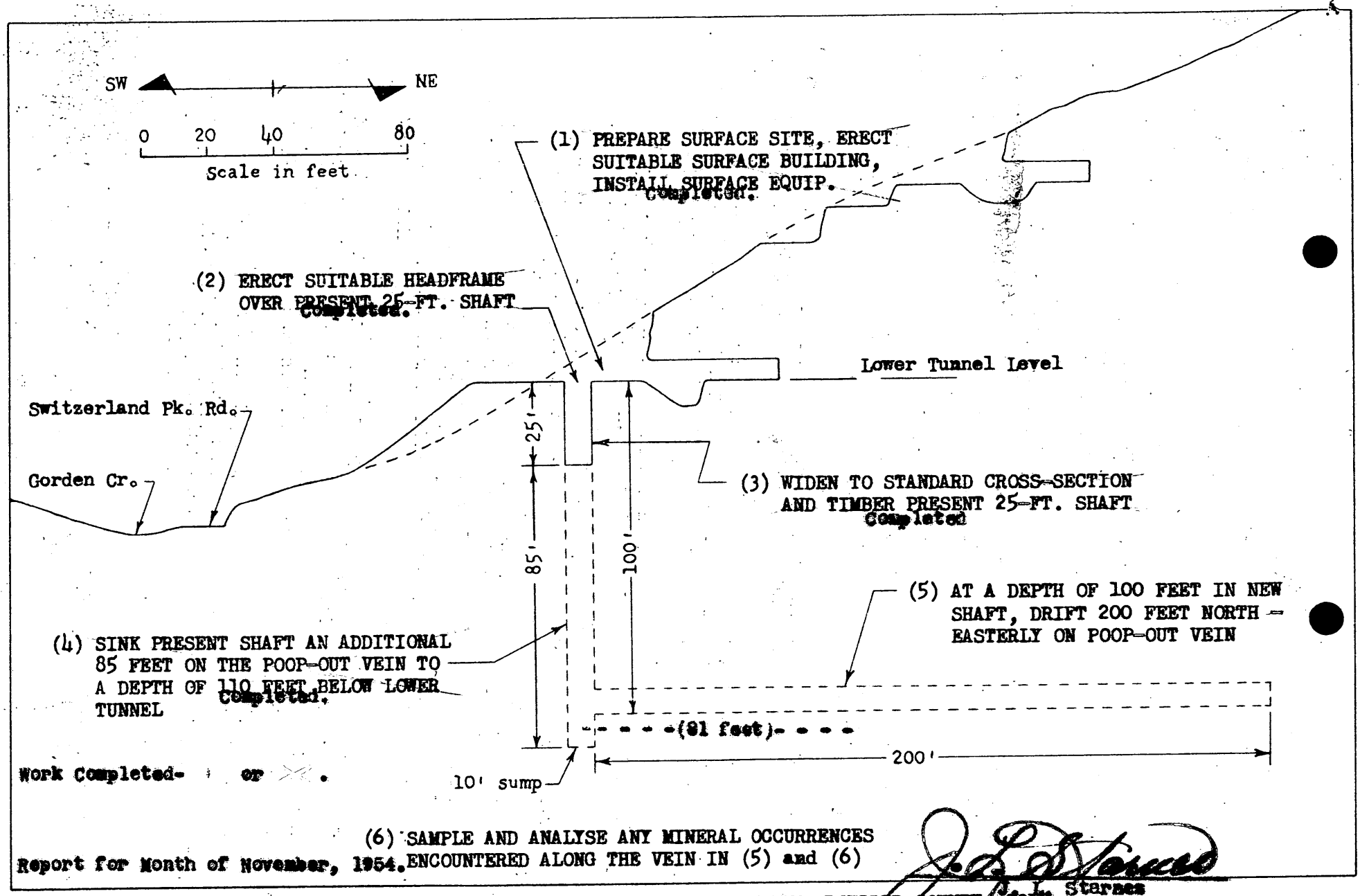


FIGURE 3 - LONGITUDINAL SECTION OF POOP-OUT VEIN, BOULDER COUNTY, COLO., SHOWING PRESENT WORKINGS AND PROPOSED EXPLORATION. DMEA 3286

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED

Month of October, 1954 Docket No. DMEA 3286 Contract No. Idm-3699
Operator's Name J. L. Starnes Minerals Tungsten
Address 2800 Walnut St., Boulder, Colorado
Contract Amount, $ 14,000.00 Government Participation: 75 % Amount, $ 10,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
~~Drilling~~ Surface prep.	-	$500.00	$500.00			
~~Building~~ Headframe	-	$300.00	$300.00			
~~Prospecting~~ Shaft prep.	-	$700.00	$700.00			
Drifting						
Sinking	$4,650.00	$975.00	$5,625.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$4,650.00	$2,475.00	$7,125.00			

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

Date Oct 30, 1954 *Payee J. L. Starnes

Per J. L. Starnes Title

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3487.50

Signature Randolph R. Cooper (Authorized Certifying Officer)

Date 11-22-54 Vou. No. DMA-55-37

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 699 in accordance with the terms of the contract.

Signature R. L. Palmer, $3,487.50 Vouch Title Mining Engineer Date NOV - 8 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. DB.

Signature W. H. Kung Title Executive Officer Date NOV 15 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 6 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 3286 Contract No. Idm-E699
Operator's Name J. L. Sternes Minerals Tungsten
Address 2800 Walnut St., Boulder, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	-	-	-	-	-	200	$30.00
Crosscutting								
Raising								
Shafts	foot	$4,650.00	62	$5,625.00	75	$75.00	85	$75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits Surface Prep.	job	-	-	$500.00	job	$500.00	job	$500.00
Roads and Trails Headframe	job	-	-	$300.00	job	$300.00	job	$300.00
Shaft Prep.	job	-	-	$700.00	job	$700.00	job	$700.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$4,650.00	-	$7,125.00				$14,000.00

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

Date Oct 30, 1954 Operator J. L. Sternes
J. L. Sternes

Per ..... Title .....

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man-days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

November 15, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3286 (Tungsten), Contract Idm-E699, J. L. Starnes (Poop Out claims), Boulder County, Colorado. Operator's Monthly Progress Report for the period October 1954.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Check is to be sent to the operator at the following address: 2800 Walnut St., Boulder, Colorado.

Remarks:

Date of Report	October 30, 1954
Date Received in Field Office	November 1, 1954
Date Received in Region Office	November 12, 1954

W H King
W. H. King

Enclosures

RDB:dm
cc: Subject
Sec. to Oper. Comm. (2)
WMTraver
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 9, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3286, contract Idm-E699 (Tungsten) J. L. Starnes (Poop Out claims) Boulder County, Colorado - Progress report for October 1954

Enclosed are the original and four copies of the subject progress report, the second one--forms MF-104 and MF-104A, with narrative and sketch--and the original and six copies of R. L. Bolmer's memorandum covering his inspection of the underground progress and checking the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

Bolmer made his monthly routine inspection of the Poop Out property and verified the sinking of the shaft 62 feet as claimed by the operator on his MF-104A form and reported in his narrative. The shaft bottom has now been advanced to 98 feet below the tunnel level. Entries and extensions on the reporting forms are correct and all work was performed in conformance with the terms of the contract. Both the operator's narrative and inspecting engineer's covering memorandum describe adequately the month's activities and Bolmer by separate memorandum is recommending Region IV Field Team authorization of starting Stage II.

Payment is approved and certified on the MF-104 forms of $3,487.50, or 75 percent of the total $4,650.00 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

cc 4
E699
DMEA Chron.

WMT/pah

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 9, 1954

Memorandum

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

From: R. L. Bolmer

Subject: DMRA 3286, contract Idm-E699 (Tungsten) J. L. Starnes (Poop Out claims) Boulder County, Colorado - Progress report for October 1954

The progress reported by the operator for the October period--68 feet of shaft sinking--was verified during an inspection of the property November 1, 1954. On that date, the bottom of the shaft had been extended to a depth of 98 feet below the lower tunnel level.

The vein exposed during the period remained in granite and continued to carry intermittent tungsten mineralization. In the bottom 15 feet of the shaft, the vein zone itself is from 5 to 6 inches wide and contains up to 4 inches of brecciated horn quartz and a good grade ferberite. The material excavated from this section was considered a commercial grade tungsten ore and was saved.

Stage II of the subject contract--drifting northeasterly on the vein at a 100-foot depth--requires the prior written approval of the Government. Such approval will be recommended.

The work performed during the period conforms to the provisions of the subject exploration contract. The $4,650.00 total costs reported on the operator's MF-104 forms for the October period--equivalent to the confirmed 68 feet of shaft sinking at the agreed upon unit price of $75.00 per foot--are approved. Payment to the operator of 75 percent of the reported and approved amount, or $3,487.50, is recommended.

R. L. Bolmer
R. L. Bolmer
Mining Engineer

cc 6
E699
DMRA Chron.

RLB/pah

(c).

A narrative report accompanying MF-104A on Docket No. DMEA 3286 Contract No. Idm-E699 Poopout contract. Submitted with "Operator's Monthly Report and Voucher," and "Operators Unit Cost and Progress Report,".

A total depth of 100 feet below the lower tunnel level has been recorded. The total footage made this month of October has been 62 feet of sinking and timbering within the terms of the contract.

Several shifts were lost due to bad air in the shaft and a blower and ventilating pipe has been installed. The result is satisfactory and the condition has been removed. Due to the depth and the occurrence of water electric caps have been adopted.

The vein remains strong and pronounced with good showings of mineralization and lead in the form of galena has made a showing. I believe the lead to be sporadic and possibly indicating a much older vein. The vein is reversing in dip, however it has been possible to keep the vein on the wall of the shaft. Guides and skids have been employed.

The granite remains hard and the many slips still show displacement and mineralization. Difficulty in obtaining even breakage due to the many slips has been experienced.

Commencing ~~September~~ Nov. 1st we wish to install a good sound station in preparation of drifting and to cover the sump. I do trust there will be no delay in obtaining the permission to start work on the drifting under stage 2 of the contract.

No assaying has as yet been attempted, however tungsten ore of approximately 3 to 4 percent has been saved through the course of exploration.

Very truly yours, I remain

J. L. Sternes

J. L. Sternes

October 30, 1954

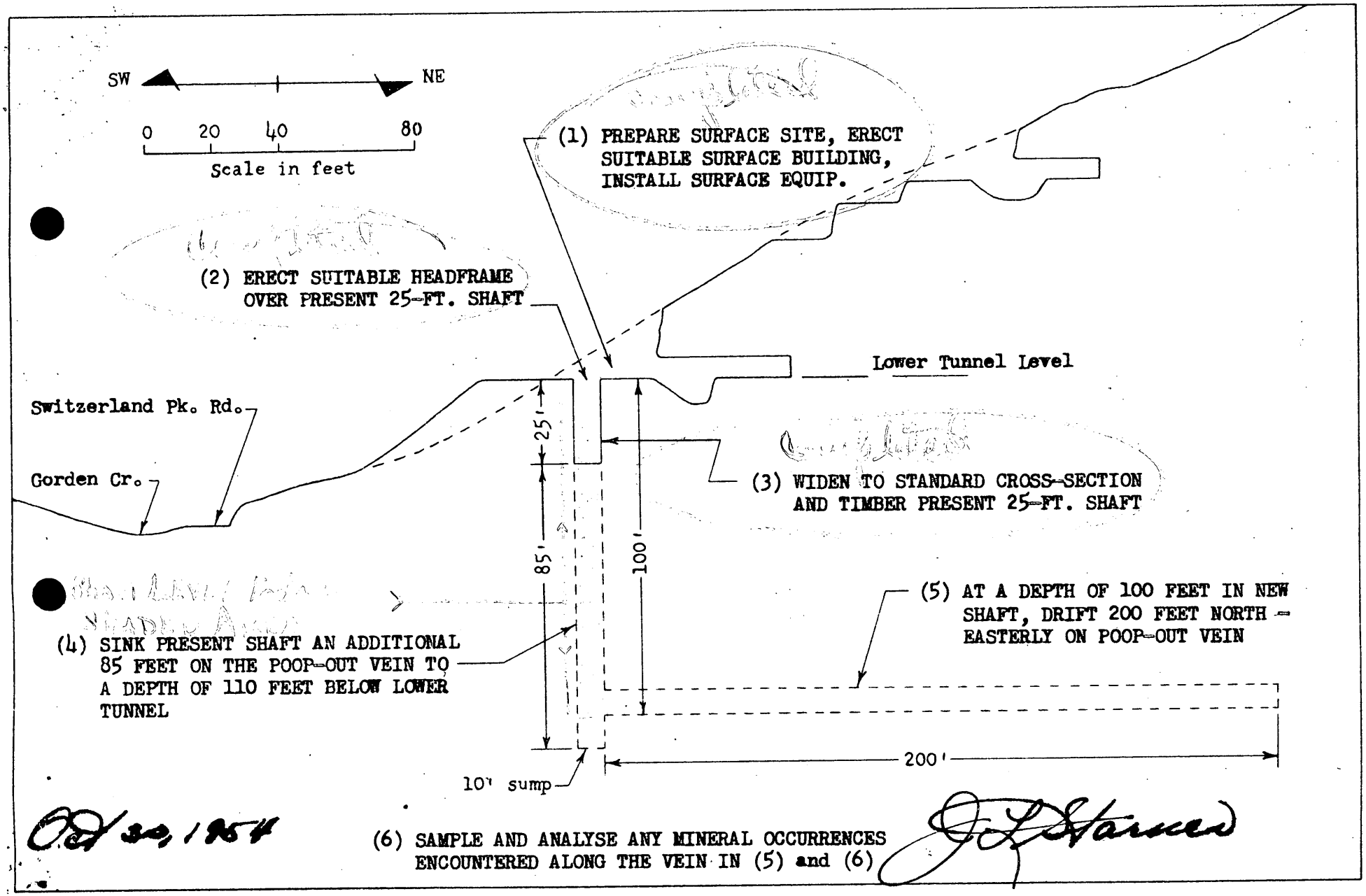


FIGURE 3 - LONGITUDINAL SECTION OF POOP-OUT VEIN, BOULDER COUNTY, COLO., SHOWING PRESENT WORKINGS AND PROPOSED EXPLORATION. DMEA 3286

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~September~~ August and, 195~~4~~ Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name J. L. Stamen Minerals Tungsten
Address [illegible] Walnut St., Boulder, Colorado
Contract Amount, $ 14,000.00 Government Participation: 75 % Amount, $ 10,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
~~Drilling~~ Surface prep.	500.00	0	500.00			
~~Bulldozing~~ headframe	500.00	0	500.00			
~~Crosscutting~~ Shaft prep.	700.00	0	700.00			
Drifting						
Mining	975.00	0	975.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,475.00	0	2,475.00	2475.00		2475.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct 30, 1954 *Payee J. L. Stamen
Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1856.25

Signature Randel R. Cooper
(Authorized Certifying Officer)

Date 10/22/56 Vou. No. DMA-55-29
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E699 in accordance with the terms of the contract.

Signature R. L. Palmer $1,856.25 Title Mining Engineer Date OCT - 4 1954

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

Signature W S Kung Title Executive Officer Date OCT 9 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible]
Address [illegible] Minerals Tungsten

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	-	-	-	-	-	[illegible]	[illegible]
Crosscutting								
Raising								
Shafts	foot	[illegible]	13	[illegible]	13	[illegible]	80	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~Test Pits~~ Surface prep.	job	[illegible]	job	[illegible]	job	[illegible]	job	[illegible]
~~Roads and Trails~~ Bedrock	job	[illegible]	job	[illegible]	job	[illegible]	job	[illegible]
Shaft prep.	job	[illegible]	job	[illegible]	job	[illegible]	job	[illegible]
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
~~Operating Equipment Purchased~~								
~~Initial Rehabilitation~~ and Repairs								
~~New Buildings, Improvements, etc.~~								
TOTAL COSTS		[illegible]	-	[illegible]				[illegible]

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

Date Sept. 30/1954 Operator [signature]

Per _____ Title _____

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

224 New Customhouse
Denver 2, Colorado

October 8, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3286 (Tungsten), Contract Idm-E699
J. L. Starnes (Poopout claims), Boulder County, Colorado.
Operator's Monthly Program Report for the period August and September 1954.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	September 30, 1954
Date Received in Field Office	October 4, 1954
Date Received in Region Office	October 7, 1954

W. N. King

W. N. King

RDB:dm

cc Sec. to Oper. Comm. (2)
WMTraver
Subject
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 6, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3286, contract Idm-E699 (Tungsten) J. L. Starnes (Poopout claims) Boulder County, Colorado - Progress report for August and September 1954

Enclosed are the original and four copies of the subject progress report, the initial one--forms MF-104 and MF-104A, with narrative and sketch--and the original and six copies of R. L. Bolmer's memorandum covering his inspection of the project progress and checking the reporting forms. The contract is unit cost on short form MF-200(A) and no documentation is required.

Operations started August 23, and Bolmer on his inspection made October 1, 1954, verified the progress reported correctly in the narrative and entered on the MF-104A forms. This work, in conformance with Stage I of the contract, comprised site preparation, construction of a suitable shaft house, equipment installation, erection of a headframe, enlargement of the existing 23-foot deep shaft to required size, and sinking the shaft an additional 13 feet. Entries and extensions are correct on the reporting forms. The inspecting engineer describes the physical conditions encountered in the shaft sinking adequately stating that no ferberite mineralization is showing in the vein.

Payment is approved and certified on the MF-104 forms of $1,856.25, or 75 percent of the total $2,475.00 claimed by the contractor.

W. M. Traver

enclosures

cc 4
E699
DMEA Chron.

WMT/pam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 5, 1954

Memorandum

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

From: R. L. Bolmer

Subject: DMEA 3886, contract Idm-8699 (Tungsten) J. L. Starnes (Poopout claims) Boulder County, Colorado - Progress report for August and September 1954

Progress under the subject short-form contract was inspected with the operator on October 1, 1954.

Contract work commenced August 23, 1954. As provided under Stage I of the contract, the operator prepared a surface site near the portal of the lower tunnel, constructed a suitable surface shelter, and installed the necessary surface equipment. Considerable rock excavation was required to enlarge the surface area. Because of the topography, a 9- by 12-foot hoist room was excavated in a vertical cliff occurring some 25 feet south of the shaft. A single drum, geared hoist with its gasoline engine drive was installed in this excavation. A 30-foot, 4-post head-frame was erected over a newly constructed collar of the existing shaft. The existing 23-foot shaft was widened to a standard, two-compartment cross section and timbered so as to provide a manway and a hoisting compartment. Ladders were installed in the manway as close to the bottom as sinking operations would permit.

On the date of inspection, the shaft had been sunk 13 feet to a depth of 36 feet below the sills of the newly established shaft collar. The vein exposed in this distance continued nearly vertical in granite. On the southwest side of the new excavation, an 18-inch zone containing quartz and some ferberite was exposed. On the northeast side, the zone was about 12 inches wide and contained several narrow, closely spaced fractures. Most of these contained talc. A few showed up to 1/8 inch of horn quartz. No ferberite was exposed in the zone on this side of the shaft.

The work performed during the period conforms to the terms of the contract. The actual units of work reported have been completed to the satisfaction of the inspecting engineer. The $2,475.00 total costs reported for the period on the operator's MF-104 forms are approved. The total amount represents the following completed units of work at the unit prices agreed upon in the short-form contract.

RECEIVED

1. Prepare surface site, erect suitable shelter and install surface equipment at $500.00 for complete job	$ 500.00
2. Erect headframe at $300.00	300.00
3. Widen, timber existing shaft at $700.00 for complete job	700.00
4. Sink shaft 13 feet at $75.00 per foot	975.00
Total reported and accepted costs	$2,475.00

Payment to the operator of 75 percent of the total accepted amount, or $1,856.25, is recommended.

F.N. Emmett, for
R.L. Bolmer
Mining Engineer

cc 6
E699
DMRA Chron.

RLB/pam

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 28 1954

(c) A narrative report accompanying DS-1041 on Project No. DMA 3800 Contract No. IDS-1899 Prospect contract.

Work on the above concerned August 23, 1954 and no unusual difficulties have as yet been encountered.

All surface preparation including the head-frame and the enlarging and timbering of the shaft has been completed and is in order to continue sinking.

To-date thirteen feet of sinking has been accomplished.

The vein remains as yet unchanged with small amounts of tungsten mineralization continuing with depth. The vein remains strong and pronounced with a steady dip towards the pegmatite dyke running parallel to the south.

The granite is becoming much harder and numerous small slips with small displacement show mineralization. As yet there has been little difficulty with drilling.

No assaying has been attempted.

September 20, 1954

J. L. Stamer
J. L. Stamer

Accompanying figure (8)- longitudinal section of Prospect Vein.

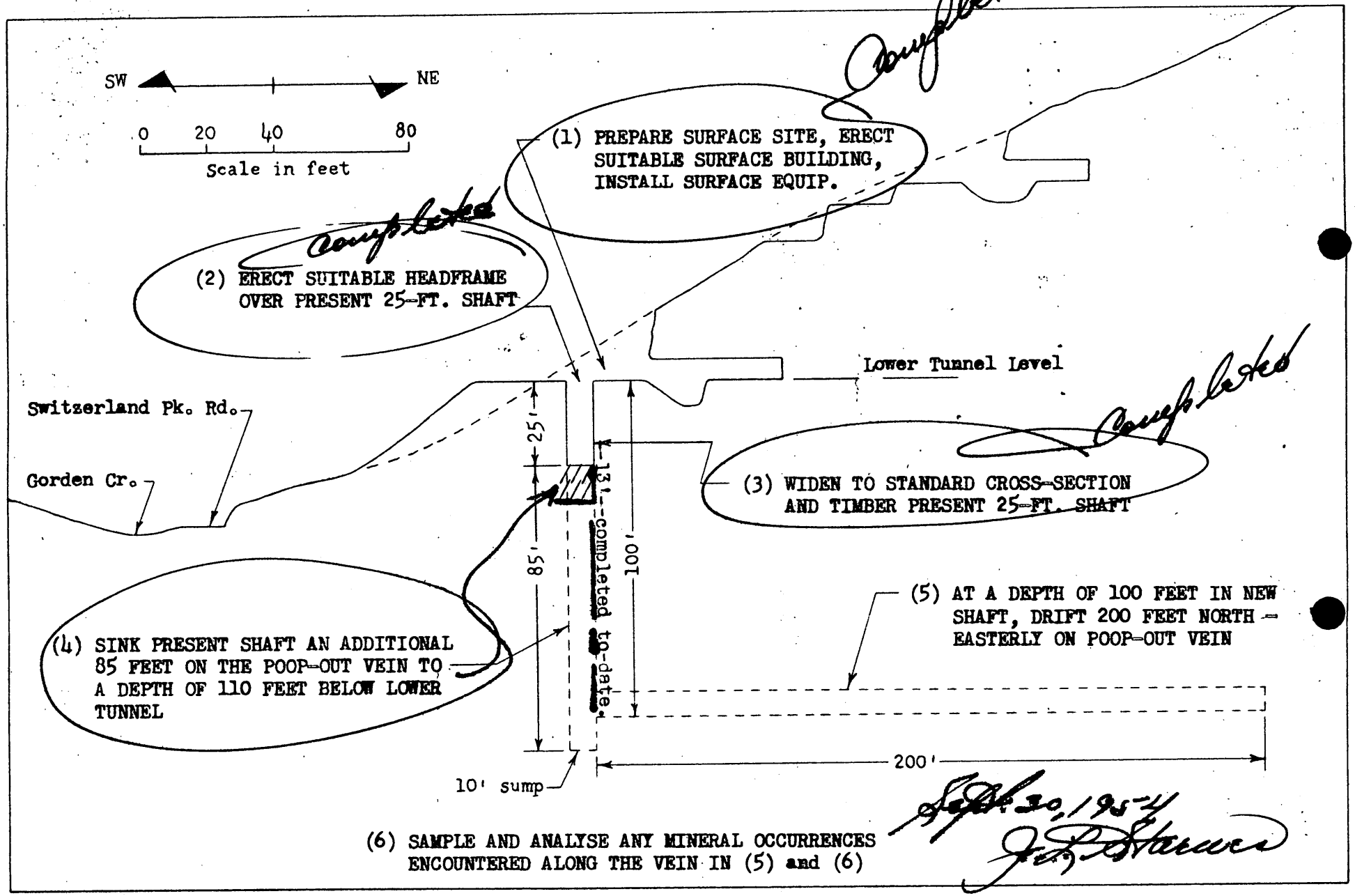

FIGURE 3 - LONGITUDINAL SECTION OF POOP-OUT VEIN, BOULDER COUNTY, COLO., SHOWING PRESENT WORKINGS AND PROPOSED EXPLORATION. DMEA 3286

DEC 3 - 1964

Mr. J. L. Starnes
2609 Dexter Street
Denver 7, Colorado

Re: DMEA-3296 (Tungsten)
J. L. Starnes
Prospect Claims
Boulder County, Colorado
Contract Idm-2699

Dear Mr. Starnes:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated August 31, 1955, all minerals mined or produced from August 19, 1954, to August 19, 1964, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr.

Acting Director

MMerrithew/mm (12/2/64)
cc: Director's Reading File
Region III w/cy of incoming Form 63 dated 11/3/64
✓CA&A Division
Docket
Code 120M

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

To: Mr. J. L. Starnes
2300 Walnut Street
Boulder, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm E699, dated August 19, 1954, as amended (Docket No. DMEA 3286), hereinafter called the "contract," between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Lenses of ferberite ($FeWO_4$) and horn quartz in a gangue of quartz and silicified granite occur along a northeasterly-striking fissure in the Boulder Creek granite on the Poopout claims. Results obtained from the shaft sinking and drifting under the exploration program have indicated small lenses or ore shoots that contain appreciable quantities of tungsten.

THE UNITED STATES OF AMERICA

Dated: AUG 3 1 1955

By C. Mitchell

Administrator, Defense Minerals Exploration Administration

cc: Docket
Code 400-Martin
Code 800-Chambers
Code 110-Johnson
Oper. Comm.
Adm. Read. File
PT, Reg. 3
Thor Kiilsgaard, USGS
R. W. Geehan, USBM

cc: Robt. Holliday, USBM
Finance Officer
C. A. Fredell, Act.Dir., EPS, GSA

FARutledge/~~IrS~~PHolt/ls
8/25/55

SEP - 1 1955

Mr. J. L. Starnes
2800 Walnut Street
Boulder, Colorado

Re: Docket No. DMEA 3286 - Tungsten
Peepout claims
Boulder County, Colorado
Contract No. Idm-K699

Dear Mr. Starnes:

Transmitted herewith is a certification of discovery or development issued under the subject contract which was executed August 19, 1954.

By the terms of the exploration project contract and of the certification, all production from the lands described in the referenced contract from the date of the exploration project contract is subject to the Government's percentage royalty as set forth in the contract until the sum of $10,500.00 is paid or until August 19, 19 4, whichever occurs first.

Payments should be made to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Custom House, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the tungsten products sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Traver of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Traver at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

cc: Docket
Code 400-Martin
Code 800-Chambers
Code 110-Johnson

Enclosure

cc: Oper. Committee
Adm. Read. File
FT, Reg. 3
Thor Kiilsgaard, USGS

cc: R. W. Geehan, USBM
Robt. Holliday, USBM
C. A. Fredell, Act.Dir., EPS, GSA

FARutledge/ls
8/25/55

400

SEP - 1 1955

Mr. C. A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA 3286-Tungsten
J. L. Starnes
Poopout claims
Boulder County, Colorado
Contract No. Idm-E699

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development issued under the subject contract.

Contract No. Idm-E699 executed August 19, 1954, authorized the expenditure of up to $14,000.00 for the exploration of the Poopout claims. The Government's share of this amount at 75 percent was $10,500.00. The exploration project was completed January 12, 1955, with expenditure of all authorized funds. The Government's contribution to the exploration costs, therefore, was $10,500.00.

Work completed was:

(a) The preparation of a surface site, erection of surface building and installation of equipment and headframe.
(b) Widening and timbering 23 feet of shaft.
(c) Sinking 85 feet of shaft.
(d) Drifting 200 feet from new bottom of shaft.

The object of the work was to explore at depth for tungsten ore bodies indicated by surface exposures and cuts, and by mine workings near surface.

The Field Team reported that the project work resulted in a discovery of significant tungsten ore reserves, 389 tons of indicated ore containing 782 short ton units of WO_3.

Sincerely yours,

C. O. Mittendorf

Administrator

cc: Docket
Code 400-Martin
Code 800-Chambers
Code 110-Johnson
Enclosure

Oper. Comm.
Adm. Read. File
SPHolt/ls 8/25/55

cc: Robt. Holliday, USBM
R. W. Geehan, USBM
Thor Kiilsgaard, USGS
FT, Reg. 3

SEP - 1 1955

Mr. G. M. Trevor, Executive Officer
DMEA Field Team, Region III
[illegible] New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3286 - Tungsten
J. L. Stanton
Tungsten claims
Boulder County, Colorado
Contract No. [illegible]

Dear Mr. Trevor:

Enclosed are copies of a certification of discovery or development for the above-noted property and of related correspondence.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Distribution 8-25-55
of the Docket
Code 400
Adm. Asst. File
Operating Comm.
FT, DMA, III
Members, Johnson - Code 110
Chambers - Code 800
Graham - USBM
Holliday - USBM
Kiilsgaard - USGS

No. 1

AMENDMENT OF CONTRACT: No. Idm-E699

Contract Docket No. DMEA 3286, dated August 19, 1954, between the United States of America and J. L. Starnes is hereby amended as follows, effective as of the date of the contract:

> Referring to EXHIBIT "A" attached to Exploration Project Contract form MF-200(A) (February 1952), caption "Estimated Costs of the Project", subheading "Stage II" delete the following: "Assaying as required to a maximum of $125.00 ...3/" and in lieu thereof substitute the following: "A maximum of 25 tungsten assays at $5.00 each 3/". Delete footnote 3/ in its entirety and in lieu thereof substitute the following: "3/ claim for reimbursement for analysis charges is to be supported by a copy of the assay return showing results."

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: November 23, 1954

J. L. STARNES

By J. L. Starnes

UNITED STATES OF AMERICA

By W. H. King

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

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

224 New Customhouse
Denver 2, Colorado

November 9, 1954

Mr. J. L. Starnes
2600 Walnut Street
Boulder, Colorado

Re: Docket No. DMEA 235
(Tungsten)
Contract Idm-E699

Dear Mr. Starnes:

Consistent with the stipulations contained in Exhibit A attached to Contract Idm-E699 relative to the performance of work under Stage II of the contract, this constitutes approval by the DMEA Field Team, Region IV, to perform Stage II work as outlined in the contract and as requested by your letter of October 29, 1954.

Very truly yours,

John F. Shaw
John F. Shaw
for W. M. King

E. N. Hawkinson
for A. H. Koschmann

DMEA Field Team, Region IV

JWT:dm
cc: Chairman, Operating Committee (3)
Amendment File
Subject
JWTownsend
AHKoschmann
WMTraver
Chron

November 9, 1954

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 22 1954

Memorandum

To: Mr. A. H. Koschmann AHK

From: D. R. MacLaren

Subject: DMEA Docket 3286, Contract Idm-E699, J. L. Starnes, Poopout Claim, Stage II, Boulder County, Colorado

Under the terms of Stage I of the subject contract, the shaft was down to a depth of 100 feet on November 2, 1954. This is the depth at which drifting under Stage II is to start. The vein has persisted to the bottom of the shaft with a nearly vertical dip between walls of granite. Intermittent streaks of ferberite up to five inches thick occur throughout the exposed depth of the vein. Therefore it is recommended that the operator be authorized to start drifting northeasterly as provided for under the terms of Stage II.

The remaining ten feet of shaft sinking is for the purpose of a sump and will not influence the above recommendation.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
NOV 22 1954

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 8, 1954

Memorandum

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

From: R. L. Bolmer

Subject: DMEA 3286, Contract Idm-E699 (Tungsten), J. L. Starnes (Poop Out claims), Boulder County, Colo.--Recommendation regarding the start of Stage II

The performance of certain work authorized under Stage II of the subject exploration contract--drifting from the shaft northeasterly on the Poop Out vein, at a depth of 100 feet below the lower tunnel level--requires the prior written approval of the Government.

The Poop Out vein now exposed at the 100-foot depth in the shaft is well defined and contains a few inches of good grade ferberite mineralization. Drifting on the vein, as provided in the contract, appears warranted; and, therefore, it is recommended that the operator be given approval to proceed with the work under Stage II.

R. L. Bolmer

R. L. Bolmer
Mining Engineer

RLB/dj

cc: 8
E699
Chron

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 22 1954

J. L. Starnes
2800 Walnut Street
Boulder, Colorado

October 29, 1954

MR. W. M. Traver Jr.
Cheif, Mineral Resources Branch
Mining Division
Region 4, Bureau of Mines
Denver Federal Center
Denver, Colorado

Dear Mr. Traver:

Referring to exploration project contract on the Poopout Mining Claims in Boulder County, Docket No. DMEA 3286., Idm-E699., issued to J. L. Starnes, I wish to advise you of my change of address. I am now residing at the above mentioned address and I would appreciate all correspondence addressed to the Boulder address.

I also wish to request written approval of the DMEA Field Team, Region 4, for the permission to commence Stage 2., under the terms of the above mentioned contract.

The sinking under Stage 1., is now at a depth of 96 feet and we are preparing to construct the station from which we wish to start drifting 200 feet north-easterly on the Poopout vein at a depth of 100 feet below the lower tunnel level.

Mineralization has increased considerably and we have managed to keep the vein on the wall of the shaft without bending the shaft to a high degree.

Thanking you for your prompt consideration, I remain,

Very truly yours

J. L. Starnes

J. L. Starnes

Docket No. DMEA - 3286

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 699

Date of Contract or Amendment: August 19, 1954

Name and Address of Operator:

J.L. Starnes d/b/a
Dream Canyon
Boulder, Colo.

Amount of Government participation $ 10,500.00

Percent of Government participation 75 %

Region: IV State: Colo.

ama
(Name)

for J. L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 8/19/54 54458

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3286

COMMODITY Tungsten

Idm-E699

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 19th day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] J. L. Starnes
Dream Canyon, Sugar Loaf Route
Boulder, Colorado

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Boulder, described as follows:[3]
Poopout unpatented claim recorded in Book 953, Page 332, and
Poopout Extension unpatented claim recorded in Book 953, Page 333,
Boulder County Recorder's Office

the Operator represents and undertakes:[4]

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

~~(b) That the Operator is 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 thirty (30) 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. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 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 $10,500.00, which is 75 percent of $14,000.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

~~(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest~~ to engage in any mining or production operations. See Annex I substituted for Article 6.

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

J. L. Stanner
(Operator)

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

By _____

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

_____ [CORPORATE SEAL]

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

Stage II

Drift 200 feet northeasterly on the Poopout vein from the above shaft at a depth of 100 feet below the lower tunnel level at a total cost of $30.00 per foot, including timbering if necessary.....	2/	$6,000.00
Assaying as required to a maximum of $125.00.....	3/	125.00*
Total, Stage I and Stage II		$14,000.00
Government participation at 75 percent		$10,500.00

---

* Indicates allowable maximum.

2/ Stage II work must have prior written approval of the DMEA Field Team, Region IV.

3/ Assaying charges, claimable under either Stage I or Stage II, are based on actual cost and must be supported by copies of assay return showing charges and results.

ANNEX I

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 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.

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

> One and one-half (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) 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.

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DMEA DOCKET 3235

EXHIBIT "A"

Description of the Work

The work will be divided into two stages, Stage I and Stage II. Stage II must have the prior written approval of the DMEA Field Team, Region IV, before the work thereunder is started.

Stage I work shall include surface preparation at shaft site by bulldozer; the construction of a shelter building, and the installation of surface equipment; the construction of a suitable headframe over the existing 25 foot shaft; widening of the existing 25 foot shaft and retimbering to a minimum cross section size of 4 x 8 feet in the clear of timber before being divided into two compartments; sinking of shaft an additional 85 feet below the present bottom (a depth of 110 feet below the lower tunnel level).

Stage II work shall consist of drifting 200 feet northeasterly on the Poopout vein from the shaft at a depth of 100 feet below the lower tunnel level.

Work of both stages shall include sampling and analysis of any mineralized portions of the vein encountered in the above work.

Estimated Costs of the Project

Stage I

Bulldoze surface site near portal of lower tunnel, erect suitable shelter building, and install surface equipment.....	1/	$ 500.00
Erect suitable headframe over present 25 foot shaft at portal of lower tunnel.....		300.00
Widen to standard cross section and timber present 25 foot shaft at portal of lower tunnel.....	1/	700.00
Sink present shaft an additional 85 feet on the Poopout vein to a depth of 110 feet below the lower tunnel at a total cost, including timbering, of $75.00 per foot.....		6,375.00

1/ The entire work constitutes the unit of work.