Government's copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 828

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 195 5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral rights and optionee of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease-option contract recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL B. LORENZ and R. F. DEIKE,
(Operator) Partners

By ..... (Partner)

By ..... (Partner)

THE UNITED STATES OF AMERICA

By O. Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Long's Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostelc with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs. @ $8.00/hr.	$ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

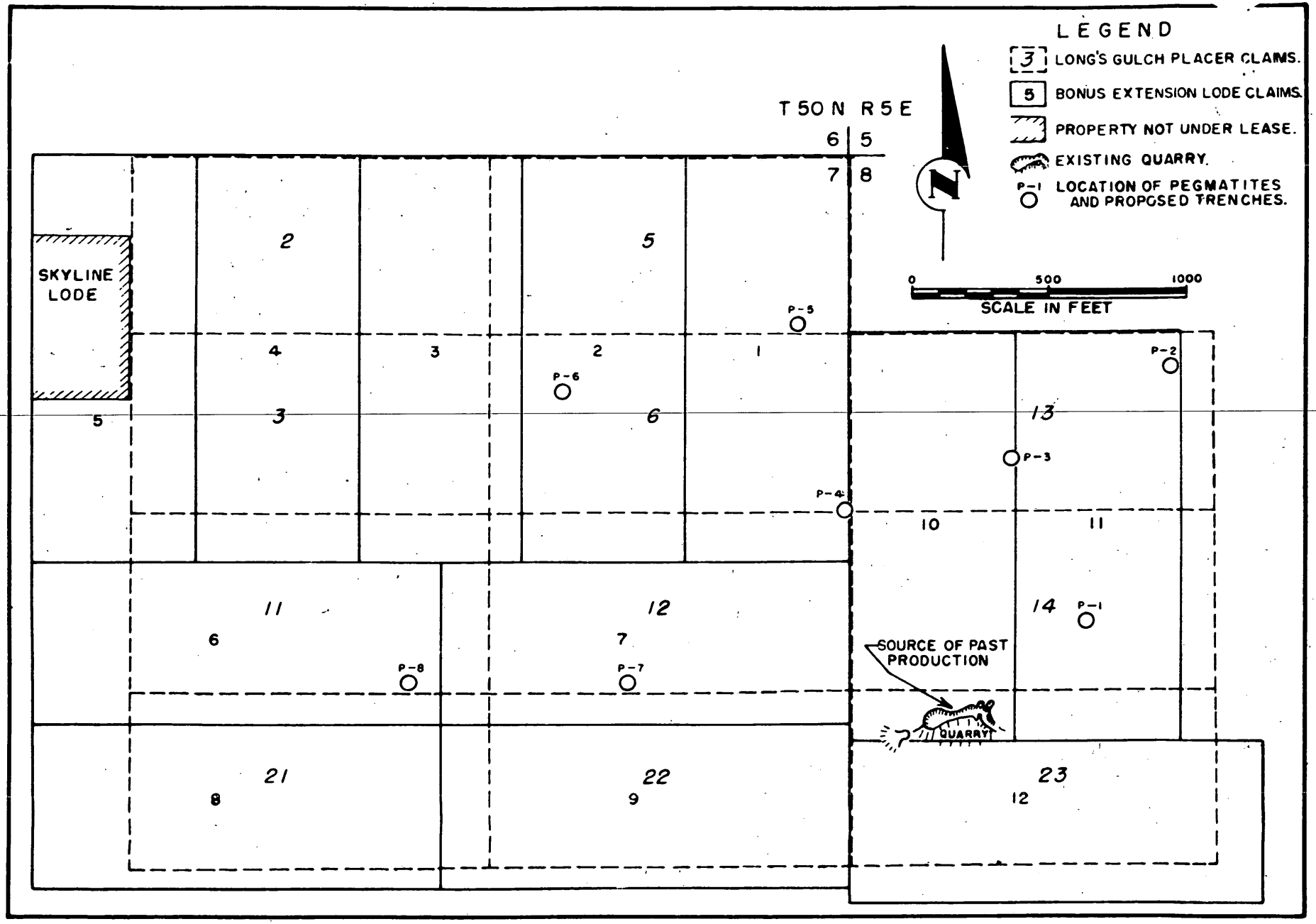

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

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For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator LORENZ AND DEIKE
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5 E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

, which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 27th day of May, 1955.

X John Rostette [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
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Division copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 828

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(Short Form)

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whose mailing address is 2123 Carey Avenue
Cheyenne, Wyoming,
hereinafter called the "Operator," as follows:

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(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
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[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
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[7] If not recorded, so indicate by inserting "un."

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ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL B. LORENZ and R. F. DEIKL, Partners
(Operator)

By ..... (Partner)

By ..... (Partner)

THE UNITED STATES OF AMERICA

By C. F. Mettendorf
Administrator, Defense Minerals Exploration Administration

Butri

Hook

Chandler

Selfridge

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMRA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Longs Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The ungatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Longs Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Crawford County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs.
@ $8.00/hr. $ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

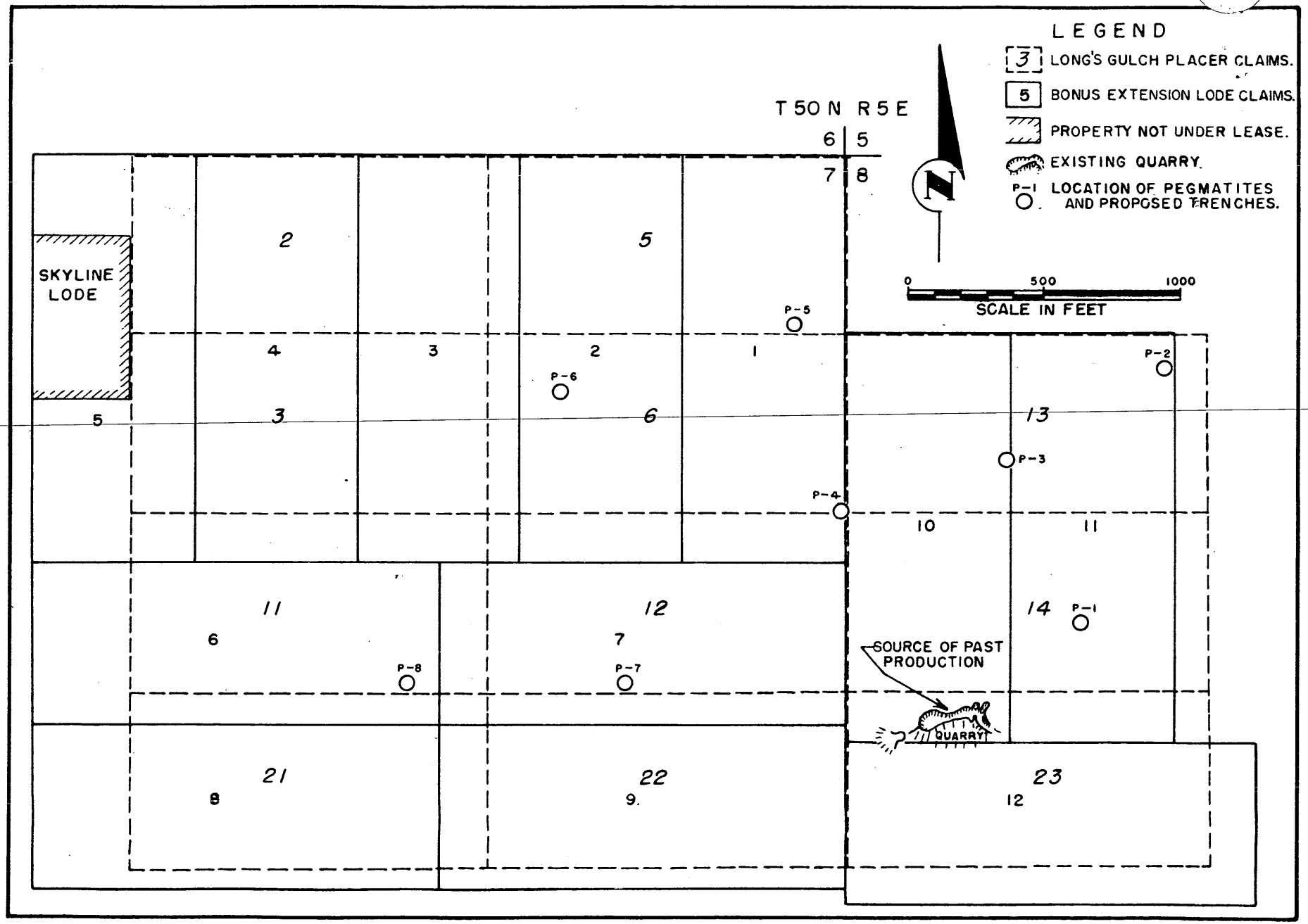

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [redacted]
Docket No. DMEA-[redacted]
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

RECEIVED
JUN - 6 1955

To the United States of America:

Referring to that certain land in the County of [redacted], State of Colorado, described as follows:1/

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

[redacted]

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 27th day of May, 1955.

John Kodeta [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Donna Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

Docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 628

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners,

whose mailing address is 2123 Carey Avenue
Cheyenne, Wyoming,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral rights and options of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease-option contract recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL B. LORENZ and R. F. DEIKE, Partners
(Operator)

By ..... (Partner)

By ..... (Partner)

THE UNITED STATES OF AMERICA

By ..... Administrator, Defense Minerals Exploration Administration

---

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMRA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Long Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs.
@ $8.00/hr. $ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

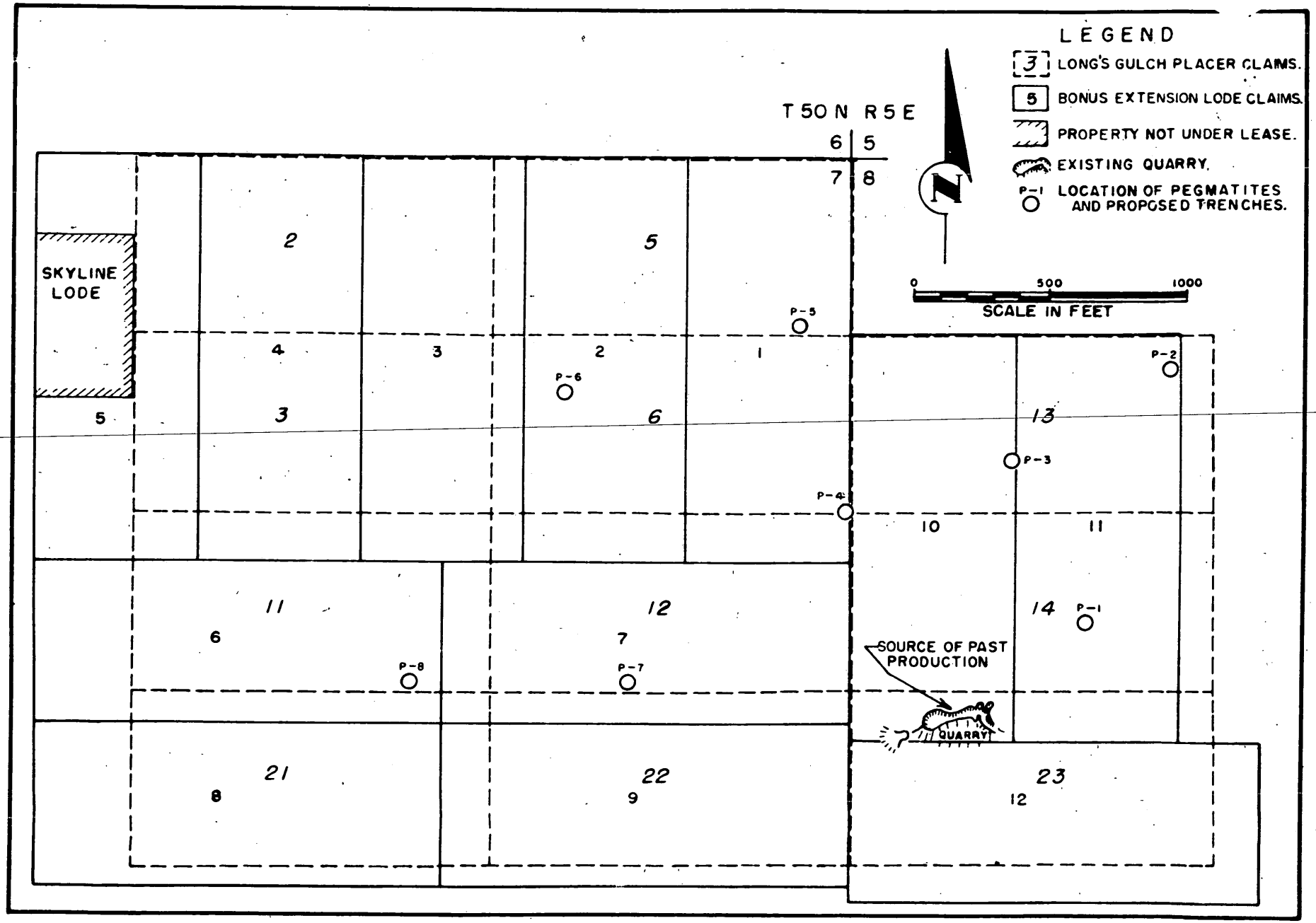

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [illegible]
Docket No. DMEA-[illegible]
Contract No. Idm-E
Contract Date

RECEIVED
JUN - 6 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of [illegible], State of [illegible], described as follows:1/

[illegible]

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

[illegible]

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 27th day of May, 1955

John Hodek [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

Finance Office copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 195 5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] ~~lessee of the mineral~~ rights and optionee of [5] ~~the entire interest~~ in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ~~lease-option contract~~ recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL B. LORENZ and R. F. DEIKE,
(Operator) Partners

By (Partner)

By (Partner)

THE UNITED STATES OF AMERICA

By
Administrator, Defense
Minerals Exploration
Administration

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Long's Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostelc with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
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Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
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Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
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Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs. @ $8.00/hr.	$ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

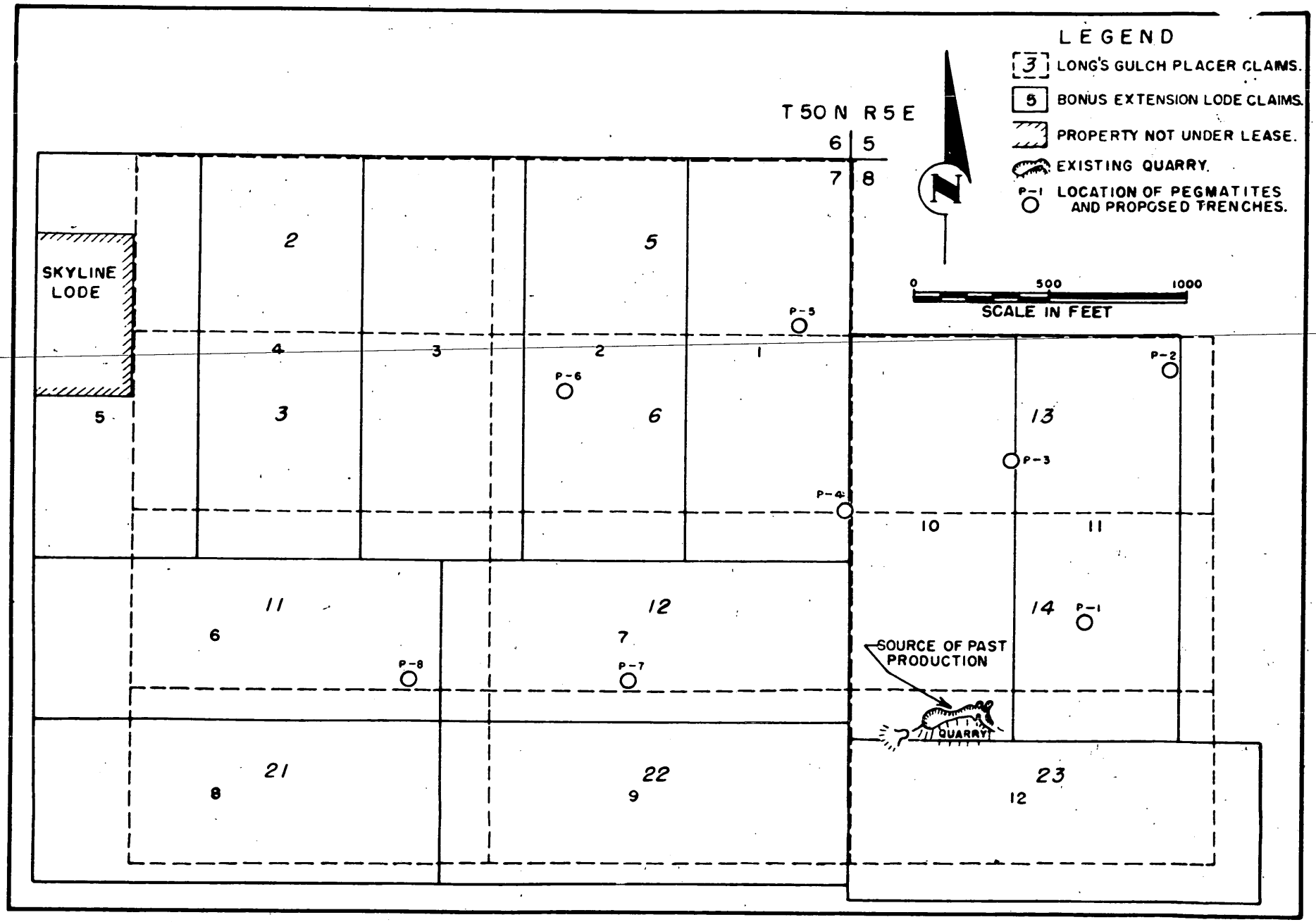

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator LORENZ AND DEXIER
Docket No. DMEA-3583
Contract No. Idm-E
Contract Date

RECEIVED
JUN - 6 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5 E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 27th day of May, 1955.

X John Kostek [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

ANNEX I

RECEIVED
JUN - 6 1955

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

DMEA
Date Rec'd.

Field Team copy
AUG 15 1955

BUREAU OF MINES
Denver, Colorado

MF-200A
(Revised June 1954)

Docket No. DMEA - 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 628

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul D. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue, Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral rights and optionee of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease-option contract recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

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ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL B. LORENZ and R. F. DEIKE, Partners
(Operator)

By ..... (Partner)

By ..... (Partner)

THE UNITED STATES OF AMERICA

By ..... Administrator, Defense Minerals Exploration Administration

---

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMRA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Longs Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

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Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Longs Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs. @ $8.00/hr.	$ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

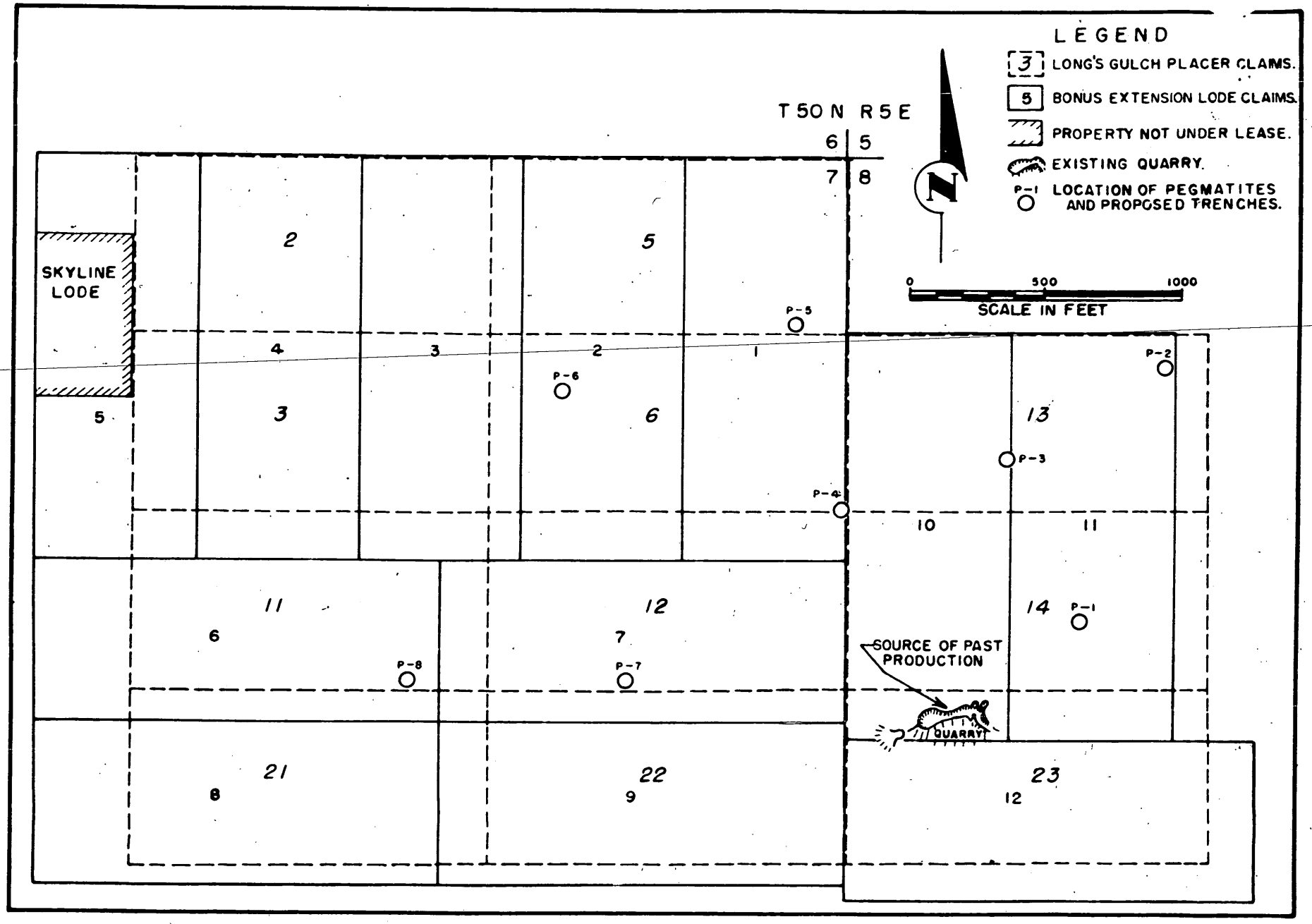

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [illegible]
Docket No. DMEA-[illegible]
Contract No. Idm-E
Contract Date

RECEIVED
JUN - 6 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Gunnison, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5 E., recorted in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 27th day of May, 1955.

John Postek [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

Operator's copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 628

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] ~~lessee of the mineral~~ rights and optionee of [5] ~~the entire interest~~ in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ~~lease option contract~~ recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL B. LORENZ and R. F. DEIKE,
(Operator) Partners

By ..... (Partner)

By ..... (Partner)

THE UNITED STATES OF AMERICA

By O. P. Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Longs Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
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Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Longs Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs. @ $8.00/hr.	$ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

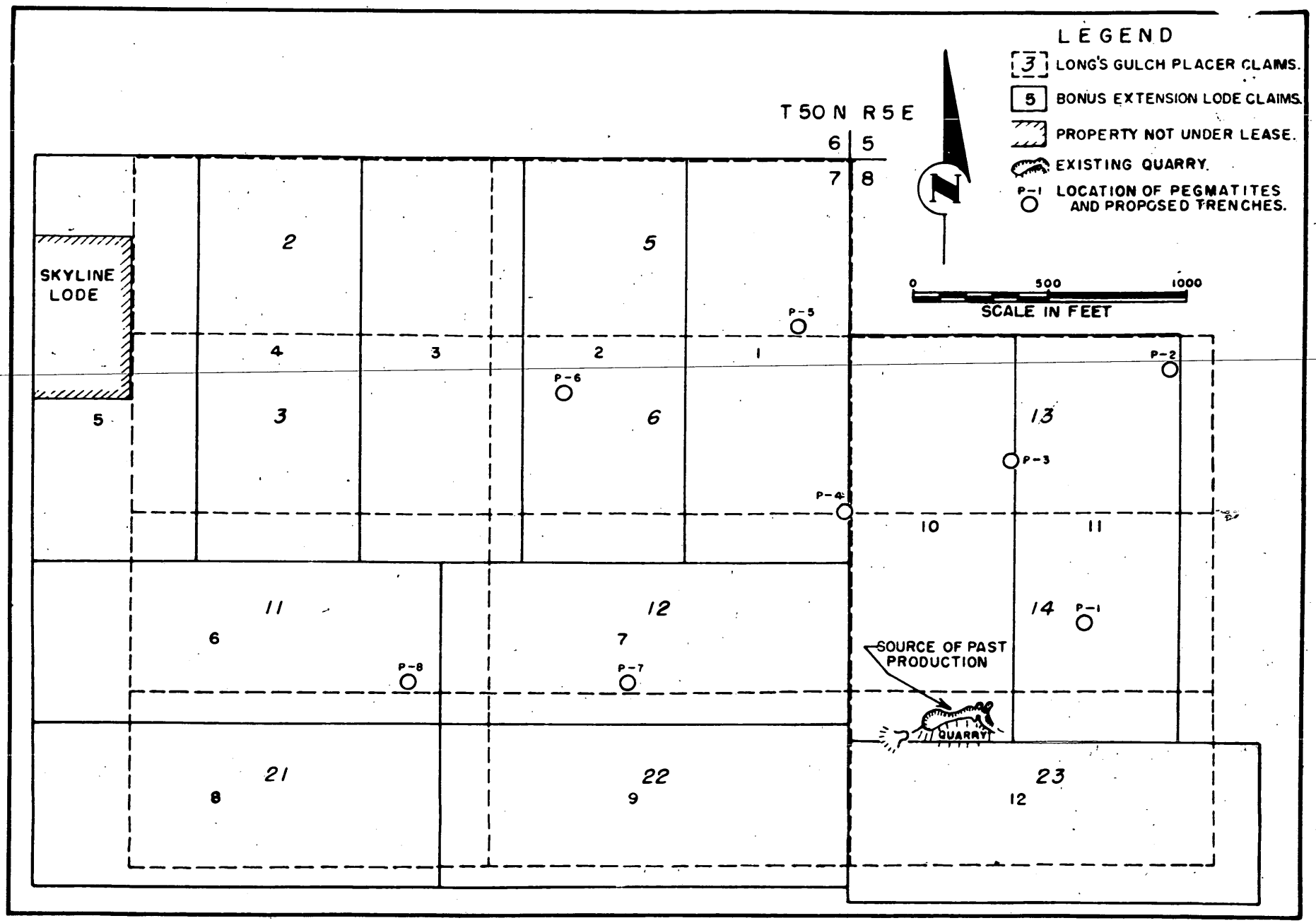

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator LORENZ AND DEIKE
Docket No. DMEA-3583
Contract No. Idm-E
Contract Date

RECEIVED
JUN - 6 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5 E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 27th day of May, 1955.

John Kostele [Seal]

Kostele [Seal]

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

MF-200A
(Revised June 1954)

Docket No. DMEA 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 828

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral rights and optionee of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease option contract, [7] ..... recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

PAUL B. LORENZ and R. F. DEIKE,
(Operator) Partners

By /s/ C. O. Mittendorf
/s/ Administrator, Defense Minerals Exploration Administration

By (Partner)

By (Partner)

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Long's Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostelo with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs. @ $8.00/hr.	$ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator LORENZ AND DENCE
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Chaffee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 27th day of May, 1955.

/s/ John Kostele [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Jones Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
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Placer No. 2	233	219	7/5/51
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Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

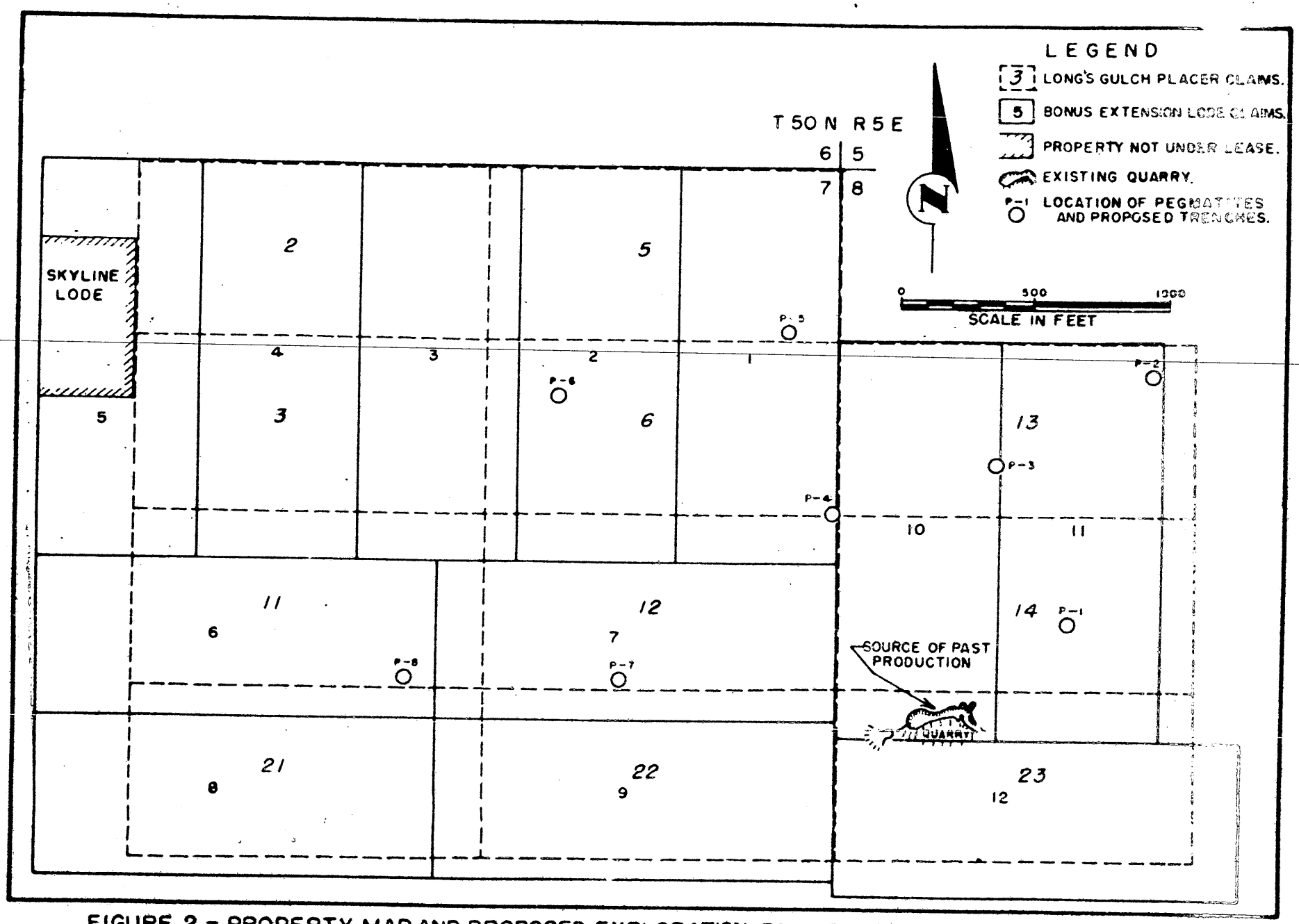

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-200A
(Revised June 1954)

Docket No. DMEA 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 828

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue, Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral / rights and optionee of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease option contract, [7] ....recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ C. O. Mittendorf
/s/ Administrator, Defense Minerals Exploration Administration

PAUL B. LORENZ and R. F. DEIKE,
(Operator) Partners

By (Partner)

By (Partner)

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
[illegible]

[illegible]

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Long's Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostelo with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs.
@ $8.00/hr. $ 960.00

[illegible]

120 feet of shafts @ $35.07/ft. [illegible]

Estimated Total Cost of Project	$3,160.00
Government Participation @ 75%	$2,370.00

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator LORENZ AND DEIKE
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 27th day of May, 1955.

/s/ John Kostelc [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

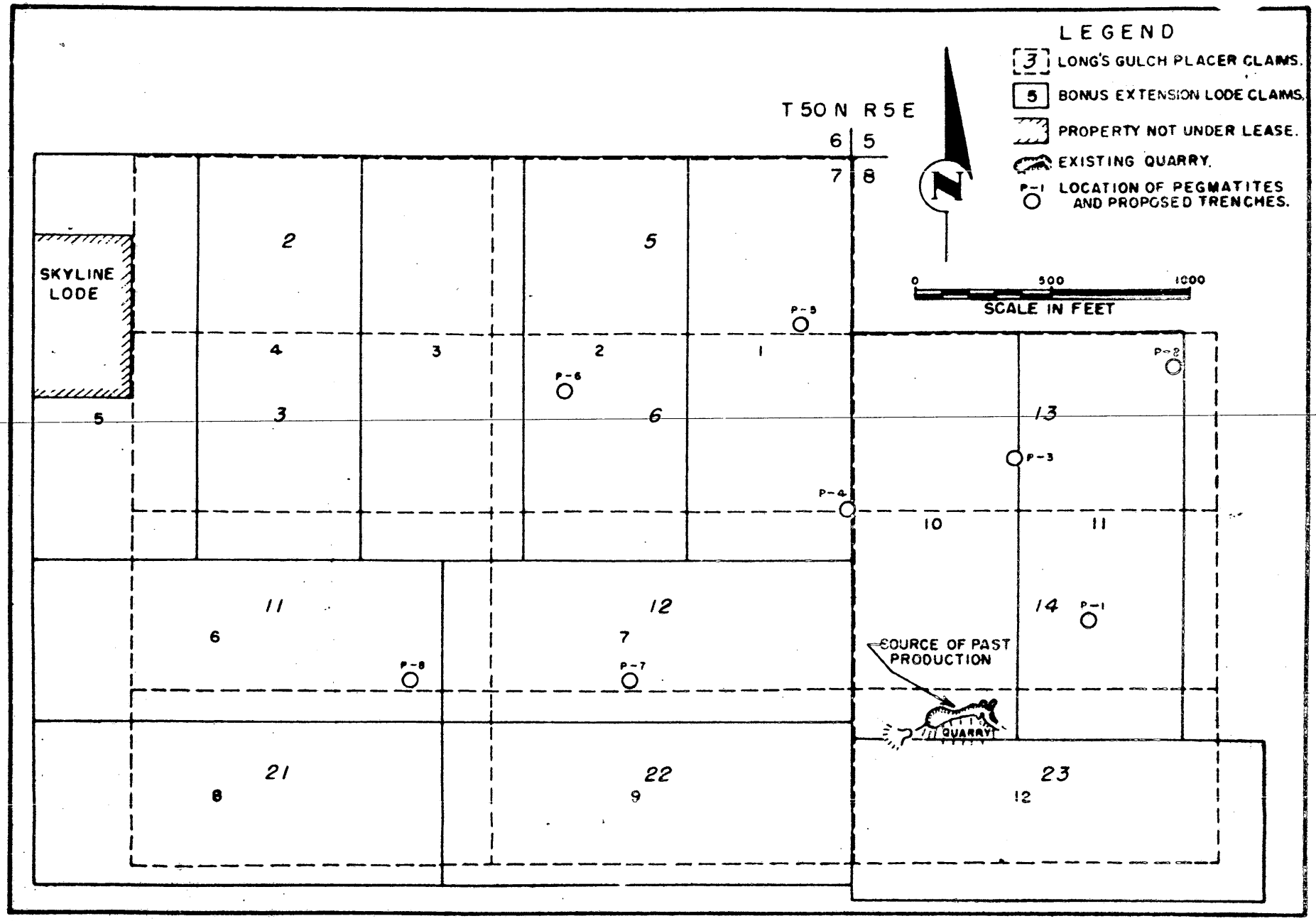

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-200A
(Revised June 1954)

Docket No. DMEA 3583

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 828

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Deike, Partners, whose mailing address is 2123 Carey Avenue Cheyenne, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral rights and optionee of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease option contract, [7] recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ C. O. Mittendorf
/s/ Administrator, Defense Minerals Exploration Administration

PAUL B. LORENZ and R. F. DEIKE,
(Operator) Partners

By (Partner)

By (Partner)

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Long's Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostelc with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs. @ $8.00/hr.	$ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator LORENZ AND DEIKE
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following;3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 27th day of May, 1955.

/s/ John Kostelc [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
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Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

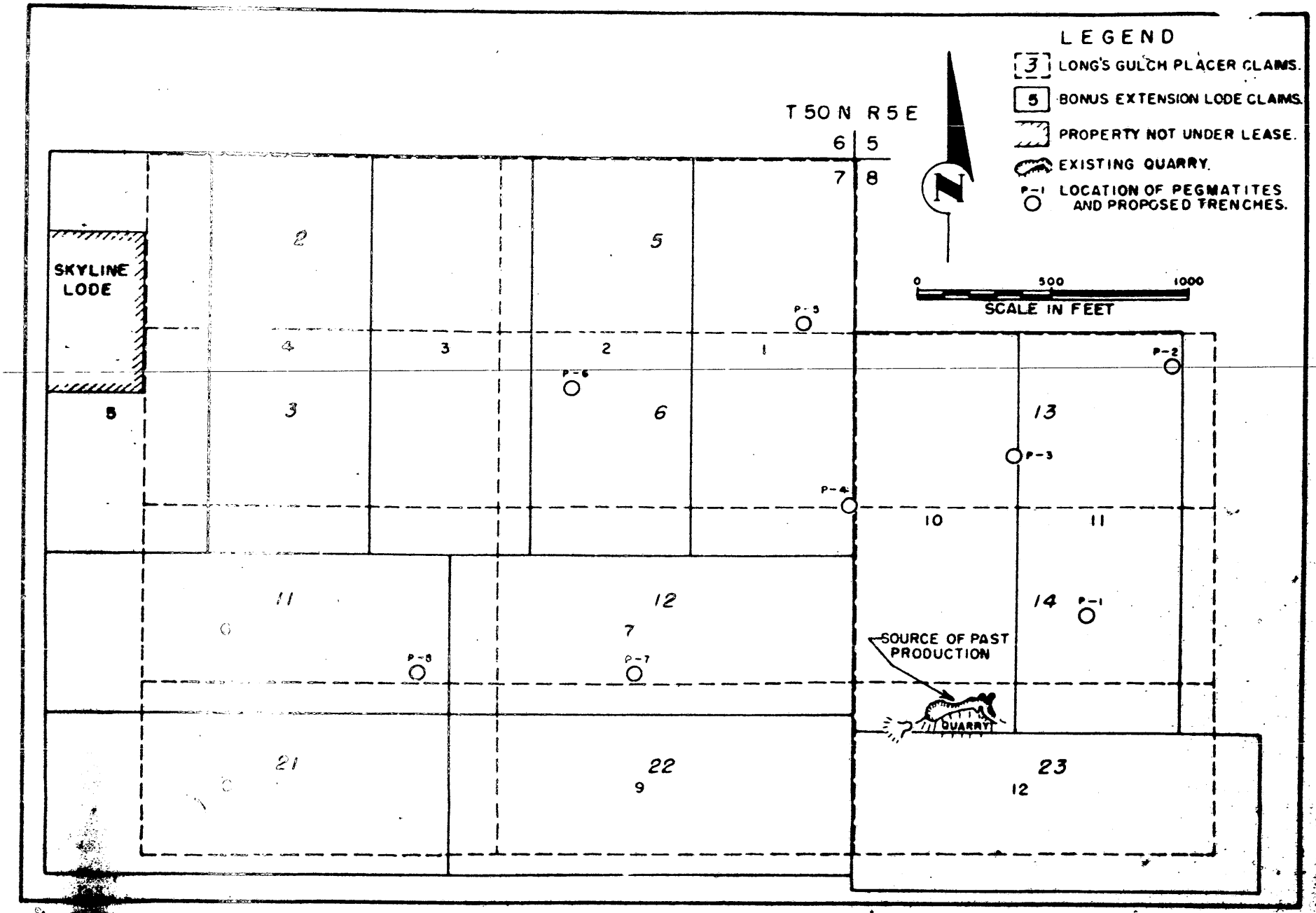

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

DMEA
Date Rec'd.

AUG 15 1955

BUREAU OF MINES
Denver, Colorado

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator TURRET MINES, INC.
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof: and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

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Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator TURRET MINES, INC.
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

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To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

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MF-201
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Operator TURRET MINES, INC.
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1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

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[Corporate Seal]

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MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator TURNER MINES, INC.
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 2E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator TURNER MINES, INC.
Docket No. DMEA- 3583
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Chafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 2E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bernus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [illegible], Inc.
Docket No. DMEA- [illegible]
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Ouray, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5W., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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

(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____ _____, (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonnie Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

Extra copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3533

Commodity Beryl, Columbium-Tantalum

Contract No. Idm-E 628

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 27th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul B. Lorenz and R. F. Delke, Partners,

whose mailing address is 2123 Carey Avenue, Cheyenne, Wyoming,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Chaffee, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of the mineral rights and options of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease-option contract recorded in Book ....., page See Annex I, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of the owner.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of beryl, columbium-tantalum. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before October 7, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,160.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,870.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (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) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

PAUL D. LOREN and R. F. DEIKS, Partners
(Operator)

By ..... (Partner)

By ..... (Partner)

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense Minerals Exploration Administration

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—70618-1

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMLA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Longs Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Longs Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs.
@ $8.00/hr. $ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

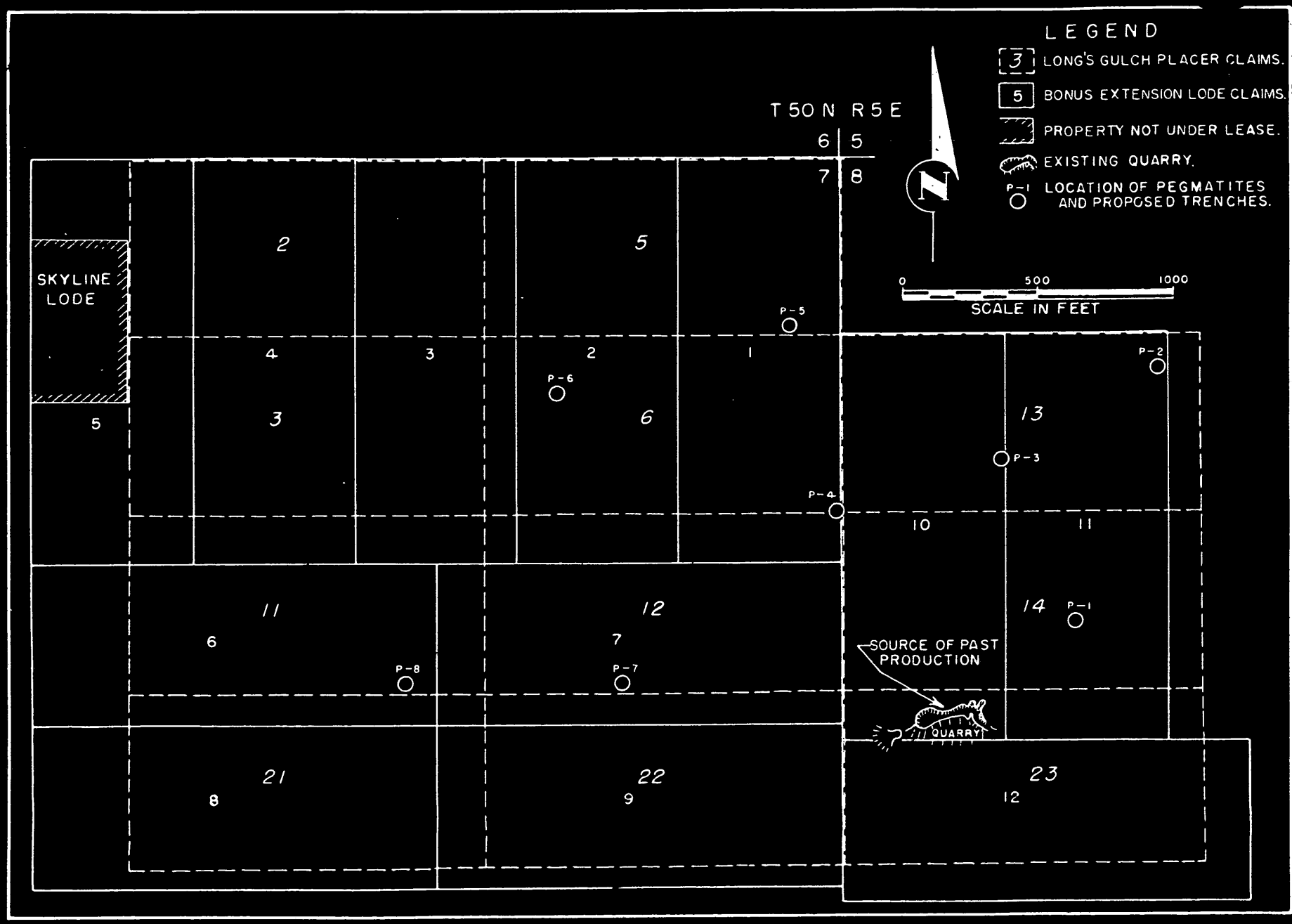

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [illegible]
Docket No. DMEA-3983
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

RECEIVED
JUN - 6 1955

To the United States of America:

Referring to that certain land in the County of Grafee, State of Colorado, described as follows:1/

Unpatented locations held both as lode and placer claims, situated in Sections 7 and 8, T. 50 N., R. 5 E., recorded in the official records of said county as further described in Annex I which is attached hereto and made a part hereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 27th day of May, 1955.

John Foster [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
JUN - 6 1955

ANNEX I

CLAIM NAME	BOOK	PAGE	DATE OF RECORDING
Bonus Extension			
Lode No. 1	165	302	7/12/54
Lode No. 2	165	303	7/12/54
Lode No. 3	165	304	7/12/54
Lode No. 4	236	532	7/12/54
Lode No. 5	236	532	7/12/54
Lode No. 6	236	533	7/12/54
Lode No. 7	236	533	7/12/54
Lode No. 8	236	534	7/12/54
Lode No. 9	236	534	7/12/54
Lode No. 10	236	535	7/12/54
Lode No. 11	236	535	7/12/54
Lode No. 12	236	536	7/12/54
Long's Gulch			
Placer No. 2	233	219	7/5/51
Placer No. 3	233	220	7/5/51
Placer No. 5	233	223	7/5/51
Placer No. 6	233	223	7/5/51
Placer No. 11	233	233	11/2/51
Placer No. 12	233	234	11/2/51
Placer No. 13	233	235	11/2/51
Placer No. 14	233	236	11/2/51
Placer No. 21	276	9	7/12/54
Placer No. 22	276	10	7/12/54
Placer No. 23	276	11	7/12/54

Extra copies for Field Team

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMSA-3583

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Longs Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canon
Long's Gulch placer No. 2	233	219	7-5-51	Turret
Long's Gulch placer No. 3	233	220	7-5-51	Turret
Long's Gulch placer No. 5	233	223	7-5-51	Turret
Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Longs Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform as much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs.
@ $8.00/hr. $ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

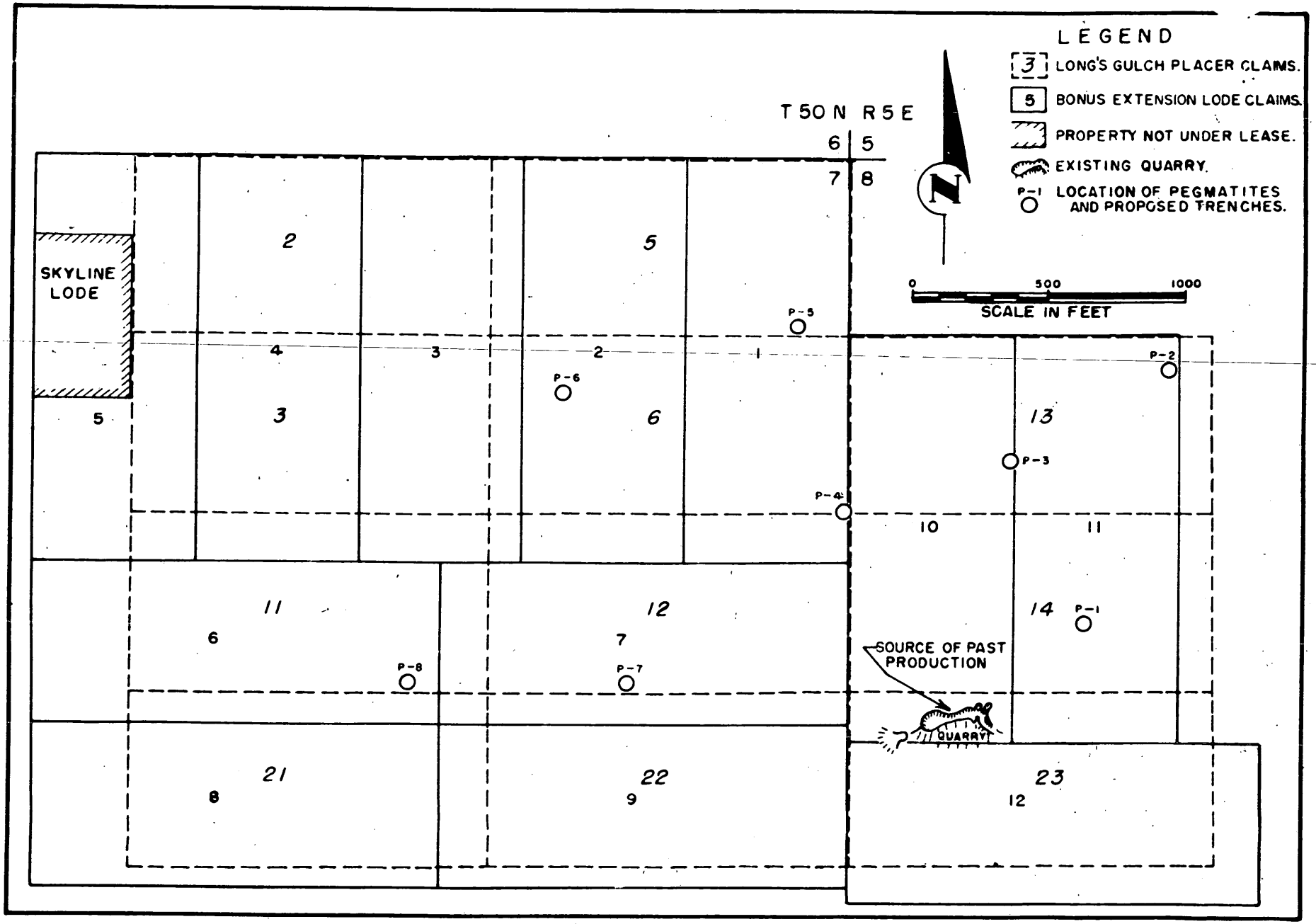

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583 (BERYL-COLUMBITE-TANTALITE)

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3533

ANNEX I

The land referred to in Article 2 of the Contract form is known as the Bonus Extension and Longs Gulch Groups of Claims in Chaffee County, Colorado, and was leased by John Kostele with option to purchase to Paul B. Lorenz and R. F. Deike until September 10, 1959, and so long thereafter as there is production. The unpatented locations are held both as lode and placer claims and recorded in the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
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Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canon
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Long's Gulch placer No. 6	233	223	7-5-51	Turret
Long's Gulch placer No. 11	233	233	11-2-51	Turret
Long's Gulch placer No. 12	233	234	11-2-51	Turret
Long's Gulch placer No. 13	233	235	11-2-51	Turret
Long's Gulch placer No. 14	233	236	11-2-51	Turret
Long's Gulch placer No. 21	276	9	7-12-54	Brown's Canon
Long's Gulch placer No. 22	276	10	7-12-54	Brown's Canon
Long's Gulch placer No. 23	276	11	7-12-54	Brown's Canon

The land is shown on the attached map, Figure 2.

EXPLORATION PROJECT CONTRACT
PAUL B. LORENZ and R. F. DEIKE
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

Exploration for concentrations of beryl and columbium-tantalum shall be accomplished at the points P-1, P-2, P-3, and P-4 indicated on the map entitled "Figure 2 - Property Map and Proposed Exploration, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colo. DMEA 3583 (Beryl-Columbite-Tantalite)," attached hereto and made a part hereof. The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of Stage II as is approved in writing in advance by the Government.

Stage I

By bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to perform the work)

Stage I

Bulldozer trenches 120 hrs.
@ $8.00/hr. $ 960.00

Stage II

120 feet of shafts @ $35.00/ft.	$4,200.00	
Estimated Total Cost of Project		$5,160.00
Government Participation @ 75%		$3,870.00

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

224 New Customhouse
Denver 2, Colorado

April 8, 1955

Memorandum

To: Secretary to the Operating Committee, D.M.E.A.

From: D.M.E.A. Field Team, Region III

Subject: Report of Examination, DMEA Docket 3583 (Beryl, Columbium, Tantalum) Lorenz and Deike, Bonus Extension and Long Gulch Group of Claims, Chaffee County, Colorado

Enclosed are the original and three copies of the report pertaining to the above application.

We recommend a contract for exploration in two stages, the second of which would be dependent on the results of the first stage.

Owners' Consent to Lien have been requested and will be forwarded you when they are received by this office.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Encs.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

TRANSMITTED
APR 8 1955

Region III

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

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Project Supervisor

Subject: DMEA 3563 (Beryl, columbite-tantalite), Paul B. Lorenz and R. F. Deike (Rosco Extension and Long Gulch groups of claims), Turret Mining District, Chaffee County, Colorado

Enclosed are the original and ten copies of a "Summary, Conclusions, and Recommendations" by C. M. Harrer, mining engineer, and L. R. Maclaren, geologist and ten copies of an engineering report by C. M. Harrer covering docket DMEA 3563. Also enclosed is the brochure covering this docket.

The applicant requested exploration assistance in the amount of $24,700.00 to explore for beryl, columbite-tantalite in pegmatites occurring on 254 acres in the Turret Mining District, Chaffee County, Colorado. The examining team observed the beryl in four outcrops, but the size and shape of the pegmatite dikes could not be determined due to overburden.

It is recommended that the Government enter into an exploration contract with the applicant in two stages. The first stage would consist of stripping with a bulldozer the four locations to determine the extent of the pegmatites. The second stage is dependent upon the results of the first stage and would be subject to prior written approval of the field team. It would consist of an additional 456 feet of trenching. The estimated cost of the proposed work would be $11,462.10. The amount of Government participation at 75 percent would be $8,596.57.

John F. Shaw
John F. Shaw

Enclosures

cc 10 ✓
DMEA 3563
DMEA Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DUBA HILL, Dunne Extension
and Lower Gulch Groups of Claims
Paul B. Lawson and R. F. Dodge
Chaffee County, Colorado

Beryl, Columbite-Tantalite

C. M. Harper, Mining Engineer
Bureau of Mines

D. R. MacLaren, Geologist
Geological Survey

March 10, 1955

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By C. M. Harper
Mining Engineer
Bureau of Mines

D. H. Maclaren
Geologist
Geological Survey

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By C. M. Harrer and D. R. Maclaren

Paul B. Lorenz and R. F. Deike of 2123 Carey Avenue, and 409 Majestic Building, Cheyenne, Wyoming, have applied for Defense Minerals Exploration Administration assistance in the amount of $84,700.00 to explore for beryl, columbite, and tantalite in pegmatites on 254 acres of property which they have under lease in secs. 7 and 8, T. 50 N., R. 5 E., in the Turret Mining District of Chaffee County, Colorado.

In an area of granite and schist there are at least nine outcrops of pegmatite, only one of which is being quarried. The latter is a dike that strikes N. 70° E. and dips 85°-90° northwest between walls of granite. This pegmatite consists of an outer zone of perthite, mica and garnet, from which most of the beryl has come, and a core of feldspar and quartz. Beryl was seen at four of the other outcrops but the size and shape of these pegmatites could not be determined due to overburden; however, they merit some exploration.

Quarrying operations resulted in the removal of an estimated 1,547.5 tons (18,570 cu. ft.) of pegmatite rock from which 21,795 pounds of beryl and 118 pounds of columbite-tantalite were recovered.

Because the pegmatites are insufficiently exposed to determine their extent or quality, a two stage program of exploration is recommended as follows:

Stage I: From the applicant's beryl bearing pegmatite outcrops P-1, P-2, P-3, and P-4, (fig. 2) bulldoze shallow trenches along the strike of the pegmatites in each direction and also across the strike at about 150-foot intervals. The trenches should be only deep enough to remove overburden and expose bedrock structure. These along the strike should stop when they are 600 feet long or when they expose the ends of the pegmatites, whichever occurs first. Trenches across the pegmatites should only be long enough to expose the pegmatites from wall to wall. This can be accomplished in about 3 weeks at an estimated cost of $867.60.

Stage II: This part of the program is tentative and should be subject to prior written approval of the Government based on the results obtained in Stage I. For purposes of evaluation, 450 feet of trenches 10 feet wide and 20 feet deep with a 1/4:1 slope are tentatively suggested at an estimated cost of $10,594.50 or $0.078 per cubic foot of excavation.

Total cost of the project would not exceed $11,462.10. Government participation at 75 percent would be $8,596.57.

DMRA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS
PAUL B. LOHENK AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO

Engineering Report

By G. M. Harper
Mining Engineer
Bureau of Mines

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO

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Examining team's project proposal with costs..... 8
Conclusions..... 10
Recommendations..... 11

ILLUSTRATIONS

Figure — Follows page

1. Location Map, Paul B. Lorenz and R. F. Deike Leases, Chaffee County, Colorado..... 1
2. Property map and proposed exploration, Paul B. Lorenz and R. F. Deike Leases (Beryl, Columbite, Tantalite), Chaffee County, Colorado..... 1

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO

ENGINEERING REPORT

By C. M. Marrer

INTRODUCTION

Paul B. Lorenz and R. F. Deike of 2123 Carey Avenue, and 409 Majestic Building, Cheyenne, Wyoming, have applied for Defense Minerals Exploration Administration assistance in the amount of $84,700.00 to explore for beryl, columbite, and tantalite in pegmatite structures on property which they have under lease in Chaffee County, Colorado. The property was examined for the Region III Defense Minerals Exploration Administration by the writer and D. R. MacLaren of the Geological Survey on February 1, 1955.

ACKNOWLEDGMENTS

R. F. Deike, lessee and John Kostelc, lessor, were contacted at Salida and guided the examining team over the property. Mr. Kostelc made all records on the property available.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The John Kostelc property under lease to Paul B. Lorenz and R. F. Deike is in secs. 7 and 8, T. 50 N., R. 5 E., Turret Mining District, in Chaffee County, Colorado (figs. 1 and 2) at about 8,000 feet altitude. The property is in rugged mountain terrain on the

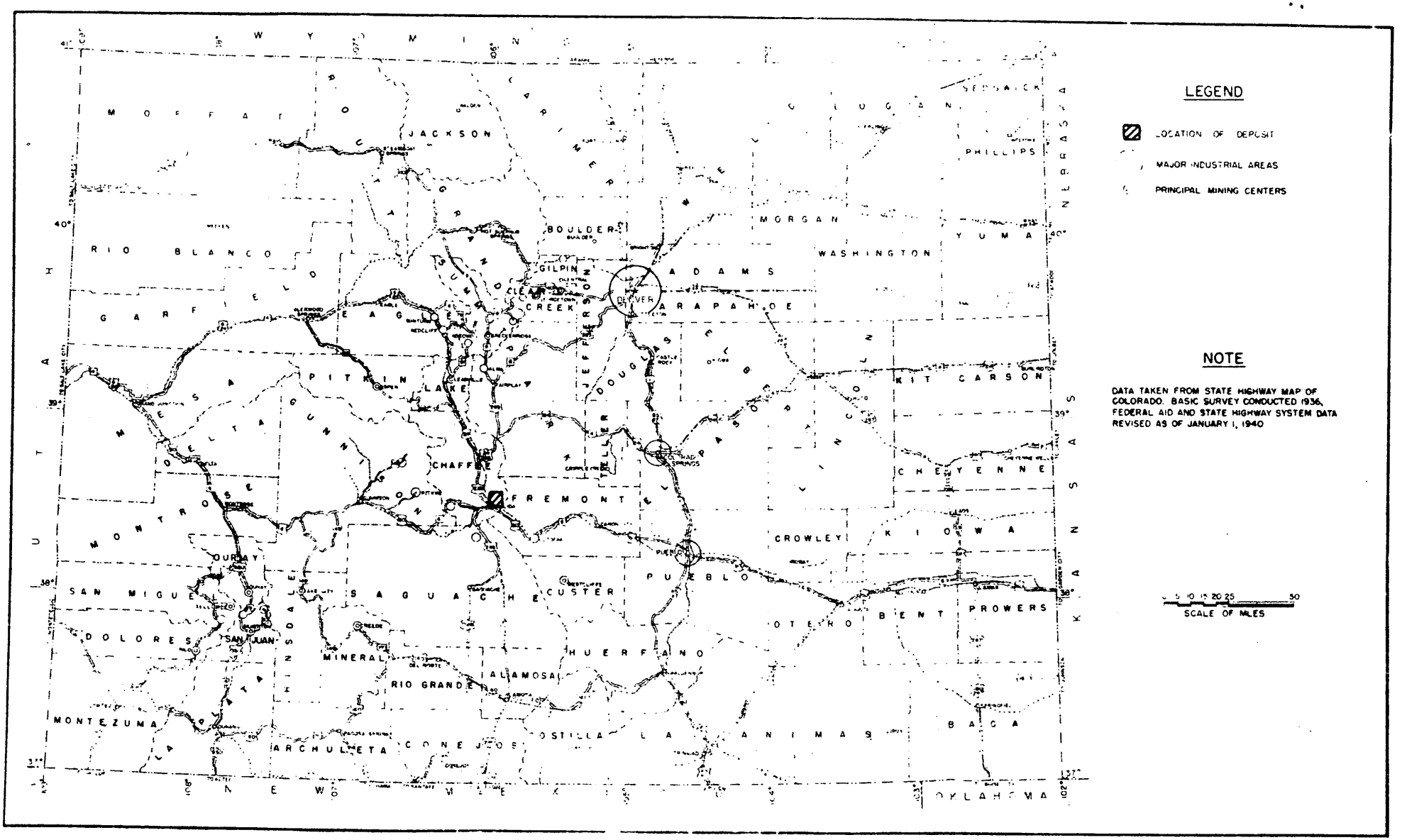

FIGURE 1 - LOCATION MAP, PAUL B. LORENZ AND R. F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583
(BERYL - COLUMBITE - TANTALITE)

south slope of Long Gulch and is reached by driving 1 mile west of Salida on paved Colorado State Highway 291; thence 7.6 miles northeasterly along gravelled Chaffee County Highway 180 in Railroad Gulch to its intersection with Long Gulch; thence westerly along the south slope of Long Gulch on a steep and rough access road for 4.3 miles to the property and existing quarry.

There is no water or power closer than Salida, 5-air miles to the south. Salida is about 142 miles southwest of Denver. Industry in the Turret Mining District is served by the Denver, Rio Grande, and Western Railroad passing through Salida. The Arkansas River is about 6-air miles to the west of the property.

HISTORY AND PRODUCTION

Little is known of the property prior to 1950. During 1951, a quarry was started on a pegmatite structure on the Long Gulch placer claim No. 23 and the coincident lode location, Bonus Extension No. 10, The property was then under lease to the Colorado Western Land Co., of Salida, who made shipments of beryl and columbite-tantalite to the Beryl Ores Co., of Arvada, Colorado, during 1951 and 1952. Financial difficulties resulted in cancellation of the lease. John Kostelc made a small shipment of beryl during 1951, prior to leasing the property, and small shipments during 1954. The property was leased to R. F. Deike and Paul B. Lorenz of Cheyenne, Wyoming, for 5 years, dating from September 10, 1954.

Lessee, R. F. Deike and lessor, John Kostelc, estimate the total production from the property as about 18 tons of beryl and 400 pounds of columbite-tantalite. Through the cooperation of Michael D. Lyons,

proprietor of Beryl Ores Co., of Arvada, minimum production from the property, based on sales records, was established in the following tabulation and since no other purchaser is known, it is assumed to be complete:

Production from J. Kostelo Bonus Extension lode claim No. 10 and overlapping Long Gulch Placer claim No. 23.

Beryl—sold to Beryl Ores Co., of Arvada, Colorado.

Date	Pounds shipped	Dollar value	Shipper
1-17-51	53	$ 11.00	J. Kostelo, Salida, Colo.
10-8-51	5,400	1,117.96	Colorado Western Land Co., Salida, Colo.
11-19-51	6,810	1,464.10	Colorado Western Land Co., Salida, Colo.
12-17-51	4,240	876.72	Colorado Western Land Co., Salida, Colo.
5-1-52	2,243	582.08	Colorado Western Land Co., Salida, Colo.
6-1-52	1,474	294.80	Colorado Western Land Co., Salida, Colo.
1-14-54	612	153.12	J. Kostelo, Salida, Colo.
1-24-54	956	239.40	J. Kostelo, Salida, Colo.
Total	21,759	$4,629.28	(10.8975 tons)

Columbite-tantalite—sold to Beryl Ores Co., of Arvada, Colorado.

11-19-51	88	$110.00	Colorado Western Land Co., Salida, Colo.
2-1-53	30½	—	J. Kostelo—stored at home.
	118	—	

Recovered beryl crystals ranged in size from a minimum of 1/4-inch diameter across flats and 1/2-inch long, to a maximum of 12 inches across flats and 3 feet long. Columbite-tantalite was recovered in grains and lumps up to 3 inches in diameter.

OWNERSHIP AND EXTENT

R. F. Deike and Paul H. Lorenz of 2123 Carey Avenue, and 409 Majestic Building, Cheyenne, Wyoming, sold about 254 acres of land under lease in secs. 7 and 8, T. 50 N., R. 5 E., in the Turret Mining District of Chaffee County, Colorado (figs. 1 and 2). The property consists

of unpatented locations held both as lode and placer claims, recorded at the Chaffee County Courthouse as follows:

Name	Book	Page	Date Recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canyon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canyon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canyon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canyon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canyon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canyon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canyon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canyon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canyon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canyon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canyon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canyon
Long Gulch placer No. 2	233	219	7-5-51	Turret
Long Gulch placer No. 3	233	220	7-5-51	Turret
Long Gulch placer No. 5	233	223	7-5-51	Turret
Long Gulch placer No. 6	233	223	7-5-51	Turret
Long Gulch placer No. 11	233	223	11-8-51	Turret
Long Gulch placer No. 12	233	234	11-8-51	Turret
Long Gulch placer No. 13	233	235	11-8-51	Turret
Long Gulch placer No. 14	233	236	11-8-51	Turret
Long Gulch placer No. 21	276	9	7-12-54	Brown's Canyon
Long Gulch placer No. 22	276	10	7-12-54	Brown's Canyon
Long Gulch placer No. 23	276	11	7-12-54	Brown's Canyon

All the claims are in the Turret Mining District and are defined by section, range and township in an abstract of title witnessed by the Clerk and Recorder of Chaffee County, dated July 19, 1954, and a map by R. F. Harrison, registered engineer and surveyor, dated July 7, 1954. All claims recorded as in the Brown's Canyon District are actually in the Turret Mining District.

John Kostele of Salida has given a 3-year lease on the property to R. F. Deike and Paul B. Lorenz, dating from September 10, 1954, with option to purchase for $25,000.00

DESCRIPTION OF THE DEPOSITS

Within the bounds of the property at least nine pegmatite exposures crop out at the approximate locations P-1 to P-8 and the quarry, (figure 2). The outcrops are too widely spaced and insufficiently exposed to determine their structural and areal relationships, extent and quality. It was impossible to determine whether they existed as several continuous dikes or as a series of small, interrupted lenses, or as dikes en echelon. The small exposures available infer thicknesses of less than 50 feet. Pegmatite outcrops at locations P-1 to P-4 contained visible crystals of beryl. No beryl or columbite-tantalite was noted in the small outcrops at locations P-5 to P-8.

Only one pegmatite, on the Bonus Extension lode claim No. 10 (fig. 2), has been quarried for beryl and columbite-tantalite and it is the source of all past production. This pegmatite dike has been quarried, over widths of 10 to 12 feet, for a combined length of 155 feet, and for depths of 8 to 15 feet. The total quarry excavation, estimated as 1,547.5 tons, has resulted in a verified recovery of about 11 tons of beryl and 118 pounds of columbite-tantalite, which infers values of 0.7 percent beryl and 0.004 percent columbite-tantalite for that part of the pegmatite quarried.

Beryl crystals of many sizes have been quarried and were noted, ranging in size from less than 1/4-inch diameter to over 12 inches between flats, and from 1/2 inch to 3 feet in length. Average price obtained was about 22 cents a pound. Columbite-tantalite as minute grains and also as large lumps, sheets, and plates up to 3-inch size were recovered in the quarry and were sold for about $1.25 a pound.

The beryl and columbite-tantalite are erratically distributed. Part of the columbite-tantalite is radioactive, probably due to their rare-earth content. Feldspar occurs both as a constituent in very coarse granite in the pegmatite and as large masses which could be cobbed and sorted into a clean, white product acceptable to the ceramic industry at $4.50 per ton F.O.B. Salida. Muscovite mica occurs as small, irregular and warped blocks which can be cobbed and sorted into a product acceptable as scrap mica at $21.00 per ton F.O.B. Salida. Waste products from the quarry consist of schist and gneiss fragments, coarse granite, feldspar so intermixed with quartz as to be inseparable economically, white quartz and garnet; and beryl, columbite-tantalite, and mica crystals too small to cob out by hand.

MINEABLE ORE RESERVES

Of nine pegmatite exposures visited, none were sufficiently exposed to form a basis on which to estimate ore reserves, and none were mapped.

PRESENT STATUS

Exploration and Development

Exploration of the property is limited to a pegmatite near the south end of the Bonus Extension lode claim No. 1 and the northwest part of the overlapping Long Gulch placer claim No. 23 (fig. 2). This pegmatite has been developed by a quarry bench and two cuts totalling 155 feet in length, with widths of 10 to 12 feet and depths of 10 to 15 feet, from which an estimated 1,547.5 tons of

rock has been removed. It is the source of all past production of beryl and columbite-tantalite.

Mining and Milling Equipment

Quarrying operations are concentrated on the aforementioned pegmatite. The property is equipped with a small, combination tool and change house and the following equipment is rented from the Wilson Equipment Co., of Cheyenne, Wyoming, for $1,020.00 per month:

one 125-cfm Worthington Blue Brute portable air compressor.
one International TD-9 tractor with Bucyrus-Erie loader.
one Worthington jackhammer, model WB-34.
one Worthington jackhammer, model WB-50.

Additional equipment includes 200 feet of 2-inch airline, four 50-foot lengths of 1-inch airhose, drill steel in 2, 4, 6, and 8-foot lengths and assorted tungsten carbide-insert rock drill bits.

Transportation

All market contacts would be by truck transportation to Salida, 13 miles distant, over Long Gulch access roads and Chaffee County Highway 180 (Ute Trail), and thence either by truck or the Denver and Rio Grande Western Railroad.

Manpower

Labor is readily available at Salida for this small operation.

APPLICANTS' PROJECT PROPOSAL WITH COSTS

The applicants propose to explore further the pegmatite outcrops on their group of claims (fig. 2) with eight trenches at the locations P-1 to P-8, to determine their quality, zonal characteristics, and extent. The trenches are estimated at about 1,100 cubic feet each;

100 to 150 feet long, 10 to 15 feet wide, and 20 feet deep. The proposed exploration project comprising eight trenches totalling 5,800 cubic yards is estimated to cost $66,700.00 or $9.625 per cubic yard.

EXAMINING TEAM'S PROJECT PROPOSAL WITH COSTS

Because the beryl-columbite-tantalite bearing pegmatites are insufficiently exposed to determine their extent or quality, a two stage program of exploration is recommended as follows:

Stage I: From the applicants' outcrops P-1, P-2, P-3, and P-4 (fig. 2) bulldoze shallow trenches along the strike of the pegmatites in each direction, and also across the strike at about 150-foot intervals. The trenches should be only deep enough to remove overburden and expose bedrock. Those along the strike should stop when they are 600 feet long or when they expose the ends of the pegmatites, whichever occurs first. Trenches across the pegmatites should only be long enough to expose them from wall to wall. This work can be accomplished with the equipment already on the property in 3 weeks and at an estimated cost of $867.60, computed as follows.

Items	Cost per hour	
Service charge for TD-9 tractor	$2.20	
Rental of tractor	1.60	
Blade rental	.70	
Power control rental	.25	
Operator-labor	2.36	
Payroll taxes at 5 percent	.12	
Total	$7.23	
Cost for 15 operating days of 8 hours is		$867.60

Because of the small sum involved and the necessity for further study and evaluation by Defense Minerals Exploration Administration field representatives, no allowance for supervision or engineering by the applicant is included. The work would probably be accomplished by the owner, John Kostelo.

Stage II: This part of the program is tentative and should be subject to prior written approval of the Government depending upon the results of Stage I. For evaluation purposes, a total of 450 feet of trenches, 10 feet wide and 20 feet deep with a 1/4 to 1 slope are tentatively suggested at an estimated cost of $0.078 per cubic foot, or a completed cost of $10,594.50, computed as follows:

Assumptions: Trenches totalling 450 linear feet are 10 feet wide at the bottom and 20 feet deep with a 1/4:1 slope. Estimated time of completion is 60 days at 5 days per week. Volume of trenches is 135,000 cubic feet or 11,250 tons.

Supervision-labor (22 days per month)	Cost per day	Total cost
One foreman--bulldozer operator at $450.00 per month	$20.45	
Two drillers at $364.00 per month	33.09	
	$53.54	
		$ 3,212.40
Payroll taxes at 5 percent	2.68	160.80
Equipment rental ($1,120.00 per month)		
One Dodge truck		
One 125-cfm Worthington Mus Brute compressor		
One TD-9 International tractor, front end loader and blade		
Two Worthington WS-65E sinker rock drills		
	$37.33	2,239.80
Supplies		
Five sets 4, 6, 8, and 10-foot drill steel at $34.00 per set		170.00
25 sets tungsten carbide bits at $50.00		1,250.00

	Cost per day	Total cost
135 boxes dynamite at $12.00		$1,620.00
1,500 blasting caps at $2.75 per hundred		33.00
14,000 feet of fuse at $0.01 per foot		140.00
Miscellaneous small tools and supplies		112.50
Service charge for compressor at $8.70 per hour		336.00
Service charge for tractor and equipment at $2.30 per hour and operating an average of 6 hours per day.		798.00
Service charge for truck at $2.30 per hour and operating an average of 4 hours per day		138.00
	$90.00	$ 4,981.50

Total cost of 450 feet of trenching in 60 days	$18,994.50
Total cost per cubic foot of excavation	$ 0.078

Total cost of Stages I and II combined would be $11,462.10.

No allowance is made for sorting out and cobbing beryl and columbite-tantalite.

CONCLUSIONS

The applicants' proposal is too extensive and part of it is in the nature of prospecting.

The only pegmatites containing visible crystals of beryl were incompletely exposed at the applicants' approximate locations P-1, P-2, P-3, P-4, and the operating quarry.

Since the extent of the pegmatites is in question and presently unknown, surface exploration is considered necessary to trace their continuity and zonal arrangement. This is best accomplished by a series of shallow trenches to remove overburden and expose the pegmatite structures at bedrock as presented in the mining team's proposal. Any further exploration, as Stage II of the mining team's proposal, is purely hypothetical and should be subject to a review and possibly the contract should be terminated on the basis of the above work or any succeeding work.

The quarrying of pegmatites solely for beryl and columbite-tantalite, without utilizing their feldspar and mica content has not proven particularly profitable to date in the Turret Mining District of Colorado. Quarries are generally very small and operate at irregular intervals.

RECOMMENDATIONS

Since the presence of beryl and columbite-tantalite has been established in the pegmatite at the present quarry location and the presence of beryl has been determined in outcrops at locations F-1 to F-4 (fig. 2), a two stage exploration program costing not more than $11,462.10 is recommended. The first stage of exploration would consist of stripping the surface of pegmatites with bulldozer trenches at the applicants' approximate locations F-1 to F-4 at a cost of $867.60 to determine their extent and structure. The second stage of exploration is hypothetical and should be subject to revision and possibly the contract should be terminated on the basis of information developed by Stage I. Stage II tentatively allows for a maximum of 450 feet of trenches across the pegmatites for evaluation. Trenches would be 10 feet wide and 20 feet deep, with a 1/4 to 1 slope, would cost $10,594.50 and would be completed in 60 working days. Unit cost would be $0.073 per cubic foot.

Total cost of the exploration program would be $11,462.10. Unit cost would be $0.074 per cubic foot.

Government participation of 75 percent would be $8,596.57.

/ea

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd
MAR 7 1955

Defense Minerals Exploration Administration

March 4, 1955

TRANSMITTED
APR 8 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3583 (Beryl, Columbium, Tantalum), Paul B. Lorenz and R. F. Daike, Beryl Mine, Bonna Extension and Long Gulch group of claims, Chaffee County, Colorado

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

MacLaren concludes that beryl is present in a quantity sufficient to warrant exploration on four of the nine pegmatite outcrops that exist on the applicant's property. He recommends a two-stage program of stripping and trenching to determine the lateral extent of the pegmatite dikes and their beryl content.

I concur with MacLaren's recommendation.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosure (9)

PAUL B. LOREEN and H. F. DEIZE

BERYL MINE

CHAFFEE COUNTY, COLORADO

MMRA DOCKET 3583

Geologic Report

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

BERYL MINE
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO
DMEA Docket 3583

INTRODUCTION

Paul B. Lorenz and R. F. Deike, partners, of 2123 Carey Avenue, Cheyenne, Wyoming, have applied to the Defense Minerals Exploration Administration for assistance to explore for beryl, columbite, and tantalite in Chaffee County, Colorado. The applicants propose to explore by trenching across 8 pegmatite outcrops and constructing access roads to each trench site, at an estimated total cost of $84,700 of which the Government's share will be 75 percent or $63,525.

An examination of the property was made February 1, 1955, in the company of C. M. Harrer of the U. S. Bureau of Mines, R. F. Deike, one of the applicants, and John J. Kostelc, claim owner and foreman for the applicants. The property consists of 12 lode claims that have been superimposed on 11 placer claims, both types of claim being filed by Kostelc. Located in secs. 7 and 8, T. 50 N., R. 9 E., N.M.P.M., the property is accessible throughout most of the year and is reached from Salida by following 7 miles of the Ute Trail road, thence 5 miles of the Long Gulch Trail road, both of which are gravel surfaced and are partially maintained by the County, and thence by about 3 miles of fair to poor mine road.

It is concluded that 4 of the 8 proposed trenches will explore outcrops that contain beryl crystals of sufficient size and in

sufficient amount to justify the work. However, since the lateral extent of the pegmatites cannot be determined due to overburden, it is recommended that a two-stage program be approved, stage I to allow shallow trenching to trace the pegmatites laterally, stage II to allow deeper trenching across the pegmatites for evaluation if stage I shows that they are of significant size. The cost of the recommended program is given in the Engineering Report.

GEOLOGY

In the Turret District the rocks are pre-Cambrian granite and quartz-biotite-hornblende schist that have been intruded by dikes and lenses of pegmatite. With few exceptions the dikes strike N. 70° - 80° E. and dip vertically or nearly so. Since 1942 attempts have been made to mine potash feldspar, scrap mica, beryl, and tantalite from at least eight dikes that have an average length of about 350 feet and an average width of about 40 feet. Most of the pegmatites contain considerable amounts of potash feldspar and scrap mica but the beryl content has not been large and the tantalite content has been negligible.

On the applicants' claims there are at least 9 outcrops of pegmatite, those in the southern part of the group occurring in granite, those elsewhere occurring in schist. The location of the contact between the schist and the granite could not be determined exactly, due to overburden and locally drifted snow.

Near the south end of claim No. 10 a pegmatite dike at least 150 feet long and 10 to 15 feet wide has been partially mined. The dike strikes N. 70° E. and dips 85° - 90° NW. between walls of granite. It is composed of an outer zone and a core. The outer zone, about 4 feet thick, contains albite-microcline-perthite, quartz, muscovite, and garnet, while the core contains albite, orthoclase, and quartz. The quartz and feldspar in the core are in masses several feet on a side as well as in graphic intergrowths. Mica in books up to 4 inches across occurs in the outer zone. Beryl is most abundant in the outer zone, where it occurs in crystals up to 1-1/4 inches across, near the contact with the core, although a few crystals of near gem quality are found in the quartz of the core. A few small black fragments that may be tantalite occur in the outer zone.

Mr. Hostelc stated that 21,759 pounds of beryl and 88 pounds of tantalite bought by Beryl Ores Company, Arvada, Colorado, and 30 pounds of tantalite at his house came from the portion of this dike from which it is estimated that 1,547 tons of pegmatite were mined. This would indicate a beryl to pegmatite ratio of 1 to 140, or 0.7 percent.

Beryl crystals up to 1-1/2 inches in section were seen in four of the eight pegmatite outcrops that the applicants propose to explore. Due to overburden it could not be determined whether the pegmatite exposures represent parts of a continuous dike or a series of lenses.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the beryl content of the dike being mined is sufficient to justify some exploration of the four pegmatite exposures

in which beryl is found, but that the tantalite content of the pegmatites is insignificant and can only be considered as a by-product, along with the feldspar and scrap mica for which the applicants say they have a market. Because it is not possible to estimate the size of the pegmatites represented by the outcrops, it is recommended that a program, set up on two stages, be approved. Stage I is recommended to determine the size of the pegmatites, and if they are of significant size, stage II is recommended to evaluate the deposits.

Stage I. From outcrops P 1, P 2, P 3, and P 4 (fig. 2, Engineer's Report) bulldoze shallow trenches along the strike of the pegmatite, in each direction, and across the strike at intervals of about 150 feet. The trenches should be only deep enough to remove overburden and expose bed-rock. Trenches along the strike should be stopped when they expose the end of the pegmatite, or when they reach a length of 600 feet, whichever occurs first, while those across the strike should only be long enough to expose both walls of the pegmatite.

Stage II. This stage will depend entirely upon the results of stage I. If one or more of the pegmatites is shown by stage I to be of significant size, stage II should allow a maximum of 450 feet of deeper trenching for the purpose of evaluating the deposit. The details regarding the location, depth, and length of stage II trenches cannot be given until stage I has been completed and an examination has been made. No work under stage II should be started until written authorization has been given by the Field Team.

The estimated cost of the recommended program is given in the Bureau of Mines report.

600

Messrs. Paul R. Lorenz
and R. F. Deibe
2123 Carey Avenue
Cheyenne, Wyoming

Re: Docket No. DMEA-3583 - Beryl,
Columbium-tantalum
Paul R. Lorenz and R. F. Deibe
The Beryl Mine (Bonne Extension and
Long's Gulch Groups of Claims)
Chaffee County, Colorado
Contract No. Idm-2828

Gentlemen:

Reference is made to your letter to the Executive Officer, DMEA Field Team, Region III, dated August 8, 1955, requesting cancellation of your application. Receipt of the unexecuted copies of contract No. Idm-2828 is herewith acknowledged.

As requested this case has been withdrawn from our active file effective as of the date of this letter.

We wish to thank you for your interest in the Defense Minerals program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:pk 8/22/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region III
Mr. Killsgaard, 5222
Mr. Reno, 3641A
Mr. Neuk
Mr. Hopkins

August 22, 1955

Memorandum

To: R. E. Adams, Chief, Operations Control and Statistics Division

From: Nonmetallic Minerals Division

Subject: Withdrawal of Application - Docket No. DMEA-3583 - Beryl, Columbium-tantalum
Paul B. Lorens and E. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado
Contract No. Idm-E823

The subject application is being withdrawn by the applicants. Copies of the unexecuted contract have been returned to this office and are attached hereto.

The application, therefore, will be considered in inactive status and placed in our inactive files.

James Hopkins
Nonmetallic Minerals Division

JHopkins:pk 8/22/55
Copy to: Admr. R. File
Mr. Houk
Mr. Hopkins

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

224 New Customhouse
Denver 2, Colorado

August 10, 1955

RECEIVED
AUG 12 1955

Mr. Paul B. Lorenz
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583

Dear Mr. Lorenz:

Your letter of August 8, 1955 requesting cancellation of your application for DMEA aid has been forwarded to the Washington office for final action.

Will you please send us by return mail the copies of the contract forwarded you with our letter of July 14, 1955. All copies of this contract must be returned before this docket can be closed.

Very truly yours,

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

HMC:sr

cc Subject
Chairman Op. Comm.(2)
Harshman
Shaw (2)
Townsend
Chron

DMEA
Date Rec'd
AUG 9 1955
BUREAU OF MINES
Denver, Colorado

PAUL B. LORENZ
ATTORNEY AT LAW
MAJESTIC BUILDING
CHEYENNE, WYOMING

August 8, 1955

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

RECEIVED
AUG 12 1955

Re: Docket DMEA 3583

Dear Mr. Traver:

With reference to your letter of July 29th last and our conversation of last Friday, I wish to advise you that the parties interested in this matter, including myself, as applicants, have decided to forego any further proceedings with respect to the loan application, and we wish that you would please cancel the application.

On behalf of myself and the other persons interested, we wish to thank you for the promptness and courtesies extended us.

Yours very truly,

Paul B. Lorenz

Paul B. Lorenz

PBL/ms

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

RECEIVED
AUG - 1 1955

224 New Customhouse
Denver, Colorado

July 29, 1955

Mr. Paul B. Lorenz
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA 3583

Dear Mr. Lorenz:

Will you please advise the date we may expect a reply to our letter of July 19, 1955 in which we requested the return of the Government, Division, Docket, Finance Office and Field Team copies of the proposed Exploration Project Contract for necessary corrections.

Very truly yours,

W. M. Traver

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

HMC:dja

cc: Chman.Op.Comm.(2)
Harshman
Shaw (2)
Townsend
Subject
Chron

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

224 New Customhouse
Denver 2, Colorado

July 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Paul B. Lorenz and R. F. Deike, Turret Mines, Inc., Chaffee County, Colorado

Attached is a copy of a letter to Paul B. Lorenz in accordance with your letter of July 13, 1955, to the Executive Officer, DMEA Field Team, Region III. The Operator's copy of this contract is still in this office, and as soon as the other copies have been returned, we will forward all copies to you for the necessary corrections.

W. M. Traver

Enclosure

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

224 New Customhouse
Denver 2, Colorado

July 19, 1955

Mr. Paul B. Lorenz
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583

Dear Mr. Lorenz:

Will you please return the "Government's," "Division," "Docket," "Finance Office" and "Field Team" copies of the proposed exploration project contract forwarded you with our letter of July 14, 1955 as some corrections are necessary.

The assignment to Turret Mines, Incorporated forwarded with your letter of June 22, 1955 recites that: "the undersigned on January 24, 1955 entered into an agreement by the terms of which they agreed to grant a Colorado corporation . . . the right and option to purchase from them all of the right, title, and interest of each of them in and to a certain mining lease (the mining lease of September 10, 1954 between John Kostelc and Lorenz and Deike) . . ." Without a copy of the January 24, 1955 agreement we are unable to understand how the six individual assignors and the one corporate assignor in addition to Lorenz and Deike, who are also assignors, acquired an interest in the lease and option which is the subject of the assignment to Turret Mines, Incorporated and the exploration project contract.

It is also required that we have copies of the agreement of January 24, 1955 referred to in the assignment, and copies of any other documents which may clarify the relationship of the individual and corporate assignors, other than Lorenz and Deike, mentioned in the assignment.

Enclosed are the original and five copies of form MF-201, Subordination Agreement. Please have all parties named in the assignment who are entitled to an overriding royalty sign all copies of the subordination agreement and return them to this office. Upon receipt of the above information the necessary changes will be made in the contract, and the contract will again be sent to you for signature.

Very truly yours,

W. M. Traver

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

cc Subject
Chairman Op. Comm. (2)
Harshman
Shaw
Townsend
Chron

HMC:sr
Enclosures

600

JUL 13 1955

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. DMEA-3583 - Beryl, Columbium and Tantalum
Paul R. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. Traver:

Your memorandum of June 24, 1955, submitted a copy of an assignment of a lease-option agreement covering the land in question and inquired whether a Subordination Agreement was required (in addition to the Consent to Lien) to cover a 5-per cent overriding royalty disclosed in the copy of the assignment. We enclose copies of a memorandum dated July 6, 1955 from the Acting Assistant Solicitor covering this question.

Please obtain the documents referred to in the above memorandum and forward them to us with all copies of the contract for review and the necessary corrections in the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 2

JHopkins & FLKnouse:pk 7/12/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
~~Mr. Dietrich, 3861~~
Mr. Houk
Mr. Reno, 3641A

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

JUL - 6 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Dieke

With a reference slip dated June 30 the Non-Metallic Minerals Division requested that we prepare a reply to a memorandum dated June 24 from Mr. Traver to the Operating Committee. Mr. Traver's memorandum submitted a copy of an assignment of a lease-option agreement covering the land in question and inquired whether a Subordination Agreement was required (in addition to the Consent to Lien) to cover a 5-percent overriding royalty disclosed in the copy of the assignment.

Our review of the docket indicates that the applicant, R. F. Dieke and F. B. Lorenz, submitted a copy of a lease-option agreement dated September 10, 1954, covering the claims in question.

With a memorandum dated May 12 a draft of a contract with the subject applicant prepared in this office was transmitted for the attention of the Non-Metallic Minerals Division. With a memorandum dated June 7 the Region III Field Team submitted to the Operating Committee copies of a letter from the applicant to the Executive Officer informing him that interests in the land involved were being transferred to Turret Mines, Inc., a Colorado corporation, and presuming that DMEA would want to prepare the contract for execution by the corporation. Notwithstanding this background, with a letter dated June 27 the contract was transmitted to Traver for execution by Dieke and Lorenz, as Operator.

The assignment in question recites that "the undersigned on January 24, 1955, entered into an agreement

by the terms of which they agreed to grant to a Colorado corporation . . . the right and option to purchase from them all of the right, title, and interest of each of them in and to a certain mining lease [the mining lease of September 10, 1954, between John Kostelc and Lorenz and Dieke] . . . ." Without a copy of the January 24, 1955, agreement we are unable to understand how the six individual assignors and the one corporate assignor, in addition to Dieke and Lorenz who are also assignors, acquired an interest in the lease and option which is the subject of the assignment to Turret Mines, Inc., and the exploration project contract.

We assume from Mr. Traver's question concerning the Subordination Agreement that the contract has not yet been executed. If this assumption is correct, it is suggested that all copies of the contract be returned so that the proper operating party, Turret Mines, Inc., can be named therein as the operator. Mr. Traver should be informed that, in response to his question, a Subordination Agreement is required from the persons named in the assignment as entitled to the overriding royalty. It is also required that we have copies of the agreement of January 24, 1955, referred to in the assignment, and copies of any other documents which may clarify the relationship of the individual and corporate assignors, other than Lorenz and Dieke, mentioned in the assignment.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

P.S. If it is deemed preferable, correction of the contract form could be made in the field, subject, however, to clarification of the corporation's leasehold interest, as discussed above.

JUN 27 1955 600

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. DMEA-3583 - Beryl, Columbite-Tantalite
Paul B. Lorenz and R. F. Deike
Bonus Extension and Long Gulch Groups of Claims
Chaffee County, Colorado

Dear Mr. Traver:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

Reference is made to the joint memorandum from C.M.Harrer and D. R. Maclaren of June 2, 1955, on changing the second stage. In our opinion, it is preferable to sink test pits and gain limited information on the vertical extent of the beryl zone rather than trenching. If the results of the first two stages are satisfactory, we believe that a diamond drilling program would be warranted to explore for continuity of the pegmatites in depth. In such a case a request for an amendment authorizing diamond drilling will be favorably considered.

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and can not be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from N. E. Nelson of the Geological Survey, dated April 22, 1955, and from Horace T. Reno of the Bureau of Mines, dated April 26, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

JHopkins:gad 6/22/55

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 10

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Reno, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

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

RECEIVED
JUN 13 1955

224 New Customhouse
Denver 2, Colorado

June 7, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA-3583 (Beryl-Columbite-Tantalite), Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims), Chaffee County, Colorado

In reply to your letter of May 23, 1955 on the subject docket, enclosed please find the following:

1. Four copies of a field memorandum report
2. Two copies of a letter from Paul B. Lorenz
3. Two copies of our reply to the applicant

The Field Team believes Stage II should be set up to allow for either trenching or test pitting, whichever appears more applicable after the results of Stage I are known.

In case the pegmatites prove to be narrow, trenches would be advisable, whereas if they are wide, shafts in the outer zone would prove more satisfactory.

Our experience indicates that sinking at $20.00 per foot is too low and $50.00 per foot is too high. It appears that a sinking cost of $35.00 or $40.00 per foot is more realistic.

DMEA FIELD TEAM, REGION III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

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

RECEIVED
JUN 13 1955

224 New Customhouse
Denver 2, Colorado

June 7, 1955

Mr. Paul B. Lorenz
Attorney at Law
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch group of claims, Chaffee County, Colorado

Dear Mr. Lorenz:

Thank you for your letter of June 3, 1955. Will you please forward this office a signed copy or a photostat of a signed copy of the assignment from Lorenz and Deike to Turret Mines, Inc., a Colorado Corporation.

Very truly yours,

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

HMC:sr

cc Chairman Op. Comm. (2)
Harshman
Shaw
Subject
Chron

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

Mr. Paul B. Lorenz
Attorney at Law
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee County, Colorado

Dear Mr. Lorenz:

This will acknowledge receipt of your letter dated May 31, 1955 in which you enclosed seven copies of form MF-203, Owner's Consent to Lien, signed by John Kostelc, who you state is the sole owner.

These Owner's Consent to Lien forms are being forwarded to the Washington office, DMEA to enable them to continue to process your application.

Very truly yours,

W. M. Traver

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

HMC:sr

cc Chairman Op. Comm. (2)
Subject
Chron

PAUL B. LORENZ
ATTORNEY AT LAW
[illegible]
CHEYENNE, WYOMING

May 31, 1955

RECEIVED
JUN - 6 1955

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

Re: Docket DMEA-~~3483~~ 3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee County, Colorado.

Dear Mr. Traver:

Referring to your letter of April 7, we have been inadvertently delayed in returning owner's consent to lien forms. However, they have now been executed by John Kostelc, the sole owner, and we enclose herewith original and five copies.

We wish to express our appreciation for your continuing courtesies in this matter.

Sincerely yours,

Paul B. Lorenz

PBL/is

Enclosure/6

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Owner's Consent to Lien, DMEA Docket 3583 (Beryl-Columbium-Tantalum), Lorenz and Deike (Bonus Extension and Long Gulch groups of claims), Chaffee County, Colorado

Enclosed are seven signed copies of form MF-203, Owner's Consent to Lien, on the subject docket.

The Report of Examination recommending a contract was forwarded your office April 8, 1955.

W. M. Traver

Enclosures

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

RECEIVED
JUN - 3 1955

224 New Customhouse
Denver 2, Colorado

May 26, 1955

Memorandum

To: J. F. Shaw W/Brochure
E. N. Harshman

From: DMEA Field Team, Region III

Subject: DMEA-3583 (Beryl-Columbium-Tantalum), Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims), Chaffee County, Colorado

Attached is a copy of a letter from the Chairman of the Operating Committee in which he submits an alternate proposal for the exploration program on the subject docket in lieu of the Field Team's recommended project.

Please let us have your comments on the proposed revision and also determine if it will be favorably considered by the applicant.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

WMT:sr

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

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

MAY 12 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Deihs
Beryl, Columbium-Tantalum

Pursuant to reference slip dated April 28 from Nonmetallic Minerals Division, we have prepared the attached contract, in satisfactory legal form for execution, subject to the attachment of Consent to Lien from the owner, Kostelc.

/s/ H. C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
✓L. G. Houk
J. L. Hofflund
H. C. Rubin
chron.

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

MAY 12 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Deike Beryl, Columbium-Tantalum

Pursuant to reference slip dated April 28 from Nonmetallic Minerals Division, we have prepared the attached contract, in satisfactory legal form for execution, subject to the attachment of Consent to Lien from the owner, Kostelc.

/S/ H. C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
L. G. Houk
J. L. Hofflund
H. C. Rubin
chron.

600

MAY 2 3 1955

Mr. W. M. Trever
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Subject: Docket No. DMEA-9583 - Beryl, Columbite-tantalite
Paul B. Lovern and R. F. Deike
Dorus Extension and Long Gulch Groups of Claims
Chaffee County, Colorado

Dear Mr. Trever:

Reference is made to the Field Team report on the subject property dated March 10, 1955, in which it is recommended that the Government enter into a contract with the applicant in a two stage exploration program of stripping and trenching at an estimated cost of $11,462.10.

The applicant had proposed to explore the pegmatite locations with eight trenches at an estimated cost of $24,700.00. We believe that the pegmatites can be more effectively explored by the following two stage program that involves stripping to more thoroughly expose the pegmatites followed by test pitting at the most favorable locations. A third stage of diamond drilling will be favorably considered if stages 1 and 2 are encouraging. We are submitting this alternate proposal for your comments and request you obtain the applicant's reaction to such a program.

Stage I

With bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the areal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Cost of Stage I

Bulldozer trenches 120 hours @ $8.00 $960.00

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep on the most promising

pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk

Cost of Stage II

120 feet of Shafts @ $20.00/ft.	$2,400.00
Estimated Total Cost of Project	$3,360.00

Note: Shafts or test pit need not be 20 feet in depth if desired information is obtained at a shallower depth.

If you and the applicant approve the above outlined work a contract will be prepared along the suggested lines.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JHopkins:gad 5/20/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Reno, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

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

April 26, 1955

Memorandum

To: L. G. Honk, Director, Non-Metallic Minerals Division, DMEA

From: Commodity-Industry Analyst, Branch of Rare and Precious Metals

Subject: Report of Examination, DMEA Docket 3583 (Beryl, Columbium, Tantalum) Lorenz and Deike, Bonus Extension and Long Gulch Group of Claims, Chaffee County, Colorado

The above report has been reviewed and I concur with the field teams recommendation that a contract for exploration in two stages be granted.

The copy of the report has been forwarded to the Chief, Division of Minerals in accordance with the routing slip attached thereto.

Horace T. Reno

IN REPLY REFER TO:

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

April 22, 1955

Re: DMEA-3583
Paul B. Lorenz and
R. F. Deike
Bonus Extension and
Long Gulch Groups
of claims
Chaffee County, Colo.
$11,462.10 (Original
request $84,700)
Beryl-Columbium-Tantalum

Memorandum

To: L. G. Mouk, Defense Minerals Exploration Administration

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

Subject: Review of Field Team report

The Field Team recommends a contract for a revised and reduced program of exploration of the pegmatite exposures on this property. The results obtained in the quarry on claim 10 justify the recommendation.

By removing 1,547.5 tons of pegmatite rock a good sample of the pegmatite was obtained. From this rock 21,759 pounds (10.9 tons) of marketable beryl was recovered, indicating a grade of 0.7% , or 14 lbs. per ton for which the operator received 22 cents per pound. Since pegmatite rock containing 1.0% beryl is considered high grade and 0.1% rather above average the 0.7% is noteworthy. The report does not indicate whether or not the good ore may be expected to extend downward and laterally beyond the limits of the quarry.

Most of the beryl used is recovered as a byproduct of feldspar mining since the beryl content, as in this case, will not sustain a small scale mining operation. Thus the feldspar, mica and columbite-tantalite assume importance.

I concur in the recommendation of the Field Team.

NENelson:hlm
G-4/22/55
CC: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
H. T. Reno, 3641A

N. E. Nelson

N. E. Nelson

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

224 New Customhouse
Denver 2, Colorado

April 7, 1955

Mr. Paul B. Lorenz and
Mr. R. F. Deike
2123 Carey Avenue
Cheyenne, Wyoming

Re: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee County, Colorado

Gentlemen:

Enclosed are seven copies of form MF-203, Owner's Consent to Lien.

Will you please have the owners of the property sign all copies and return the original and five copies to this office so that we may continue to process your application.

Very truly yours,

W. M. TRAVER,

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

Enclosures

HMC:sr

cc Administrator, DMEA (2)
Harshman
Subject
Chron

600

DEC - 9 1954

Mr. Paul B. Lorenz
409 Majestic Building
Cheyenne, Wyoming

Re: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. Lorenz:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

Mittendorf

Administrator

LGHouk:gad 12/8/54

Copy to: Admr. R. File
Docket
Field Team, Region IV
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

DEC - 9 1954

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

Subject: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. King:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated December 6, 1954, and from the Bureau of Mines, dated December 1, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

LGHouk:gad 12/8/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. H. T. Reno, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
DEC 6 1954

December 6, 1954

Re: DMEA-3583
P. B. Lorenz & R. F. Deike
(Brown's Canon & Turret Claims)
Chaffee Co., Colorado
$84,700
Beryl-Columbium-Tantalum

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Recommendation for field referral

The applicant proposes a program of trenching to explore a pegmatite dike and if favorable evidence is disclosed several cross-cuts will be driven.

In Exhibit 6, T. L. Johnston reports that during 1952 the Western Land Co. produced 400 pounds of tantalite (ore) and $10,000 worth of beryl.

The present development on the property consists of several trenches, one of which is 100 feet long and 25 feet deep at one end.

We do not have any specific information on the applicant's property. However, the claims are in an area known to contain beryl-bearing pegmatites and quartz veins. In general, the beryl-bearing quartz veins are more persistent and extend with greater continuity than the associated pegmatites.

I recommend this application be referred to the Field Team for their examination and recommendations.

E. L. Newcomb

ELNewcomb:hlm
G-12/6/54

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Horace T. Reno, 3641A Interior

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

C
O
P
Y

December 1, 1954

Memorandum

To: Lawrence G. Houk, Defense Minerals Exploration Administration

From: Horace T. Reno, Commodity-Industry Analyst, Rare and Precious Metals Branch, Bureau of Mines

Subject: Review of application for DMEA assistance (Beryl, Columbium, Tantalum) Paul B. Lorenz and R. F. Deike, Lode and Placer group of claims, Brown's Canyon and Terret Mining District, Chaffee County, Colorado

It is recommended that subject application be referred to the Field Team for an examination of the property.

Judging from the description in the application, the property might be extensive enough to warrant consideration, by the Field Team, of including sampling in the proposed project to determine the possibility of exploitation of the deposit by beneficiation.

/s/ Horace T. Reno

Horace T. Reno

Enclosures