DMEA 3881

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 6-28-55

2. CONTRACT DATE

3. TERMINATION AGREEMENT: DATE 12-28-56

   a. Mutual (with/without repayment provision).
   b. Unilateral.
   c. Amendment with automatic termination clause and with/without repayment provision.

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS 1 DATE 8-13-56

Docket Copy

Butin
Sawyer
"Appd. Sol. Off."
Chapman
Martin
Chambers
Selfridge

TERMINATION AGREEMENT

It is agreed this 28th day of December, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walby and Clifford, a partnership, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-8917 (Docket No. DMEA-3881), dated February 6, 1956, as amended, hereinafter called the "Contract," that:

1. Effective August 17, 1956, all obligations of the parties under the Contract are terminated, except as otherwise herein expressly provided.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government with respect to certification of discovery or development, percentage royalty, and liens for its payment; and all rights of the Government with respect to records, audits, and recovery of any overpayment, as provided in the Contract, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

EXTRA COPY
DMEA
RECEIVED JA 1957

DATE	INITIALS	CODE

THE UNITED STATES OF AMERICA

By C. R. Mitchendorf
Administrator, Defense Minerals Exploration Administration

WALBY AND CLIFFORD

Hugh E. Walby
Hugh E. Walby, partner

Earl Clifford
Earl Clifford, partner

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EXPLORATION PROJECT CONTRACT
WALBY AND CLIFFORD, A PARTNERSHIP
DOCKET NO. DMEA 3881
CONTRACT NO. IDM-E917

AMENDMENT NO. 1

It is agreed this 13th day of August, 1956 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walby and Clifford, a partnership comprised of Hugh E. Walby and Earl Clifford, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E917, Docket No. DMEA 3881, dated February 6, 1956, hereinafter called the "Contract," that the Contract is amended effective February 6, 1956 as follows:

1. The date fixed in Article 3, on or before which work shall be commenced, is extended from May 1, 1956 to June 1, 1956.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in sextuplicate the day and year first above written.

UNITED STATES OF AMERICA

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

WALBY AND CLIFFORD

By Hugh E. Walby
Hugh E. Walby, partner

By Earl Clifford
Earl Clifford, partner

Docket Copy

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MF-200A
(Revised June 1954)

Docket No. DMEA 3681

Commodity Tungsten

Contract No. Idm-E 917

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

It is agreed this FEB 6 1956 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Walby and Clifford, a partnership comprised of Hugh E. Walby and Earl Clifford, whose mailing address is Mr. Hugh E. Walby, Box 253, Ouray, Colorado, 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 maps.

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 San Juan, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., 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 Earl Clifford

[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—70619-1

(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 Tungsten The work to be performed is described in Exhibit "A." The Operator on or before May 1, 1956 shall commence the work, and on or before December 1, 1956 (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 $13,000.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $9,750.00: *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.*—

Porter
Sawyer
"Appd. Sol. Off."
Chapman
Martin
Talbert
Johnson

Executed in sextuplicate the day and year first above written.

WALBY AND CLIFFORD
(Operator)

By Hugh E Walby (Partner)

By Earl Clifford (Partner)

THE UNITED STATES OF AMERICA

By C F Mitchenerson
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

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EXPLORATION PROJECT CONTRACT
WALNY AND CLIFFORD
DOCKET NO. DMEA-3881

ANNEX I

The land referred to in Article 2 of the contract, and shown on the attached Figure 2, Claim and Exploration map, consists of two patented lode mining claims and one unpatented lode mining claim, all located in the S. ½ of section 29, T. 42 N., R. 7 W. N.M.P.M., Eureka Mining District, San Juan County, Colorado, as follows:

The Tin Cup and Gypsy Patented Claims, U. S. Survey No. 19588, are owned by the Operator, as evidenced by County Commissioner's ~~[illegible]~~ recorded in San Juan County Treasurer's Office in Book No. 176 at pages 306-308. Earl Clifford is the locator of the Big Ben unpatented claim, the location notice of which is recorded in Book 183, at page 178, County Clerk's records. The Consent to Lien of Earl Clifford is attached to this contract.

EXPLORATION PROJECT CONTRACT
WALBY AND CLIFFORD
DOCKET NO. DMSA-3881

EXHIBIT "A"

Description of the Work

Work Items

1. Build about 3/4 mile of access road to exploration site at existing adit.

2. Rehabilitate adit, including timbering, approximately 65 feet.

3. From the present face of the adit, near the west end of the Gypsy claim, crosscut easterly and westerly, the total not to exceed 25 feet, to locate hanging wall and foot wall and possible parallel vein or veins. These crosscuts shall be not less than 4 feet by 6 feet in the clear.

4. From the face of the adit, continue drift southerly along the vein a maximum distance of 275 feet. This drift shall be not less than 4½ feet by 6½ feet in the clear.

It is estimated that 133 feet of crosscutting and drifting (work items 3 and 4) may require timbering.

Where the mineralization so warrants, sample and assay for WO_3. The work is shown in part, on map entitled "Figure 3 Plan Showing Geology in Open Tunnel . . ."

Estimated Cost of the Project

Fixed Unit Costs

Build access road	$ 1,000.00 1/	
Rehabilitate adit, including timbering approximately 65 feet	200.00 1/	
Crosscut and drift 300 feet @ $36.00/ft.	10,800.00	
Timber (work items 3 and 4) 133 feet @ $6.00/ft. (rounded to)	800.00	
Assay 40 samples for WO_3 @ $5.00/each sample	200.00	
Estimated Cost of Project		$13,000.00
Government Participation @ 75%		$ 9,750.00

1/ The completed work constitutes the unit.

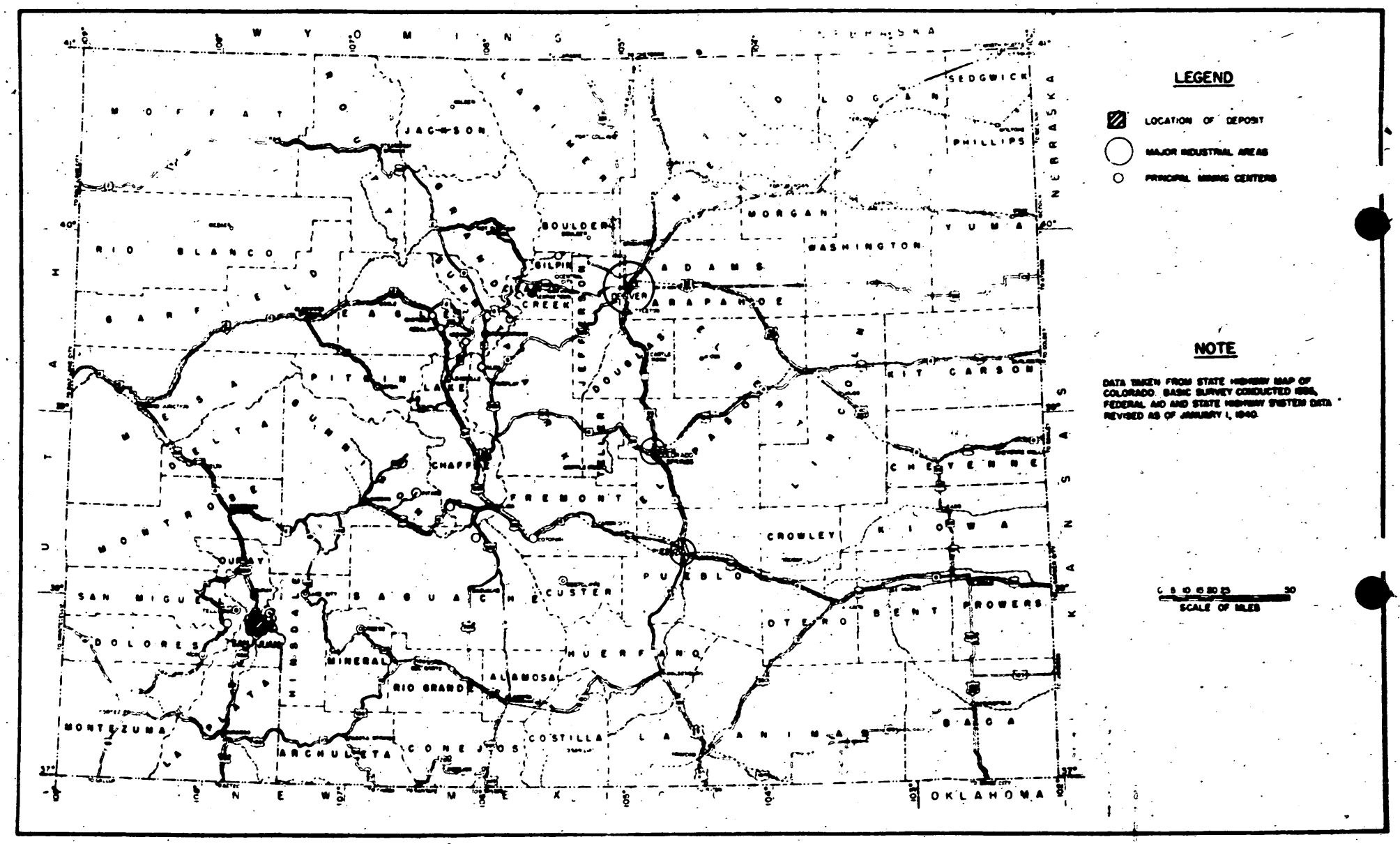

FIGURE 1 - LOCATION MAP, H.E. WALBY AND E. CLIFFORD (GYPSY AND TINCUP) CLAIMS, SAN JUAN COUNTY, COLO. DMEA 3881

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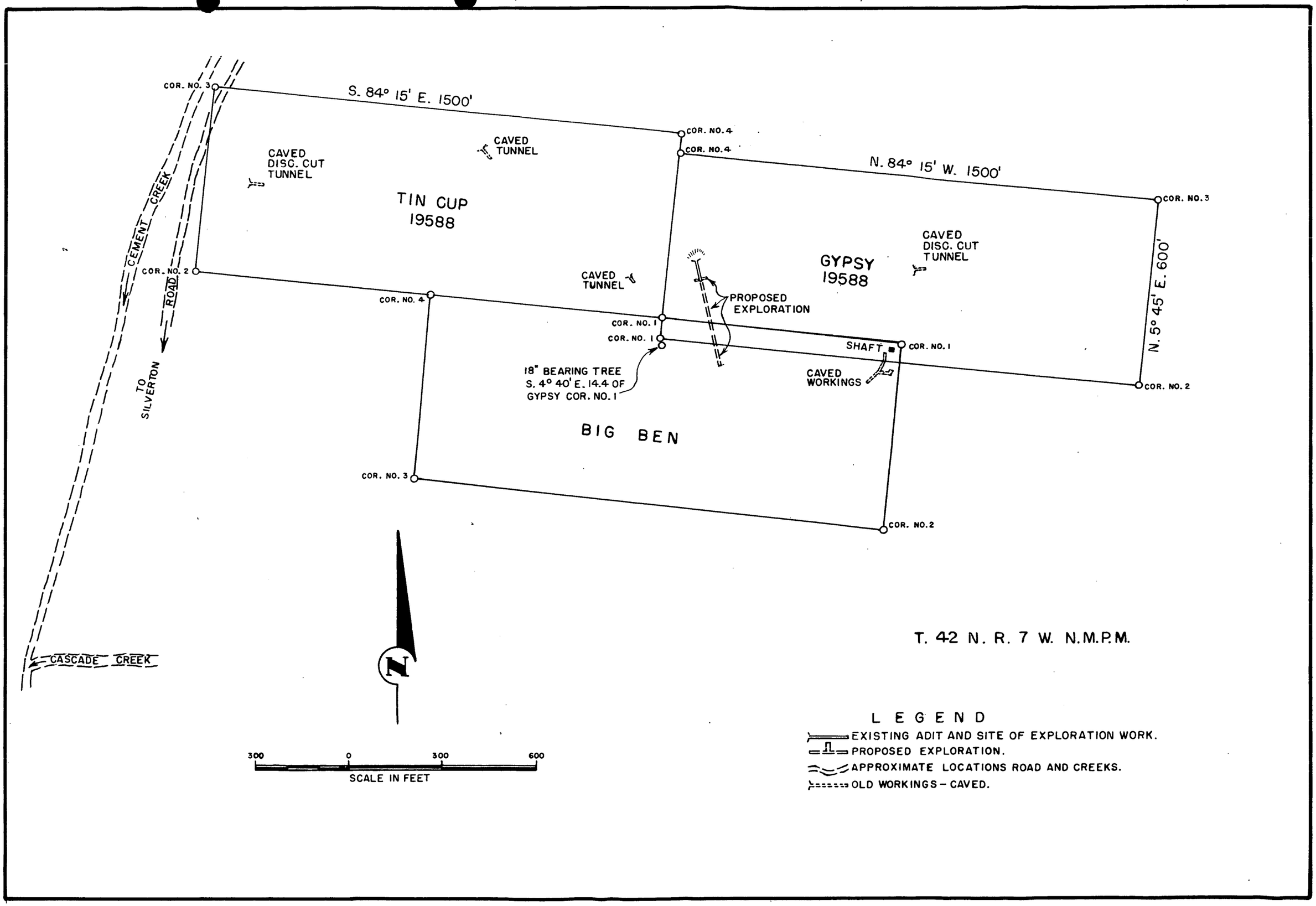

FIGURE 2 - CLAIM AND EXPLORATION MAP, H. E. WALBY AND E. CLIFFORD (GYPSY AND TIN CUP) PROPERTY, SAN JUAN COUNTY, COLO. DMEA 3881

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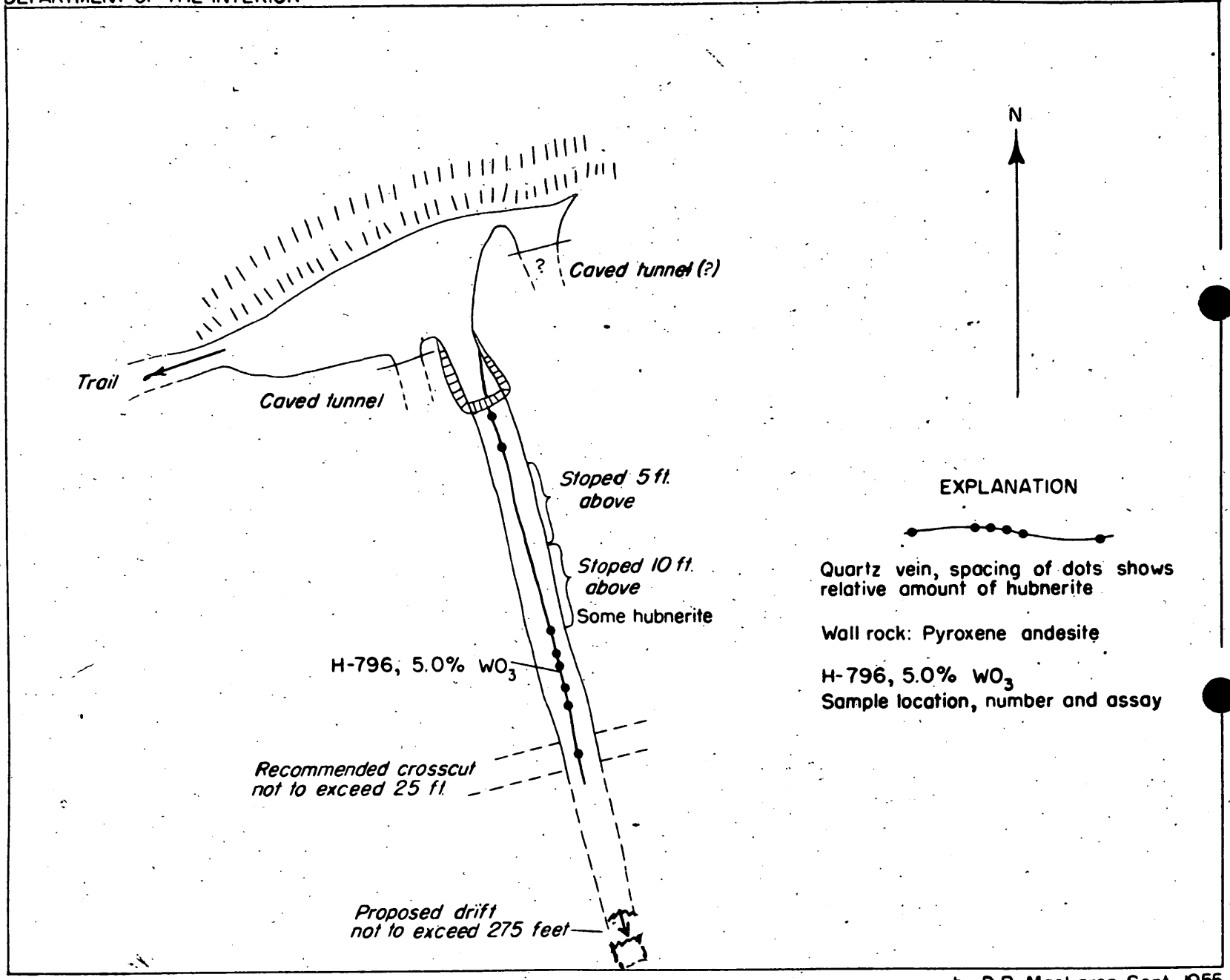
MAR 12 1955



by D.R. MacLaren Sept, 1955

FIGURE 3 PLAN SHOWING GEOLOGY IN OPEN TUNNEL AND RECOMMENDED EXPLORATION CROSSCUT AND DRIFT. WALBY AND CLIFFORD PROSPECT, SAN JUAN COUNTY, COLORADO.

20 10 0 20 Feet

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MAR 12 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Walby and Clifford
Docket No. DMEA- 3881
Contract No. Idm-E
Contract Date

RECEIVED
MAR 12 1956

CONSENT TO LIEN

To the United States of America:

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

Big Ben, unpatented lode mining claim, notice of location of which is recorded in Book 181, at page 178, in the office of the Clerk of San Juan County, Colo.

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 None

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 None, and recorded in book None page None 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 _____ day of FEB 6 1956, 195__.

Earl Clifford [Seal]
Earl Clifford

_____ [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]

July 16, 1974

Mr. Ken Hodgson, President
Ken Hodgson & Co., Inc.
2320 W. 73rd Pl.
Denver, Colorado 80221

Re: IMMA-3881 (Tungsten)
Tin Cup, Gypsy and Big Ben Claims
San Juan County, Colorado
Contract Idm-X-917

Dear Mr. Hodgson:

This is in reply to your request of May 30, 1974 (received in this office June 21, 1974), for information on the subject property.

We reviewed the file and selected the enclosed material which should be most useful to you. This includes the following:

1. Description of the project costs and results of the exploration work (3 pages).

2. Two maps (Figures 2 and 4).

3. Operator's Final Report (one page).

Our office copier could not accommodate the full size of Figure 2, so we made four overlapping prints of positions of the map and enclose them as individual sheets. These can be assembled and taped into position as a single map about 14-3/4" x 10-1/4" in size.

This is the only technical information in the file that could be useful for an exploration project.

The IMMA project on the property did not result in a discovery or development.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

HKirkemo/gpw

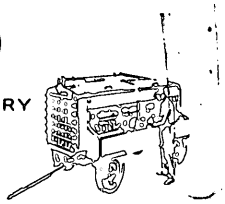
Mr. Kirkemo
Region III

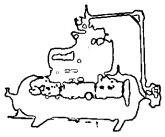
cc: DRF
MR Rdg.
OMR Rdg./Files

Rec'd 6/21/74

SCHRAMM

PORTABLE AND STATIONARY
AIR COMPRESSORS
PNEUMATRACTORS
PNEUMAGOPHERS





Speedaire

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AIR TOOLS
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ken hodgson and company

24 HOUR EMERGENCY SERVICE
TELEPHONE: (303) ~~XXXXXX~~
427-0698
AIR EQUIPMENT SPECIALISTS

~~5900 SHERIDAN BOULEVARD • ARVADA, COLORADO 80003~~
2320 W.73Rd. Pl. Denver, Colo 80221

May 30,1974

Mr. Harold Kirkemo
Chief of Mineral Exploration
U.S. Geological Survey
National Center-Mail Stop 953
12201 Sunrise Valley Dr.
Reston, Va 22092

Dear Sir;

I have talked with Mr. William Hassler officer for region 3, and I understand that you can supply us with information on a D.M.E.A. Tungsten development loan that was done in 1956.

The D.M.E.A. No. is 3881 contract E 917 for development of the Tin Cup mine in San Jaum County, Colo.

We would like all Geological data available along with any Surveys, reports, or assays.

My company has just taken a purchase contract on the property, and am enclosing a copy of the contract to prove my right to have the matierial.

Your help in this matter is sincerely appreciated and may save us thousands of dollars in exploration expenses. You may send the information to the above adress C.O.D.

Yours Sincerely,

Ken Hodgson

Ken Hodgson, President
Ken Hodgson & Co, Inc.

DEPOSIT RECEIPT

Reno, Nevada, ~~California~~ XXXXX May 17, 19 74

Received from Ken Hodgson and Company,

herein called Buyer, the sum of Two thousand thirty and no/100 - - - - - - - - - - - - -

Dollars ($ 2,030.00) evidenced by cash ☐, personal check ☐, cashier's check ☐, XX to be sent with this deposit receipt by check made payable to First Commercial Title Co.

as deposit on account of purchase price of Seven thousand and no/100 - - - - - - - - - - - - - Dollars ($ 7,000.00)

for the purchase of property, situated in ...., County of San Juan, Colorado, ~~California~~ XXXXX, described as follows:

Tin Cup, and Gypsy patented Mines, U.S. Survey No. 19588

Buyer will deposit in escrow XXXXXXXXXXX the balance of the purchase price within 90 days from date of acceptance hereof by Seller, as follows:

Down payment to be $2,030.00, and the balance by a note and purchase money deed of trust for $4,970.00 payable $50.00 per month or more including 7% interest.

Note: Check made payable to First Commercial Title Company,
1400 S. Virginia Street
Reno, Nevada

(1) If Buyer fails to pay the balance of said purchase price, or to complete said purchase as herein provided, the amounts paid hereon may be retained .... Seller at his option as consideration for the execution of this agreement by Seller.

(2) Title is to be free of liens and encumbrances other than those set forth herein. Title subject to rights of way, and usual patented mine excentions as per patent.

Evidence of title shall be a XXXXXX Land Title Association standard coverage form policy of title insurance issued through San Juan Abstract Company of Silverton, or other title insurance company.

to be paid for by ½ Seller ½ Buyer If Seller is unable to convey a marketable title, except as herein provided, within three months after acceptance hereof by Seller, or if the improvements on said property be destroyed or materially damaged prior to transfer of title or delivery of agreement of sale, then upon demand of Buyer, said deposit and all other sums paid by Buyer shall be returned to Buyer, and this agreement as between Buyer and Seller shall be of no further effect, and Seller thereupon shall become obligated to pay all expenses incurred in connection with examination of title.

(3) Taxes, premiums on insurance acceptable to Buyer, rents, interest and other expenses of said property shall be pro-rated as of the date of transfer of title or delivery of agreement of sale. The amount of any bond or assessment which is a lien shall be paid by none, except that the amount of any deliquency now existing shall be paid by Seller. Seller shall pay cost of revenue stamps on deed and any expense connected with the removal of title defects.

(4) Possession of said property to be delivered to Buyer on closing escrow ☒ or not later than .... days after closing escrow ☐.

(5) This offer shall be deemed revoked unless accepted in writing within 20 days after date hereof, and such acceptance is communicated to Buyer within said period.

(6) Time is of the essence of this contract, but Broker may, without notice, extend for a period of not to exceed one month the time for the performance of any act hereunder, except the time for the acceptance hereof by Seller and date of possession.

(7) IT IS UNDERSTOOD AND AGREED that this agreement contains the entire agreement between the Buyer and Seller, and it is further understood and agreed that no representative or agent has any power to change, modify or make any terms or representations whatsoever, other than those herein stated; that all representations not herein set out are expressly waived by the Buyer.

.... By ....
Real Estate Broker

Address .... Telephone ....

The undersigned Buyer offers and agrees to buy the above described property on the terms and conditions above stated and acknowledges receipt of a copy hereof.

Address .... Kenneth P. Hodgson

Telephone .... Ken Hodgson and Company
Buyer

Buyer to take title in name of Ken Hodgson and Company
Please Print

(OVER)

UB 900 10M 6-50 14995

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/26	Holt	400
	Martin	400
7-26	Chamber	800
"	Johnson	110
"	Mittendorf	100
7/26		225

225

JUL 26 1957

Walby and Clifford
c/o Mr. Hugh E. Walby
Box 253
Ouray, Colorado

Re: Docket No. DMEA 3681 - Tungsten
Tin Cup, Gypsy and Big Ben claims
San Juan County, Colorado
Contract No. Ida-8917

Gentlemen:

This is with reference to the subject exploration contract between you and the Government.

It is not our intention to issue a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

SPHolt/esf - 7/26/57
cc to: Docket
Code 110
Code 400
Code 800
Admr. Read. File
FT REG III
R. W. Holliday, USBM
T. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/26	Holt	400
	Martin	400
		110
		100
		225

July 26, 1957

MEMORANDUM

To: Administrator

From: Division of Iron and Ferro-Alloys

Subject: General Summary of Contract and Results Obtained
Docket No. DMEA 3881 - Tungsten
Walby and Clifford (partnership)
Tin Cup, Gypsy and Big Ben claims
San Juan County, Colorado
Contract No. Idm-E917

Operator: Walby and Clifford, a partnership comprising Hugh E. Walby and Earl Clifford, address of partnership c/o Hugh E. Walby, Box 253, Ouray, Colorado.

Operator's Property Rights:
The Operator owns two patented lode mining claims and controls one unpatented lode mining claim located by Earl Clifford, one of the partners. The claims are situated in the S½, sec. 29, T. 42 N., R. 7 W., N.M.P.M., Cement Creek area, Eureka Mining District, San Juan County, Colorado. The patented claims are recorded in the County Treasurer's Office, and the unpatented claim is recorded in the County Recorder's Office of San Juan County, at Silverton, Colorado, as follows:

Patented:

Claim Name	U. S. Survey Number
Tin Cup	19588
Gypsy	19588

Unpatented:

Claim Name	Recorded Book	Recorded Page
Big Ben	183	178

Contract:

(a) Executed February 6, 1956 (Short Form, MF-200A, Rev. June 1954).

(b) Completion period: Work to be commenced on or before May 1, 1956, and to be completed on or before December 1, 1956.

8623

(c) Work authorized:

Fixed Unit Costs

Build Access Road, about 3/4 mile	$ 1,000.00 1/	
Rehabilitate Adit, including timbering approximately 65 feet	200.00 1/	
Crosscut and drift 300 feet @ $36.00/ft	10,800.00	
Timber 133 feet of drift and crosscut @ $6.00/ft (rounded to)	800.00	
Assay 40 samples for WO_3 @ $5.00/spl	200.00	
Estimated Total Cost of Project		$13,000.00
Government Participation @ 75%		9,750.00

1/ The completed work constitutes the unit

Amendment No. 1, executed August 13, 1956, effective February 6, 1956, extended the date for beginning the work from May 1, 1956, to June 1, 1956.

(d) Work completed:

Construct access road	$ 1,000.00	
Rehabilitate adit	200.00	
Drift 242 feet @ $36.00/ft	8,712.00	
Crosscut 12 feet @ $36.00/ft	432.00	
Total accepted Cost of the Contract		$10,344.00
Government Participation @ 75%		7,758.00

Work on the contract started June 1, 1956, and was stopped, a little short of full completion, on August 17, 1956. The contract was terminated by a mutual termination agreement, dated December 28, 1956, effective August 17, 1956.

Audits: A review in lieu of final audit, dated January 28, 1957, was received January 30, 1957.

Reports: The Operator's Final Report, undated, was received by the Field Team on January 24, 1957, and in this office on January 28, 1957. The Final Report of the Field Team, dated January 28, 1957, was received February 20, 1957.

Past Production:

The Conyer group, consisting of the Tin Cup and Gypsy claims, is reported as having been in production early in the 1900s and during the time of World War I. The Bureau of Mines reports the Conyer group as having produced 1,220 units of WO_3.

Present Production:

No tungsten ore is reported to have been produced from the project during the life of the contract, nor since that time, to date.

Certification:

In agreement with the recommendation of the Field Team, this Division recommends that, since exploration did not result in the discovery of significant amounts of tungsten ore, no certification of discovery or development be issued.

Comments: The project consisted of work on the Tin Cup and Gypsy group of claims to explore for tungsten, which occurs as isolated lath-shaped veins in fractured pyroxene-andesite. The Field Team examiners, as the result of their examination, reported that the chance of discovering several small deposits of hubnerite tungsten ore having a moderate over-all tonnage were fairly good, and recommended a contract. Exploratory drifting and crosscutting under the contract showed the existence of a well-defined quartz vein from 1 to 3.5 feet wide. Within the vein, hubnerite occurs as small pockets, patches, and thin discontinuous streaks separated by barren stretches of vein quartz. The exploration work resulted in the discovery of only two small tungsten-bearing areas, and showed conclusively that those areas are too small for exploitation. Concluding that there is little probability of discovering significant amounts of tungsten ore by exploration at the property, the Field Team recommends that no additional exploration be done with Government aid, and states that there are no known ore reserves on the property.

W. S. Martin, Director
Division of Iron and Ferro-Alloys

SPHolt/esf - 7/26/57
cc to: Docket
Code 400
Admr. R. File

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Date March 15, 1957

DMEA Docket No. 3881
DMEA Contract No. Idm-E917
Commodity Tungsten
Name of applicant H. E. Walby & Earl Clifford
Name of property (Tin Cup, Gypsy, & Big Ben Claim)
Location of property San Juan County, Colorado
Estimated cost of project

To: W. S. Martin, Chief, Iron and Ferroalloys Division-DMEA
Through: Chief, Br. of Ferrous Metals & Ferroalloys

From: R. W. Holliday, Commodity Specialist, Branch of Ferrous Metals & Ferroalloys

Subject: Review of Final Report
(Preliminary, Final Term Report, etc.)

1. Date of DMEA Contract: 1/28/57 2. Date received by Bureau: 3/4/57

3. Is the name of the property known to anyone: Yes [ ] No [x]

4. Is the name of the prospector known to anyone: Yes [ ] No [x]

5. Information certified as to port production: Yes [ ] No [x]

6. Other prospects for same known to reviewer: Yes [ ] No [x]

7. Explain items noted above:

8. Reason meriting special consideration:
a. Location [ ]
b. Commodity [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [ ]
d. Agree with Field Team [x]
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]
i. Consult w/ Mr. _____ at _____ MLE office.

10. Remarks: (Use back of page if necessary) A Certification of Discovery is not recommended.

R W Holliday

R. W. Holliday

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

224 New Customhouse
Denver 2, Colorado

February 13, 1957

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2-26	C	220
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2/28	C	220
		225

Memorandum

To: Chairman, Opefating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 3881 (Tungsten), Contract No. Idm-E917, H. E. Walby and Earl Clifford (Tin Cup, Gypsy, and Big Ben claims), San Juan County, Colorado - FINAL REPORT

Enclosed are the original and three copies of a joint final engineering and geologic report, dated January 28, 1957, by E. W. Buel, Mining Engineer, Bureau of Mines, and W. P. Pratt, Geologist, Geological Survey, and transmittal thereof, dated January 30, 1957, from John F. Shaw and E. N. Harshman, pertaining to work completed under the subject Contract.

The original and one copy of the Operator's final report were forwarded by memorandum of January 24, 1957.

The Contract was terminated before completion of all the work provided for, by an Agreement dated December 28, 1956, which was made effective August 17, 1956.

The exploration work completed consisted of construction of about 3/4 mile of access roads, rehabilitation of about 65 feet of an adit level, and 254 feet of drifting and crosscutting; at a total accepted cost of $10,344.00, toward which the Government contributed 75%, or an amount of $7,758.00.

Final payment to the Operator was processed by this office January 29, 1957, in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated January 28, 1957.

Reviewed by
DMEA OPERATING COMMITTEE
2-25-57
(date)

The exploration work did not result in the discovery or development of a significant quantity of tungsten ore. Therefore, certification of the project as such is not recommended.

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosure

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
JAN 30 1957
REGION III
DENVER, COLORADO

January 30, 1957

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Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw
E. N. Harshman

Subject: DMEA Docket 3881 (Tungsten), Contract Idm-E917, H. E. Walby and E. Clifford (Tincup and Gypsy claims), San Juan County, Colorado

Enclosed are the original and eight copies of a joint final report describing the results of exploration completed under Contract Idm-E917.

Exploration consisted of 242 feet of drifting, 12 feet of crosscutting, construction of a 3/4-mile long access road, and rehabilitation of 65 feet of old drift at a total cost of $10,344, Government participation 75 percent or $7,758. Exploration authorized under the contract but not completed consists of 33 feet of drifting and 13 feet of crosscutting. The contract was terminated by mutual agreement on December 28, 1956, with an effective date of August 17, 1956.

Since exploration did not result in the discovery of significant amounts of tungsten ore, additional work, with Government assistance, and Certification of a Discovery are not recommended.

A. Kirschman for
John F. Shaw
Supervising Mining Engineer

E. N. Harshman
E. N. Harshman
Member, Field Team

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
2-25-57
(date)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3881

Contract No. Idm-E917

H. E. Walby and E. Clifford

Tincup and Gypsy claims

San Juan County, Colorado

Tungsten

Joint Final Engineering and Geological Report

by

E. W. Buel, Mining Engineer
Bureau of Mines

W. P. Pratt, Geologist
Geological Survey

January 28, 1957

Reviewed by
DMEA OPERATING COMMITTEE
2-25-57
(Date)

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History and production..... 3

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1.	Location map, H. E. Walby and E. Clifford (Gypsy and Tincup) claims, San Juan County, Colorado. DMEA 3881	2
2.	Claim and exploration map, H. E. Walby and E. Clifford (Gypsy and Tincup) property, San Juan County, Colorado. DMEA 3881	14
3.	Plan showing geology in open tunnel and recommended exploration crosscut and drift, Walby and Clifford prospect, San Juan County, Colorado. DMEA 3881	7
4.	Geologic map of completed exploration, Walby and Clifford (Gypsy and Tincup) property, San Juan County, Colorado. DMEA 3881	13

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DATE	INITIALS	CODE

DMEA 3881

Contract No. Idm-E917

H. E. WALBY AND E. CLIFFORD
TINCUP AND GYPSY CLAIMS
SAN JUAN COUNTY, COLORADO

INTRODUCTION

Messrs. Hugh E. Walby and Earl Clifford, a partnership, applied for Defense Minerals Exploration Administration assistance to explore for tungsten on the Tincup, Gypsy, and Big Ben claims, San Juan County, Colorado. The applicant's proposed exploration program consisted of access road construction, rehabilitation, improvements, and drifting at an estimated cost of $21,002.

The property was examined on September 20, 1955, by a DMEA examining team consisting of D. R. MacLaren, U. S. Geological Survey, and C. M. Harrer, U. S. Bureau of Mines. Their examination resulted in the recommendation of the property for DMEA exploration assistance. Except for reducing the applicant's cost estimates, which were considered too high, the examining team did not substantially change the exploration program submitted by the applicant.

A tungsten exploration program was authorized for the Tincup, Gypsy, and Big Ben claims under Exploration Project Contract Idm-E917,

dated February 6, 1956. The starting and completion dates of the contract, respectively, were on or before May 1, 1956, and December 1, 1956. The allowable cost of the contract was $13,000 and the Government's share $9,750.

LOCATION AND ACCESSIBILITY

The property is in the S 1/2 sec. 29, T. 42 N., R. 7 W., New Mexico principal meridian, San Juan County, Colorado (fig. 1). It is in the Cement Creek area of the Eureka mining district, on the eastern slope of Cement Creek valley near the mouth of Dry Gulch.

The property is readily accessible from Silverton, Colorado, over a well maintained dirt road that passes along Cement Creek to a steep road which leads to the west end of the Tincup claim. Estimated distance from Silverton is 5 miles.

GEOGRAPHY

The Cement Creek area is in an extremely mountainous region that exhibits typical alpine topography with precipitous peaks, narrow valleys, and deep canyons. The altitude of the district ranges from approximately 9,500 feet along the valley floor of Cement Creek to over 13,400 feet atop Storm Peak which is less

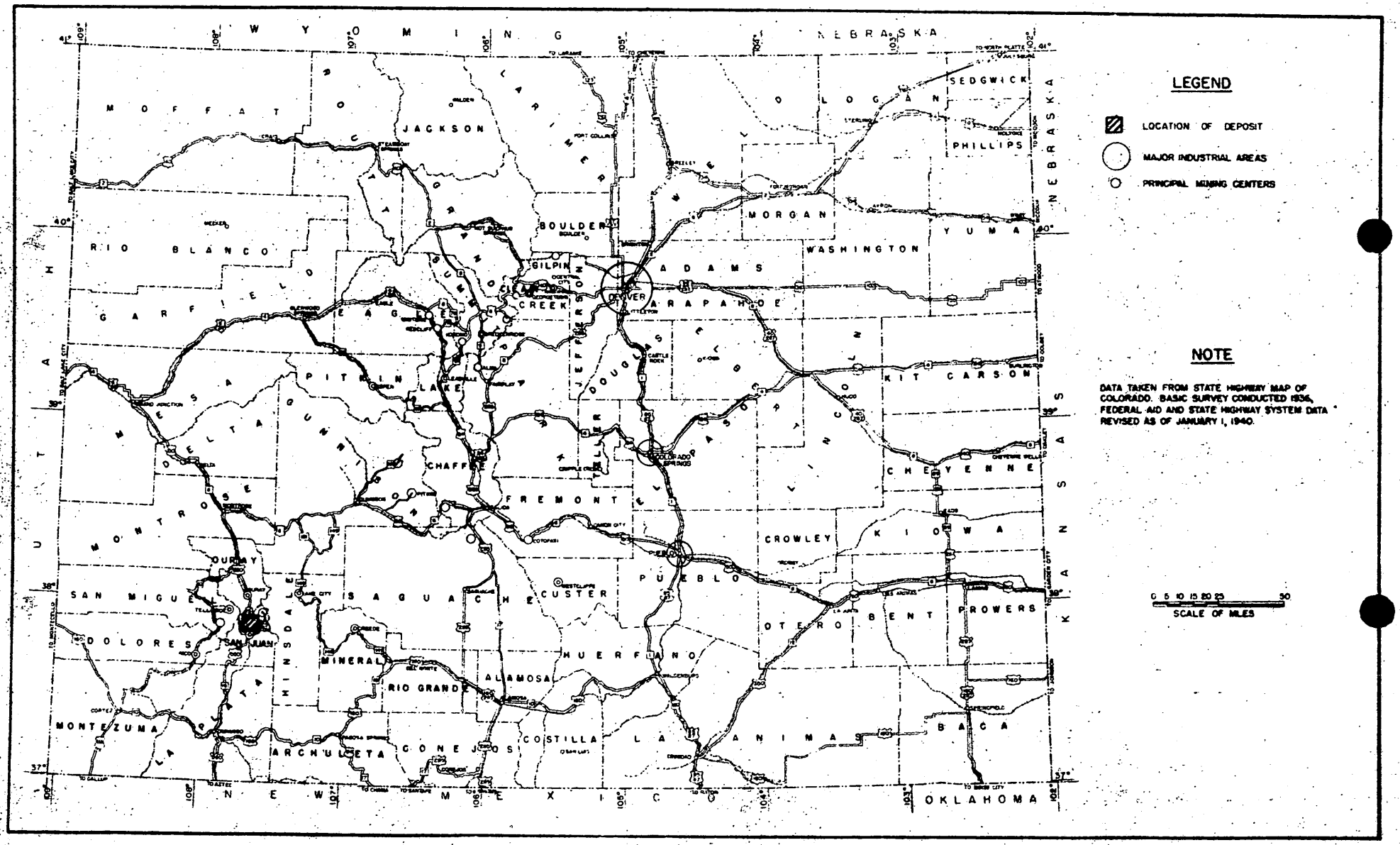


FIGURE 1 - LOCATION MAP, H.E. WALBY AND E. CLIFFORD (GYPSY AND TINCUP) CLAIMS, SAN JUAN COUNTY, COLO. DMEA 3881

than 1-1/2 miles southeast of the subject claims. The claims lie at altitudes ranging from 10,000 to 12,000 feet.

Native timber is plentiful in the area; most timber for mining needs, however, is brought in from outside of the mining district. Abundant water for mining and domestic uses is found in the district.

The climate includes long and severe winters with heavy snowfalls which result in the suspension of most mining operations within the district. Annual precipitation, mostly as snow, ranges from a low of 25 inches at Silverton to an estimated high of 50 inches on Storm Peak.

Mining labor, equipment, and supplies are available at nearby Silverton and Ouray. Service lines of the Western Colorado Power Co. serve the Eureka mining district.

Three tungsten ore concentrating mills were erected along Cement Creek. As late as 1953, two of these mills were in operation. All of the mills, however, have since been dismantled.

HISTORY AND PRODUCTION

Hubnerite was first discovered in the district sometime before 1900, along Dry Gulch. Considerable mining activity took place before the turn of the century, but no recorded production is known. The first recorded production from the San Juan region was 11,000 pounds

of concentrate (believed to be almost exclusively from the Cement Creek area) containing 69.5 percent WO_3 1/. This ore was concentrated at the Fisher mill near the mouth of Dry Gulch.

Mining continued on a limited scale from 1901 to 1908. From 1908 the district was inactive until 1915, when World War I stimulated interest in tungsten mining. Tungsten operations have been intermittently carried on from World War I to the present. Total production from 1900 through 1953 is estimated as 350,346 pounds (17,517 short-ton units) of tungsten trioxide.

The Conyer group consists of the Tincup and Gypsy claims which is reported as having been in production early in 1900 and during World War I. The Bureau of Mines reports the Conyer group as having produced 1,220 units of WO_3.

The Conyer group was originally the property of Albert Conyer who located the group and had the claims within the group surveyed for patent on August 7, 1914. A mineral patent (Mineral Survey No. 19588) was granted. The Big Ben unpatented claim was recorded on September 30, 1955, by Earl Clifford and added to the Conyer group following the accession of the group by Messrs. Clifford and Walby.

1/ Belser, Carl, Tungsten Potential in the San Juan area, Ouray, San Juan and San Miguel Counties, Colo.: U. S. Bureau of Mines. I. C. 7731 p. 1 & 2, 1956.

PROPERTY RIGHTS

The property consists of three standard lode claims (600 by 1,500 feet) of which the Tincup and Gypsy are patented and the Big Ben is unpatented (fig. 2). The claims are recorded as follows:

Claim	Book	Page
Tincup	176	306-308
Gypsy	176	306-308
Big Ben	183	178

The owners of the Tincup and Gypsy claims are Messrs. H. E. Walby and Earl Clifford of Silverton, Colorado. Mr. Clifford is the owner of the Big Ben claim.

A Consent to Lien for the Big Ben claim was signed by Earl Clifford on February 6, 1956.

DESCRIPTION OF WORKINGS

Prior to the start of DMEA exploration, workings on the property consisted of a number of shallow and almost obliterated pits, an inaccessible shaft, and by several adits of which one is accessible (fig. 2). The open adit extended for a length of 53 feet along a fracture zone containing a hubnerite-quartz vein. Under Contract Idm-E917 one adit was extended 242 feet.

GEOLOGY

District setting

The Cement Creek area is a part of the Eureka mining district of Colorado. The district is underlain almost entirely by flows, tuffs, and dikes, of andesite, latite, and rhyolite, all belonging to the Silverton volcanic series of Tertiary age; in a few places the volcanics are cut by small Tertiary intrusives of rhyolite, quartz monzonite, and porphyries. The ore deposits of the district are hydrothermal veins occupying fissures in the volcanic rocks.

Tincup-Gypsy area

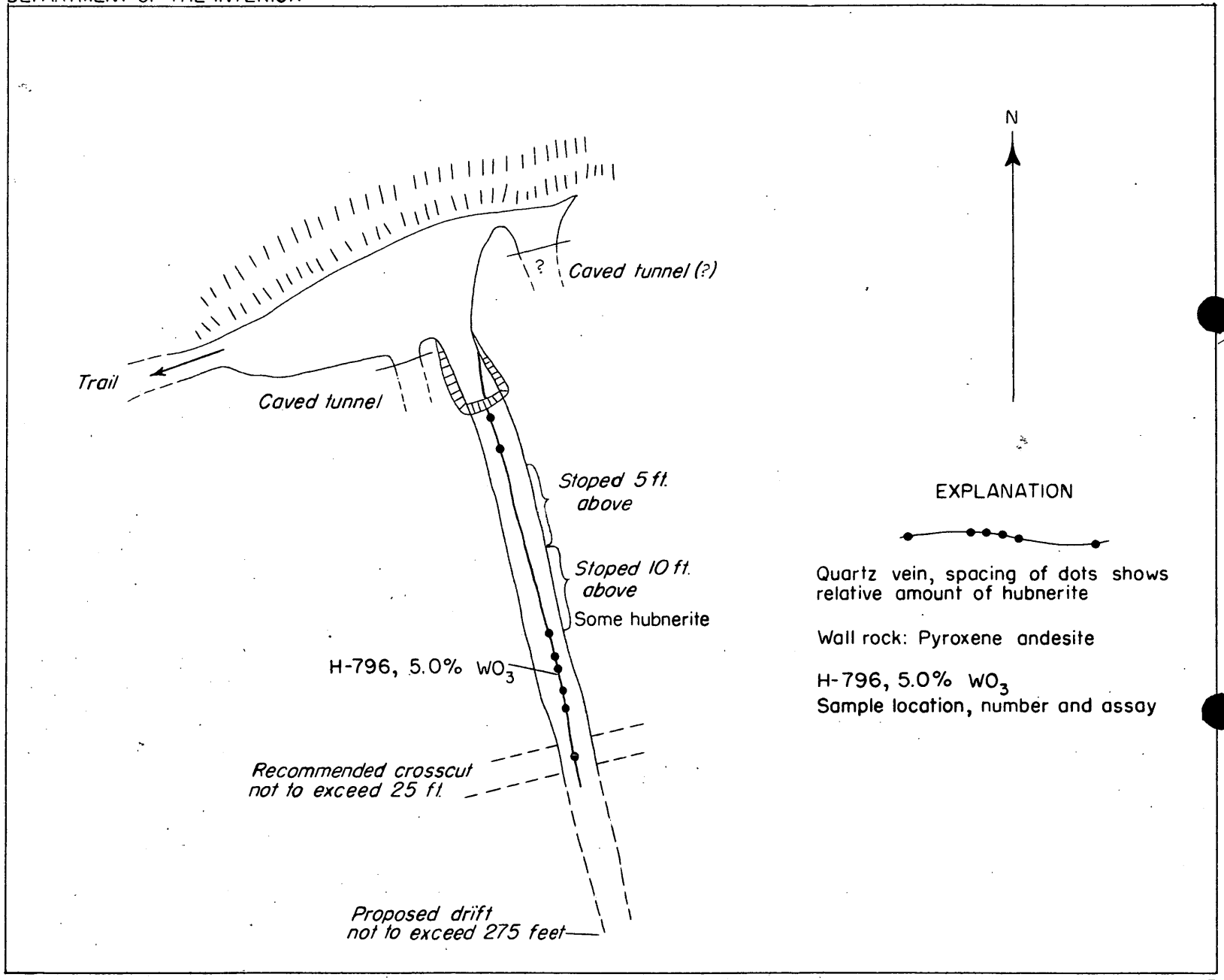
The area around the Tincup and Gypsy claims is largely underlain by pyroxene andesite flows. The andesite has been considerably fractured and many of the fractures are mineralized. These veins can be differentiated into two types: gold-pyrite-quartz veins and hubnerite-quartz veins; the hubnerite-quartz veins may occur either independently, or as late-stage veins in the walls of the gold-pyrite-quartz veins. Hubnerite, the tungsten-bearing mineral, occurs in the quartz as isolated lath-shaped crystals, radiating masses, and vug fillings. As a rule the hubnerite is erratically distributed in large masses of quartz vein material and silicified rocks; because of its erratic distribution, profitable production has been limited chiefly to periods of urgent demand.

Several previous workings on the property explored hubnerite-quartz veins. The one adit that was open at the time of the examination followed 53 feet along a vein striking S. 14° E. and dipping 57° to 60° SW (fig. 3); thickness of the vein apparently ranged from an inch to over 2 feet, and as seen in the back it contained seams of hubnerite as much as an inch thick and 10 feet long but generally less than a quarter of an inch thick and 2 feet long. For 23 feet along the tunnel the vein was stoped to a maximum height of 10 feet. A 1-foot channel sample cut by the examiners about 4 feet from the stope assayed 5.0 percent WO_3.

The open adit is flanked on each side by a caved adit, one 9 feet to the west and the other 15 feet east; the extent of these adits was not known at the time of the examination, but it was judged from the size of a dump common to the open adit and the one to the west that the west adit might be as much as 50 feet long. The other workings - a shaft, several adits, and some shallow pits - are all filled, caved, or otherwise inaccessible; material on the dumps indicates that some of them were driven on hubnerite-bearing veins.

Geologic basis for exploration

The vein exposed in the open adit cannot be traced on the surface because of thick soil and dense brush and timber; but the vein structure appeared to be strong, and it was reasoned that the vein



by D.R. MacLaren Sept, 1955

FIGURE 3 PLAN SHOWING GEOLOGY IN OPEN TUNNEL AND RECOMMENDED EXPLORATION CROSSCUT AND DRIFT. WALBY AND CLIFFORD PROSPECT, SAN JUAN COUNTY, COLORADO.

20 10 0 20 Feet

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D.M.E.A.

could be expected to continue for at least several hundred feet. Moreover, the closeness of the two flanking tunnels suggested that the exposed vein might be in a fracture zone wider than the open tunnel, and that the zone might contain parallel veins of similar composition. It was therefore concluded that extension of the open adit, with minor crosscutting at its present face, might reasonably lead to the discovery of additional small deposits with a moderate tonnage of tungsten ore.

APPLICANT'S PROJECT PROPOSAL

The applicant proposed to explore the property with DMEA assistance by constructing approximately three-quarters of a mile of access roadway to the exploration area, and by extending the 53-foot adit for a distance of 300 feet. The applicant estimated his cost for road construction at $4,000 and drift cost at $56.67 per foot. Total cost of the program was computed at $21,002 with the Government's share at $15,751.50.

The DMEA examining team concurred essentially with the applicant's proposed exploration program, except that they recommended some crosscutting and considered the applicant's cost figures excessive.

PROJECT OPERATIONS

Description of contract work

Defense Minerals Exploration Administration contract Idm-E917 was consummated on February 6, 1956. It authorized exploration for tungsten ore on the Tincup, Gypsy, and Big Ben claims at an estimated cost of $13,000, Government participation 75 percent, or $9,750.

The contract provided for the following work:

(1) The construction of approximately three-quarters of a mile of access road to exploration site at existing adit, (2) rehabilitation of the adit, including timbering of approximately 65 feet, (3) crosscutting for a total of not more than 25 feet from the present face of the adit in a westerly and easterly direction in order to locate the hanging wall and footwall and any possible parallel vein, or veins, and (4) continuing the drift for a total of not more than 275 feet in a southerly direction from the face of the adit (fig. 2). Cost of the project was estimated at $13,000 with the Government contributing $9,750.

Description of work completed

Project operations began June 1, 1956, with the construction of an access roadway to the Tincup and Gypsy claims. The 3/4-mile roadway was completed June 20, 1956.

Work within the drift started June 15, 1956, with rehabilitation of 65 feet of drift. Crosscut work began June 30, 1956, and a crosscut was driven 12 feet in an easterly direction from the adit. Following the driving of the crosscut, the 53-foot adit was extended southerly for 242 feet before it was decided to discontinue work under the contract. Exploration under the contract stopped August 17, 1956, when the operator's mucking machine broke; he removed all equipment from the property upon receipt of a letter of August 9, 1956, from the Field Team informing him to suspend drifting operations. The applicant was formally notified of the Government's termination of the contract by a Field Team letter of October 1, 1956. Exploration work authorized and remaining under the contract included 13 feet of crosscutting and 33 feet of drifting. The applicant did not conduct any of the sampling authorized in the contract.

what letter ?

Description of contract amendments

In a letter of April 30, 1956, to the DMEA Field Team, the applicant stated that because of snow the starting date of the contract, on or before May 1, 1956, would have to be postponed. An amendment executed on August 13, 1956, provided for the extension of the starting date from May 1, 1956, to June 1, 1956.

The applicant requested in a letter of August 2, 1956, that, because of the unfavorable appearance of the vein along the drift, permission be granted to raise in three places in the drift in lieu of completing the balance of drifting authorized under the contract. An examining team's memorandum of August 8, 1956, states that additional drifting possibly would not encounter a significant discovery of tungsten ore, and that any raising would not be justified as the drift level is approximately 75 feet below the surface and the tungsten mineralization is not rich enough. In the memorandum it was recommended that the project be terminated.

Cost of the project

Exploration Project Contract Idm-E917 was a short form unit cost contract Form MF-200 A (revised June 1954). The total estimated cost of the contract was $13,000 with the Government contributing $9,750.

Allowable costs under the contract were as follows: cross-cutting and drifting at $36 per foot, timbering at $6 per foot, sample assays at $5 each, road construction at $1,000, and adit rehabilitation at $200.

The units of work and costs authorized and completed under the contract are summarized in Table 1.

Table 1.--Summary of authorized and accepted costs of the project

	Authorized Project Work			Project work Completed	
Type	Units	Unit Cost	Total Cost	Units	Total accepted cost
Drifting	275 ft.	$36.00	$ 9,900.00	242	$ 8,712.00
Crosscutting	25 ft.	36.00	900.00	12	432.00
Timbering	133 ft.	6.00	800.00 (rounded to)	-	-
Rehabilitate adit	job	-	200.00	-	200.00
Build access road	job	-	1,000.00	-	1,000.00
Sample assays	40	5.00	200.00	-	-
Total cost of project			$13,000.00		$10,344.00
Government participation			$ 9,750.00		$ 7,758.00

The Government withheld $500.00 pending resolution of matters relative to closing the contract account.

RESULTS OF PROJECT EXPLORATION

A total of 275 feet of drifting and 25 feet of crosscutting were allowed in the contract. While rehabilitating the main drift in preparation for exploratory work, the applicant broke through the west wall of the drift into an old inaccessible drift that ran parallel to the main drift. An examination of the old drift

did not reveal any favorable indications of tungsten mineralization, and it was deemed unnecessary to crosscut to the west of the main drift. A crosscut was driven for 12 feet east of the main drift, but this also did not reveal any indications of tungsten ore.

Extension of the tunnel followed a vein 1 to 3.5 feet thick which strikes N. 12° to 15° W. and dips 40° to 57° SW (fig. 4). The vein consists principally of crushed wall rock, some clay, small pockets of drusy quartz, minor pyrite, and occasional crystals of galena. Hubnerite occurs at two places in the vein as small pockets, patches, and thin interrupted streaks too small to be of economic significance; the largest of these is a 6-foot streak along the hanging wall, with a maximum thickness of 0.1 foot of hubnerite and quartz. The hubnerite occurrences are separated by stretches of barren vein 65 and 110 feet long, and the last 62 feet of vein is also barren.

On the basis of the exploration completed, the DMEA Field Team concluded that further drifting or crosscutting would not result in the discovery of any significant tungsten ore, and recommended that the contract be terminated. There are no known ore reserves.

CONCLUSIONS AND RECOMMENDATIONS

Exploratory drifting and crosscutting showed the existence of a well-defined quartz vein from 1 to 3.5 feet wide. Within the vein, hubnerite occurs as small pockets, patches, and thin discontinuous streaks separated by barren stretches of vein quartz. The exploration work resulted in the discovery of only two small tungsten-bearing areas and showed conclusively that these areas are too small for exploitation. A Certification of Discovery is not recommended. There is little probability of discovering significant amounts of tungsten ore by exploration at the property, and additional exploration with Government assistance is not recommended.

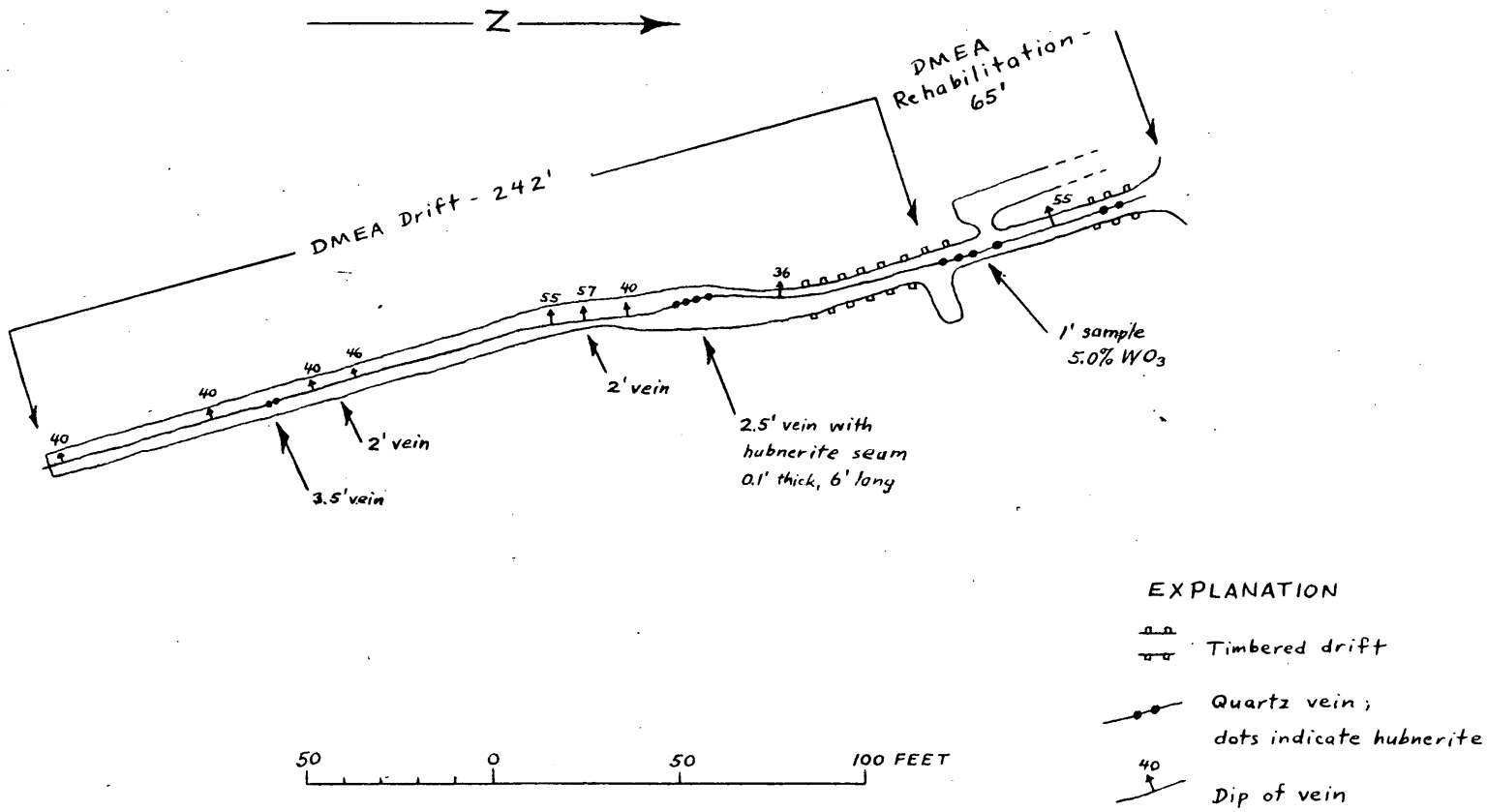


FIGURE 4 - Geologic map of completed exploration, Walby and Clifford (Gypsy and Tincup) property, San Juan County, Colorado

After C.M. Harrer

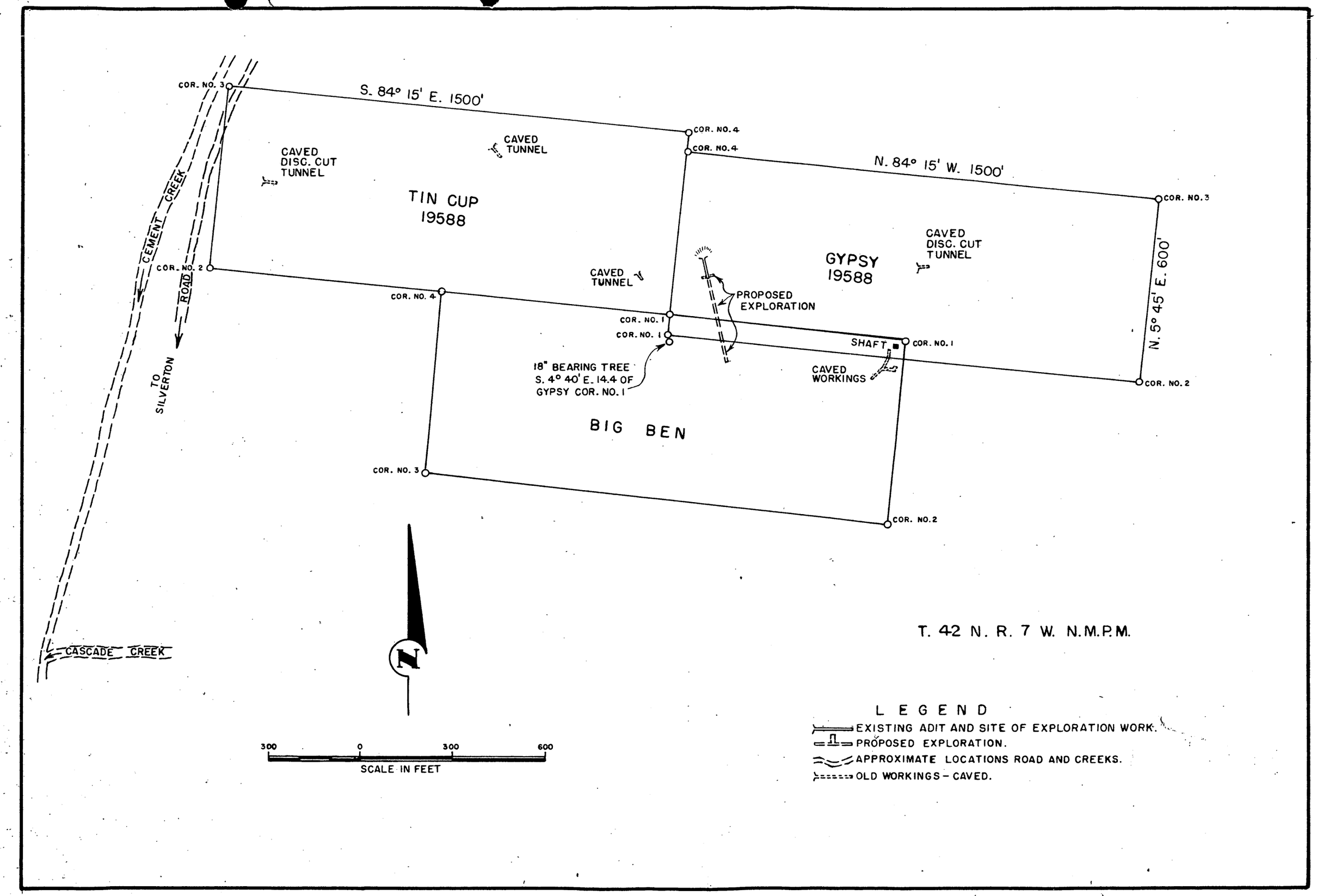


FIGURE 2 - CLAIM AND EXPLORATION MAP, H. E. WALBY AND E. CLIFFORD (GYPSY AND TIN CUP) PROPERTY, SAN JUAN COUNTY, COLO. DMEA 3881

RECEIVED
FEB 20 1957
D.M.E.A.

224 New Customhouse
Denver 2, Colorado

February 12, 1957

OFFICIAL FILE COPY DMEA RECEIVED		
DATE	INITIALS	COST
2-15	C	220
2/18	[illegible]	800
		225

Walby and Clifford
c/o Mrs. Hugh E. Walby
P.O. Box 253
Ouray, Colorado

Re: Docket DMEA-3881 (Tungsten)
Contract Idm-E917
Walby and Clifford
(Tincup, Gypsy and Big Ben claims)
San Juan County, Colorado

Dear Mrs. Walby:

We have received your letter of February 11, 1957, requesting final payment under Contract Idm-E917. Final payment of $500.00 was processed by the Finance Office, Region III, on February 6, 1957, and you should receive the check within a very few days. If you have not received the check by February 15, 1957, please notify this office and we will take immediate action to locate it.

Yours very truly,

Original signed by
W. M. TRAVER

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

JDC:hh
cc
Chmn. Op. Comm. (2))
Harshman)
Shaw (2)) w/copy Oper. letter
Townsend)
Corres. E917)
Chron.)

COPY

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 15 1957

DATE	INITIALS	CODE

Ouray, Colo
Feb 11, 1957

Mr. W. M. Traver
Executive Officer D.M.E.A.
Field Team Region III

Dear Mr. Traver:

We received the termination Agreement on contract No. Idm-E917 January the 7th and signed and returned all copies. Then Jan. the 24th we received our copy saying the contract had been terminated, but so far no money. Now I understand we would receive the last $500 as soon as the contract had been terminated. I need the money so bad to pay some backmine bills and also to take my husband back to the hospital that I wondered if you could tell me why we havn't received it.

Im sorry to be such a bother to you but do need the money so very bad imediatly.

Thank you so much

s/ Mrs. Hugh E. Walby

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 31 1957

DATE	INITIALS	CODE
January 29, 1957		
1-31	E	220
1/31	[illegible]	800
2/5	S.	225

224 New Customhouse
Denver 2, Colorado

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3881 (Tungsten) Contract Idm-E917
Walby and Clifford (Tin Cup, Gypsy and Big Ben)
San Juan County, Colorado - FINAL PAYMENT

Reference is made to our memorandum of October 1, 1956, whereby we transmitted the final Form MF-104, Operator's Monthly Report and Voucher for the month of August 1956, and requested that you withhold the amount of $500.00, pending resolution of matters relative to closing the account. The Operator's final report has been received; therefore, we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated January 28, 1957.

Basis For Final Payment

Total Accepted Cost	$10,344.00
Government participation at 75 percent	7,758.00
Total prior payments	7,258.00
Balance Due The Operator	$ 500.00

Original signed by
W. M. TRAVER

W. M. Traver

JDC:ytl
cc
Chmn. Op. Comm. (2)
Shaw (2)
Earshman
Townsend
Corres. Idm-E917
MF-104 File Idm-E917

Chron.

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

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 28 1957

DATE	INITIALS	CODE
1-28	C	220
1/29	[illegible]	800
January 24, 1957		225

Memorandum

To: T. H. Breding, DMEA Auditor, Region III

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3881 (Tungsten), Contract No. Idm-E917, Walby & Clifford, a Partnership (Tin Cup, Gypsy, and Big Ben claims), San Juan County, Colorado

The subject contract was terminated by mutual agreement, effective August 17, 1956. Enclosed for your records is a copy of the "TERMINATION AGREEMENT."

Acceptable unit costs of work or services completed on a Fixed Unit Cost basis are as follows:

The job of constructing access roads;
The job of rehabilitating the adit;
242 feet of drifting and crosscutting.

The Operator has rendered a final engineering and geologic report and a final accounting, as required by the contract. Therefore, final payment to the Operator is in order, contingent on release to this office of a Report of Review of reported project costs.

The sum of $500.00 was withheld from reimbursement to the Operator in processing the Operator's final accounting report, which was for the month of August, 1956.

Original signed by
W. M. TRAVER

W. M. Traver

JWT:prl
cc: Chairman, Op. Comm. (2)
Harshman
Townsend
Corres. file
Chron.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 28 1957

DATE	INITIALS	CODE
1/28	C	220
		225

224 New Customhouse
Denver 2, Colorado

~~January 24, 1957~~

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3881 (Tungsten), Contract No. Idm-E917, Walby & Clifford, a Partnership, (Tin Cup, Gypsy, and Big Ben claims), San Juan County, Colorado

Enclosed are the Government's, Division, and Docket copies of the "TERMINATION AGREEMENT," which was forwarded by your letter of December 31, 1956, for signature by the two partners.

Copies of the "TERMINATION AGREEMENT" have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 28 1957

DATE	INITIALS	CODE
1-28	cw	220
1/28	[illegible]	800
		225

January 24, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3881 (Tungsten), Contract No. Idm-E917, Walby & Clifford, a Partnership (Tin Cup, Gypsy, and Big Ben claims), San Juan County, Colorado

Enclosed are the original and one copy of a final report submitted by the Operator pertaining to work completed under the subject Contract.

The report is somewhat meager and does not include a map to depict the work. However, under the circumstances, we recommend that it be accepted as complying with Contract requirements relative to the Operator's rendering a final engineering and geologic report upon completion or termination of the Contract work.

W. M. Traver

W. M. Traver

DMEA
DEPARTMENT OF THE INTERIOR
JAN 24 1957
REGION III
DENVER, COLORADO

FINAL REPORT

Work under contract on access road began June 1, 1956. This was done by private contractor at a cost of $1000. The road is 3/4 mile long and about 10 feet wide.

Work on contract drift started June 15 with rehabilitation adit which included cleaning out of 36 feet of old tunnel, laying rails, timbering portal, and slabbing drift to make room to use mucking machine safely. In slabbing drift we broke through the west hanging wall into old drift that runs southerly and parallel to main drift. Nothing worthwhile was located there.

Then we ran a crosscut 12 feet easterly in the footwall with no results. After drifting about 12 feet from old breast we hit a small spot of hubnerite. Then 67 feet southerly there is hubnerite exposed on hanging wall. It starts out about knife thickness to 1/10th of an inch thick. The vein then turned into iron pirites and, with the exception of two very small spots, we didn't find any more hubnerite.

We continued on for a total of 253 feet at which time we stopped work because of breakdowns and ill health. At this time I asked to have the contract extended until next July. My request was denied, and the contract terminated.

HUGH E. WALBY and EARL CLIFFORD,
Partners

Hugh E Walby
Hugh E. Walby, Partner

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 28 1957

DATE	INITIALS	CODE

400
DOCKET
SURNAME
Chapman
Martin
Champion
Selfridge
Matheudoy

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

Re: Docket No. DMEA 3881 - Tungsten
Welty and Clifford (partnership)
Tin Cup, Gipsy and Big Ben claims
San Juan County, Colorado
Contract No. Idm-3917

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed Termination Agreement to the above referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

Frank D. Lamb (FDL)

Member, Bureau of Mines

N. E. Nelson (NEN)

Member, Geological Survey

TLChapman:am 12-28-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. III
Messrs. R. Helliday, USBM
T. H. Kiilsgaard, USGS

Enclosure

DOCKET
SUR NAM
Inzman
Martin

ERIOR

DMEA

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

Chambers
Lamb
Selfridge

T E L E T Y P E

DEC 31 1956

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

REURTT, 12/26/56, DOCKET DMEA 3881, WALBY AND CLIFFORD, WE WROTE YOU ON DECEMBER 21,

AND EXPECT TO MAIL TERMINATION AGREEMENT IMMEDIATELY.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (2HB)

TLChapman:am 12-28-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. III
Mesrs. R. Holliday, USBM
T. H. Kiilsgaard, USGS

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

RECEIVED DEC 31 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

December 27, 1956

Mrs. Hugh E. Walby
P. O. Box 253
Ouray, Colorado

Re: Docket No. DMEA-3881 (Tungsten)
Contract No. Idm-E917
Walby and Clifford, a Partnership
(Tincup, Gypsy and Big Ben Claims)
San Juan County, Colorado.

Dear Mrs. Walby:

Thanks for your letter of December 21, 1956 and the attached copy of billing from the Illinois Powder Manufacturing Company, which you enclosed for our information. We are returning herewith the copy of the billing and are pleased to learn that a substantial payment has been made toward settling the account.

A Termination Agreement to effect termination of the contract in its present status is being prepared in the Washington office, DMEA, and it will be forwarded to you for signature by the partners as soon as received.

Relative to final payment for work performed under the contract, the payment will be made as soon as the following conditions have been met:

1. Termination Agreement has been executed by the parties concerned.

2. The Operator has rendered a final engineering and geologic report, as provided for under Article 6(c) of the contract.

3. Release to this office of a Report of Review of reported project costs by the Contract Administration and Audit Division.

It is recommended that the required final engineering and geologic report be submitted immediately so that, as soon as the other matters have been resolved, we will be in a position to make final payment.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:bh
cc-Chair.,Op. Comm. (2))w/copy Operator's letter of 12/21/56 and attached billing.
Harshman
Shaw
Townsend
Corres. File E-917
Chron.
Encl.

Ouray Colo
Dec 21, 1954

W. M. Trave
Executive Office DMEA.
Field Man, Region III

Dear Mr Trave

In answer to your letter of the 17 concerning a bill for powder. We have a bill for $100 which we still owe them and will pay that as soon as we get the remaining money. I am sending the bill for you to see that is what we still owe.

My Husband is still very ill and is in bed all the time. In fact he may only have a very short time to live and I'd sure like to get these things tended to while he is still able to sign and tend to the business

Very truly Yours
Mrs R. E. Walby

STATEMENT

DIVE
DEPARTMENT OF THE INT
DEC 26 1956
REGION III
DENVER, COLORAD

ILLINOIS POWDER MANUFACTURING COMPANY

INCORPORATED 1907

GOLD MEDAL EXPLOSIVES

602 WALKER BANK BLDG.
SALT LAKE CITY, UTAH

NOV 21

Walby and Clifford
Silverton Colo

PAID

4
3
2
1

OLD BALANCE	DATE	NO. OR FOLIO	MEMO	CHARGES	CREDITS	LAST AMOUNT ON THIS COLUMN IS AMOUNT DUE
525.51	5 56	55	CASH		425.51	100.00

Docket copy
Surname:
Chambers
Martin
Selfridge
Mathewson

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

DEC 21 1956

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

Re: Docket No. DMEA-3881 (Tungsten)
Hugh E. Walby and Earl Clifford
Tincup, Gypsy and Big Ben claims
San Juan County, Colorado
Contract No. Idm-E917

Dear Mr. Traver:

Reference is again made to your memorandum of December 11, 1956, and to our teletype of December 13, 1956, in regard to the above-cited contract.

It has not been, nor is it now, a policy of the Defense Minerals Exploration Administration to become a collection agent, but it has always been our aim to assist where possible in settling a claim between a contractor or a supplier and the operator of a project. It occurred to us, however, that if you call the claim of Mr. Johnson to the attention of the Operator, it might give consideration to settling the indebtedness. Therefore, as soon as you have performed this mission, if everything else is in keeping with the contract, you should make final payment to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLC)

APPROVED:

Frank D. Lamb (JLC)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLC)
Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Holliday, USBM
Mr. Kiilsgaard, USGS
Mr. Martin
Mr. Chambers

JLChambers/wb/ama
December 20, 1956

12/19/56

Mr. Mittendorf:

Although everybody signed surnamed this, Mr. Johnson sent it back to Legal for approval.

Legal now returns it with suggested correction.

fw

Jay Chambers
for his consideration

M

Mr. George Selfridge

RECEIVED
DEC 27 1956
D.M.E.A.

DN 235 BUR MINES 12-26-56 4-32

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT 11-1-56, DOCKET DMEA 3881, CONTRACT IDM-E917, WALBY AND CLIFFORD,

PLEASE TELETYPCE ADVICE AS TO STATUS OF PROPO ED TERMINATION AGREEMENT.

W M TRAVER

3 LINE WORD PROPOSED

Denver, Colo.

DEPARTMENT OF THE INTERIOR
Office of the Solicitor

Date DEC 19 1956

Referred to: Administrator, DMEA

From: Associate Solicitor, Division of Mineral Resources

For: Information and retention ✓

Information and return _____

Necessary action and return _____

Comment and return _____

Distribution in office or region _____

Hugh E. Walby & Earl Clifford - DMEA-3881 (Tungsten)
Tincup, Gypsy and Big Ben Claims
San Juan County, Colorado
Contract No. Idm-E917

Remarks: As the last sentence in Article 5 of the subject Contract provides that the Government may make payments directly to the independent contractors for the account of the Operator, it is not correct to say, as in the second sentence of the second paragraph, that "we must pay the Operator when the work has been done."

The thought that the letter intends to express is conveyed by deleting the second and third sentences of the second paragraph and "But" of the next sentence.

R P Sharpe
(Signature)

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DMEA-3881

REFERENCE SLIP

DATE 12/14/56

REFERRED TO:
1. Mr. Swyer
1. ~~Mr. Morris~~
2. ~~Operating Committee~~
3. ~~Mr. Johnson~~
2. Mr. Mittendorf - JHB
3. Mails & Files

FOR:

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

The second sentence in the second para. is not an accurate statement. HCB 12/14/56

REMARKS:

NOTE: The docket file is in legal, in connection with the termination, but shouldn't we have some notation that this letter suits Legal? WSM

Check (X) before the items needing attention.

RECEIVED
DEC 18 1956
ASSOC. SOLICITOR
MINERAL RESOURCES

J. L. Chambers
Initials of sender.

GPO 16—38815-1

Docket copy
Surname:
Chambers
Martin
Selfridge
Johnson
Whitenday

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

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

Re: Docket No. DMEA-3861 (Tungsten)
Hugh E. Walby and Earl Clifford
Tinsup, Gypsy and Big Ben claims
San Juan County, Colorado
Contract No. Idm-8917

Dear Mr. Trever:

References is again made to your memorandum of December 11, 1956, and to our teletype of December 13, 1956, in regard to the above-cited account.

It has not been, nor is it now, a policy of the Defense Minerals Exploration Administration to become a collection agent, but it has always been our aim to assist where possible in settling a claim between a contractor or a supplier and the operator of a project. As this project is under a fixed unit cost contract, we must pay the Operator when the work has been done and judged acceptable to the Government. That is what we propose to do in the long run in this case. But it occurred to us that if we can call the claim of Mr. Johnson to the attention of the Operator, it might give consideration to settling the indebtedness. Therefore, we hope you understand that as soon as you have performed the mission cited above, if everything else is in keeping with the contract, you will make final payment to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

O. M. Bishop (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Holliday, USBM
Mr. Kiilsgaard, USGS
Mr. Martin
Mr. Chambers

JLChambers/wb
December 14, 1956

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

224 New Customhouse
Denver 2, Colorado

December 19, 1956

Mrs. Hugh E. Walby
P. O. Box 253
Ouray, Colorado

Re: Docket No. DMEA 3881 (Tungsten)
Contract No. Idm-E917
Walby & Clifford, a Partnership
(Tincup, Gypsy, and Big Ben claims)
San Juan County, Colorado

Dear Mrs. Walby:

Receipt is acknowledged of your letter of December 17, 1956, concerning payment of the $500.00 withheld in processing the final accounting report pertaining to work completed under Contract No. Idm-E917.

We are indeed sorry to learn of Mr. Walby's continued illness. We sincerely hope that he will have a rapid recovery.

Concerning final payment for work performed under Contract No. Idm-E917, we are prohibited from making final payments under DMEA contracts until the Operator has rendered a final report and accounting, as provided in the Contract, and until all other matters that are a prerequisite to closing the account are resolved.

Undoubtedly, by this time, our letter to Messrs. Walby & Clifford, dated December 17, 1956, has been received, concerning another matter relative to operations under the Contract, reply to which may have a bearing on future action by the Government in conjunction with closing the account.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:prl
cc: Chairman, Op. Comm. (2)) w/copy
Harshman) of Mrs.
Shaw) Walby's
Townsend) letter
Corres. file) of
December 17.

Chron.

Ouray Colo
Dec 11, 1956

Dear Mr. Traver,

I hate to be such a bother but I am wondering if you have ever heard anything concerning the Walby & Clifford tungsten contract No. I-D. M.E. 917. We have never heard anything of it and I'd sure like to get it tinded to, as my husband is still very sick and we have some bills to pay with the remaining $500. If you have heard anything or can find out about it will you please let me know.

Mrs Hugh E. Walby.

400

DOCKET
SURNAME
Chapman
Martin

December 17, 1956

MEMORANDUM

To: Associate Solicitor, Division of Minerals Resources

From: Iron & Ferro-Alloys Division, DMEA

Subject: Preparation of Termination Agreement
Docket No. DMEA 3881 - Tungsten
Walby and Clifford
Tincup, Gypsy and Big Ben claims
San Juan County, Colorado
Contract No. E917

Attached is rough draft of Termination Agreement of the above-captioned contract for your use in preparing in final form.

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

WSMartin/foc
12/17/56
Attachment

cc to: Docket
Code 400

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

224 New Customhouse
Denver 2, Colorado

December 17, 1956

Mr. Curtis C. Johnson, Manager
Johnson Supply Company
Durango, Colorado

Re: Docket No. DMEA 3881 (Tungsten)
Contract No. Idm-E917
Walby and Clifford
San Juan County, Colorado

Dear Mr. Johnson:

Reference is made to your letter of November 13, 1956, which was received in this office December 10, 1956, and the prior telephone conversation with you concerning nonpayment of an account with you for supplies used on work under the DMEA Contract No. Idm-E917.

The matter of the delinquent bill is under consideration and you will be advised as to what action, if any, it will be possible for the Government to take in the matter.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Shaw
Townsend
Corres. file
Chron.

RECEIVED
DEC 20 1956
D.M.E.A.

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

224 New Customhouse
Denver 2, Colorado

RECEIVED DEC 20 1956 DMEA

December 17, 1956

Messrs. H. E. Walby
and Earl Clifford
P. O. Box 253
Ouray, Colorado

Re: Docket No. DMEA 3881 (Tungsten)
Contract No. Idm-E917
Walby & Clifford, a Partnership
(Tincup, Gypsy and Big Ben claims)
San Juan County, Colorado

Gentlemen:

We are in receipt of a billing from the Johnson Supply Company, of Durango, Colorado, wherein it is claimed that a bill in the amount of $529.51 for materials and supplies used on work under Contract Idm-E917 has not been paid.

Please advise by return mail as to whether or not the Johnson Supply Company claim is correct, and if so the nature of the bill, and when you expect to reimburse the vender.

The $500.00 withheld from reimbursement to you will continue to be withheld until all matters that are prerequisite to closing the account and the matter of the delinquent bill have been resolved.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT: prl

cc: Chairman, Op. Comm. (2)
Harshman
Shaw
Townsend
Corres. file
Chron.

Contract Admin. & Audit Division
Defense Minerals Exploration Adm.

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

Docket copy
Surname:
Chambers
Martin
Pytlar
Kiilsgaard
Selfridge
Holliday

~~TELETYPE~~

DEC 13 1956

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

Your memorandum December 11 asks advice on paying Operator of Docket DMEA-3881, Contract Idm-2917, Walky and Clifford, in view of claim of Johnson Supply Company. Continue to withhold $500.00 and get full information from Operator on claim.

George C. Selfridge

George C. Selfridge (JB)
Chairman, Operating Committee

JLChambers/wb
December 13, 1956

Copy to: Docket
Admr. Reading File
Confirmation
Operating Committee
Mr. Holliday
Mr. Kiilsgaard
Mr. Martin
Mr. Chambers

JCh.

400
DOCKET
SURNAME
Chapman
Martin

December 12, 1956

MEMORANDUM

To: Assistant Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of NOTICE OF TERMINATION
Operator under Exploration
Project Contract Idm-E917
Dated February 6, 1956
Docket No. DMEA-3881
Tincup, Gypsy and Big Ben Claims
San Juan County, Colorado

Transmitted herewith is a rough draft of a NOTICE OF TERMINATION of the above-captioned contract for your use in preparing in final form.

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

Attachment

TLChapman:am
cc to: Docket
Code 400

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

December 12, 1956

MEMORANDUM

To: Assistant Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of NOTICE OF TERMINATION
Operator under Exploration
Project Contract Idm-E917
Dated February 6, 1956
Docket No. DMEA-3881
Tincup, Gypsy and Big Ben Claims
San Juan County, Colorado

Transmitted herewith is a rough draft of a NOTICE OF TERMINATION of the above-captioned contract for your use in preparing in final form.

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

Attachment

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

RECEIVED DEC 13 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

AIR MAIL

December 11, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3881 (Tungsten) Contract Idm-E917, Walby and Clifford, Partnership (Tincup, Gypsy and Big Ben claims) San Juan County, Colorado

Attached are two photo copies of a statement from Johnson Supply Company of a past due account of $529.51 owed by the operators of the subject contract.

Mr. Johnson called long distance November 2, and it was explained to him that while legally the Government is not responsible for obligations incurred by project operators, if he would forward a statement it would be transmitted to the Washington Office for a policy decision.

You are presently preparing a termination agreement as indicated by your teletype of November 1, 1956, and in the meantime, we are holding $500.00 pending resolution of matters concerned with the project.

Please advise us promptly by teletype what action should be taken.

W. M. Traver

W. M. Traver

Attachment

JOHNSON SUPPLY COMPANY

CURTIS JOHNSON, Manager

MACHINERY AGENTS
PIPE AND STEEL

Phone 613

DURANGO, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
DEC 10 1956
REGION III
DENVER, COLORADO

JSC

RECEIVED
DEC 13 1956
D.M.E.A.

November 13, 1956

Mr. W.A. Traver

Executive Officer of D.M.A.C.

3224 North Customs Building

Denver, 2, Colorado

Docket #3881

Contract #Id-E917

San Juan County

Dear Sir:

The following account was sold to Wallaby and Clifford of Silverton, Colorado, with the guarantee of payment by a D.M.A.C. loan.

To date, there has been no payments made. I would appreciate your assistance in collecting this account.

Yours truly,

Curtis C. Johnson

June 20, 1956	tic. #4828	Inv. #267-6	
2,000# 45% Ajax 2	1 1/8x8	21.45	$420.00
3,000' Black Monarch fuse		11.50	34.50
500 #6 Blasting caps		23.90	11.95
			475.45
		Colo. state tax	9.51
			484.96
July 30, 1956	tic. #5060	Inv. #185-8	
3,000' Black Monarch fuse		13.25	39.75
		Colo. state sales tax	.80
			40.55

October 6, 1956 Paid to Root and Norton, assayers, for assays given to Curtis Johnson for delivery. 4.00

Total account past due $529.51

Interior

DMEA

DOCKET
SURNAME

14X44C1, Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to
the Office of the Secretary)

xxxxxxxxxxxxxxxxxxxxxxxx

T E L E T Y P E

Chapman
Martin
Kyman
Wittendorf

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

REURTT DOCKET DMEA 3881, WALEN AND CLIFFORD, CONTRACT IDM-E917,

WE ARE PREPARING TERMINATION AGREEMENT AS YOU RECOMMENDED.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE

WSMartin/foc
10/31/56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. III
Messrs. R. W. Holliday, USBM
T. H. Kiilsgaard, USGS

Mr. George Selfridge

RECEIVED
OCT 31 1956
D.M.E.A.

DN BWET BUR MINESS DN 235 10-31-56 8-48

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 3881, CONTRACT IDM-E917, WALBY AND CLIFFORD, OUR MEMORANDUM OF SEPTEMBER 25,1956. PLEASE TELETYPE ADVICE AS TO STATUS OF RECOMMENDED TERMINATION AGREEMENT.

W M TRAVER

Denver, Colo.

OCT 31 11 50 AM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON 25, D. C.

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

RECEIVED
OCT - 3 1956

224 New Customhouse
Denver 2, Colorado

October 1, 1956

Mr. Hugh E. Walby
Walby and Clifford, Partnership
P. O. Box 253
Ouray, Colorado

Re: Docket DMEA 3881 (Tungsten)
Contract Idm-E917
Walby and Clifford, Partnership
Tincup, Gypsy and Big Ben claims
San Juan County, Colorado

Dear Mr. Walby:

Form MF-104, Operator's Monthly Report and Voucher, for August, 1956 has been received in this office and is being processed for payment.

In your narrative report for the period you state that operations under the contract were discontinued because of mechanical breakdown and illness, and request that the contract be extended so that the contract work can be completed in 1957.

Termination of the contract is under consideration by the Washington office of Defense Minerals Exploration Administration at this time. Our recommendations regarding the termination were based on the results of contract work to date and on your letter of August 24, 1956 wherein you informed this office that operations were discontinued as of August 17, 1956 because the vein had pinched out and did not appear favorable to follow any farther.

An amount of $500.00 is withheld from reimbursement to you pending resolution of matters relative to closing the account, which includes

1) Termination of the contract.

2) Rendering by your partnership to the Government a final engineering and geologic report in accordance with Article 6 (c) of the contract form.

3) Release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division.

If you have any question regarding the above, please feel free to contact this office.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E917
Sec. Op. Comm. (2)
Christensen
Harshman
Shaw (2)
Townsend
Chron.

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

RECEIVED
SEP 27 1956

224 New Customhouse
Denver 2, Colorado

September 25, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3881 (Tungsten), Contract No. Idm-E917, Walby & Clifford, a Partnership, San Juan County, Colorado

Enclosed is the following material in conjunction with termination of the subject contract:

1. The original and three copies of the Operator's letter of August 24, 1956.

2. The original and three copies of a joint memorandum, dated September 19, 1956, from C. M. Harrer, Mining Engineer, Bureau of Mines, and E. N. Harshman, Geologist, Geological Survey, also Member of the DMEA Field Team, Region III.

We recommend that a suitable termination agreement be prepared to terminate Contract No. Idm-E917, effective as of the close of August 17, 1956.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd.
AUG 27 1956
BUREAU OF MINES
Denver, Colorado

Ouray, Colo.
Aug 24, 1956

224, New Customhouse
Denver, 2 Colo.
D.M.E.A. Feild Team, Region #3
W.M. Traver
Exucutive Officer

Mr. Traver:

We Have discontinued opperations on contract Idm E 917 as of Aug, 17 1956.

The vein has pinched out and doesn't look favorable to follow any farther.

We also recieved the copys of the contract and as soon as we contact Mr. Clifford we will sign it and return it to you.

Sincerely

Hugh E Walby

Walby and Clifford
a partnership
P.o. Box 253
Ouray, Colo.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
DEPARTMENT OF THE INTERIOR
SEP 20 1956
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
September 19, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw JS/ aWC
Supervising Mining Engineer

RECEIVED
SEP 27 1956

From: C. M. Harrer
E. N. Harshman

Subject: Docket DMEA 3881 (Tungsten) Contract Idm-E917, Walby and Clifford, a partnership, San Juan County, Colorado -- Joint memorandum on recommendations to terminate the contract

The property was examined on September 11, 1956. Work completed under the contract includes 3/4 mile of access road to the mine portal and the underground work shown on the accompanying sketch. Underground work completed under the contract consists of the rehabilitation and repair of the portal, and 65 feet of old drift, 242 feet of new drift along the vein, and 12 feet of crosscut. Only 33 feet of drifting and 13 feet of crosscutting remain to complete the maximum requirements of the contract.

The vein explored is 1 to 3.5 feet wide. It strikes N. 15° W., and dips 40 to 57° W. The vein consists principally of crushed wall rock, some clay, small pockets of drusy quartz and a minor amount of pyrite. Within the vein, hubnerite ($Mn\ WO_3$) occurs as small pockets, patches and thin interrupted streaks too small to be of economic significance. The tungsten occurrences are separated by barren stretches of vein.

DMEA Exploration has uncovered only two small uneconomic exposures of hubnerite ($Mn\ WO_3$) not already known, and these are separated by 65 and 110 feet of barren vein.

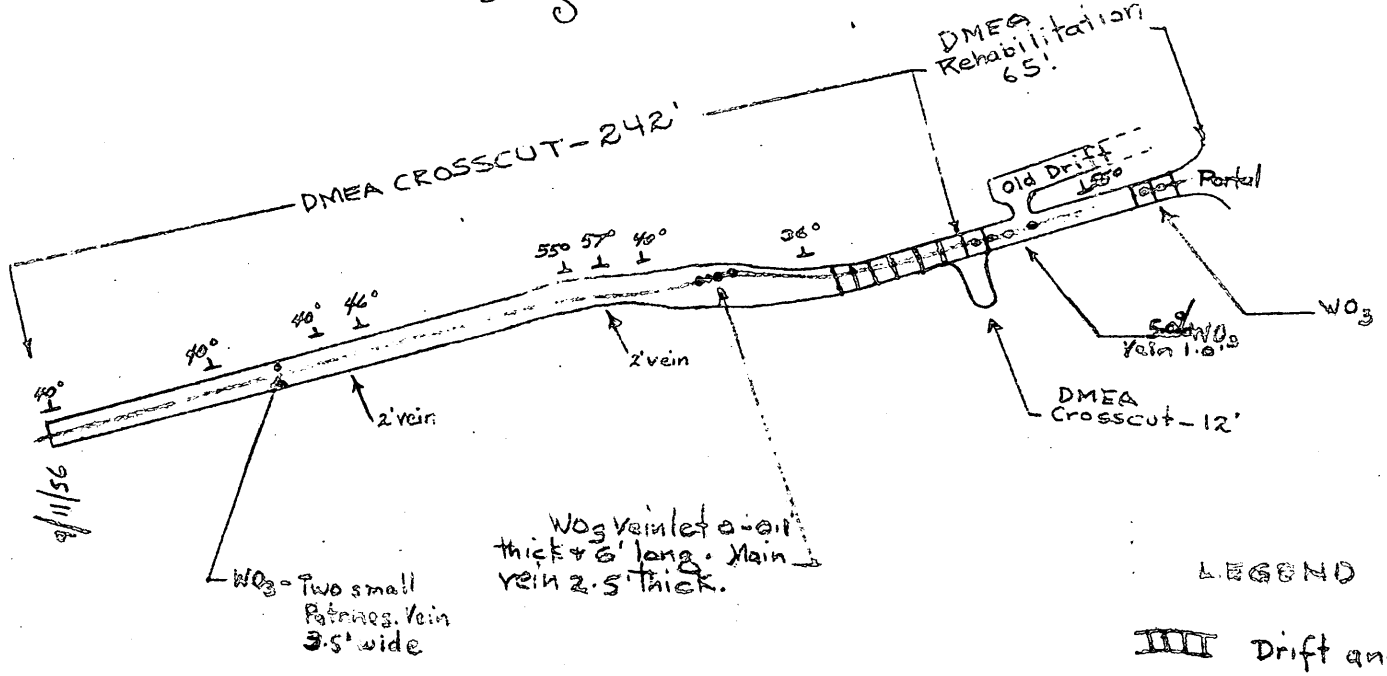
The pattern of tungsten occurrence, as shown on the accompanying sketch, indicates that exposures encountered to date are small and uneconomic; furthermore, the 33 feet of drift and 13 feet of crosscut remaining to complete the maximum requirements of the contract would not add materially to knowledge already gained.

No further exploration participation by DMEA appears justified and it is recommended that this contract be terminated.

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

E. N. Harshman
E. N. Harshman
Member Field Team

CMH/mw
cc: 9
Idm-E917 Chron



LEGEND

Drift and timber sets

Vein with hubnerite ($MnWO_3$) exposures represented as dots

55° Dip

Scale 1" = 50'

RECEIVED SEP 27 1958

PLAN OF UNDERGROUND EXPLORATION, H.E. WALBY AND E. CLIFFORD PARTNERSHIP, SAN JUAN COUNTY, COLO. DMEA 3881, CONTRACT Idm-E917

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

RECEIVED
SEP - 4 1956

224 New Customhouse
Denver 2, Colorado

August 29, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3881 (Tungsten), Contract Idm-E917, Walby & Clifford, a Partnership, San Juan County, Colorado

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E917, which has been executed to extend the date fixed for start of the project work from May 1, 1956, to June 1, 1956.

Also enclosed are three copies of data relative to the Amendment.

Copies of the Amendment have been distributed to the Operator, the Finance Office, Region III, and others concerned.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

August 13, 1956

Messrs. H. E. Walby and
Earl Clifford
P. O. Box 253
Ouray, Colorado

Re: Docket DMEA 3881 (Tungsten)
Contract Idm-E917
Walby and Clifford, a Partnership
San Juan County, Colorado

Gentlemen:

Reference is made to the advice by telephone today that more satisfactory results have been obtained in the drifting performed in the interim between your letter of August 2, 1956 and our notice to suspend operations of August 9, 1956.

Confirming approval today to Earl Clifford by telephone, the instruction of August 9, 1956 for you to suspend drifting operations upon receipt of that communication is hereby rescinded, and you are authorized to continue the drifting as outlined in the contract not to exceed a maximum of 275 feet.

Nothing in this authorization to continue work shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government would be required to contribute, nor the fixed unit cost of any item of work.

DMEA Field Team, Region III

W. M. TRAVER

By W. M. Traver
Executive Officer

JWT:jy
cc: Harshman
Chair. Op. Comm. (2)
Shaw (2)
Townsend
Corresp. E917 Chron
w/copy of supporting data

COPY

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

August 9, 1956

Mr. H. E. Walby
Walby & Clifford
P. O. Box 253
Ouray, Colorado

Re: Docket DMEA 3881 (Tungsten)
Contract Idm-E917
Walby & Clifford, a Partnership
San Juan County, Colorado

Dear Mr. Walby:

Reference is made to your letter of August 2, 1956, wherein you advise that the vein being explored by drifting does not look favorable and request that you be permitted to raise in three different places in lieu of continuing the drift as authorized in the contract.

Inasmuch as you consider that further drifting is not warranted, please suspend drifting operations upon receipt of this letter.

It is the opinion of the Government that the tungsten mineralization exposures in the adit drift are not large enough to justify exploration by raising. Therefore your request for authority to raise in lieu of drifting is denied.

Please advise by return mail as to whether or not you have other plans for exploring the property, or if you would prefer to terminate the contract in its present status.

Very truly yours,

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

JWT:prl
cc: Harshman
Shaw (2)
Townsend
Corresp. file
Chron.

DMEA
Date Rec'd.

AUG 9 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 8, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: C. M. Harrer
E. N. Harshman

Subject: Docket DMEA 3881 (Tungsten) Contract Idm-8917, Walby and Clifford, a partnership, San Juan County, Colorado -- Recommendations to the contract

In a letter dated August 2, 1956, Hugh E. Walby requests that footage remaining to the contract as drifting and crosscutting be substituted for raising at three locations.

On July 31, 1956 only two small exposures of huebnerite were detected in 160 feet of drift along the vein under item 4 of the contract. The first was a very small patch of no commercial significance occurring 15 feet south of the start of item 4. The second was 82 feet south of the start of item 4 and consisted of a 6-foot streak of huebnerite and quartz with a maximum thickness of 0.1 foot, occurring along the hanging wall of the vein. The vein in general consisted of quartz and pyrite with occasional crystals of galena; it strikes about N 12° W., and dips 36° to 37° westerly.

The possibility of making a significant discovery with additional drifting is poor and the operator does not favor further drifting. Further exploration by raising is not justified with the drift approximately 75 feet below the surface. The huebnerite exposures in the adit-drift are not large enough to justify exploration by raising.

It is therefore recommended that the project be terminated.

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

E. N. Harshman
E. N. Harshman
Member Field Team

CMH/mr cc: 9
Idm-8917 - Chron

		Bk	Rec
White Plantain	1	14	40
" "	2	14	41
" "	3	14	41
" "	4	14	42
" "	5	14	43
" "	6	14	43
" "	7	14	278
" "	8	14	149
" "	9	14	149

[illegible] Hillside. (Black Pearl.) 3448

Field

DMEA
Date Rec'd
AUG 3 1956
BUREAU OF MINES
Denver, Colorado

Ouray, Colorado
August 2, 1956

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 3881 (Tungsten)
Walby & Clifford, a Partnership

Dear Mr. Traver:

I am writing you in regard to Contract Number IDM-E917, tungsten, Silverton, Colorado.

Our vein does not look favorable for tungsten, as it has turned to Iron Pyrites and we would like to use up what footages we have left in raising on three different places in this drift. It would be a good move to have a geologist to look this over also. Please let me know if it will be possible to make a change and raise instead of continuing the drift. However, I will continue on the drift until we get an answer from you.

Yours very truly,

WALBY & CLIFFORD

By: Hugh E Walby
Hugh E. Walby
P.O. Box 253
Ouray, Colorado

HEW:mi

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

RECEIVED
AUG 13 1956

224 New Customhouse
Denver 2, Colorado

August 9, 1956

Mr. Hugh E. Walby
Walby and Clifford, Partnership
P. O. Box 253
Ouray, Colorado

Re: Docket DMEA 3881 (Tungsten)
Contract Idm-E917
Tincup, Gypsy and Big Ben claims
San Juan County, Colorado

Dear Mr. Walby:

Form MF-104, Operator's Monthly Report and Voucher, for the month of July, 1956 is being processed for payment.

A map or maps showing location and extent of the work performed must be submitted with your next report and with all subsequent reports. The map should be of sufficient scale to show all of the mine workings in detail. The larger scale map in the contract could be traced and extended for this purpose.

In addition to the actual contract work, please show the location of the old drift which you broke into last month.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: MF-104 File E917
Corresp. File E917
Sec. Op. Comm. (2)
Shaw (2)
Chron.

COPY

Ouray, Colo.
August 6, 1956

RECEIVED
SEP - 4 1956

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

Dear Mr. Traver:

In answer to your letter of August 6, as to when the work started on Contract Idm-E917. We started on June the first and finished the road and started on the drift the 15th of June.

I am writing this letter for my husband as he is in the hospital and too sick to do it himself but I know from the books the date he started. I am sure he will be able to sign the contract when it comes back as he is improving.

Very truly yours,

/S/ Mrs. Hugh E. Walby

Re: Docket DMEA 3831 (Tungsten)
Contract Idm-E917
Walby and Clifford
Silverton, Colo.

COPY

Docket No. 3881

OURAY, COLO.

June 7, - 56

RECEIVED
SEP - 4 1956

D. M. E. A.

Gentlemen

We are starting to build road to the Tin Cup and Gypsy tungsten claims this morning June 7 - 56.

Mr. Earl Clifford my partner wish to sell out his interest in these claims and the man he is wanting to deal with is O.K. with me. Please advise me if he can sell with the loan on the property and what procedure to go thru to get the other man's name on the loan or if it can be done.

Yours very truly

WALBY & CLIFFORD

By /s/ M. M. Walby

Docket No 388
Idm-E 917

Ouray Colo
4/30/56

DMEA
Date Rec'd
MAY 1 1956
BUREAU OF MINES
Denver, Colorado

U.S. Department of the Interior
Mr W.M. Traver

Owing to the fact that the snow is slow melting this spring we wont be able to start on the job for maybe 2 more weeks
Will keep you informed.

Yours Very Truly
Walley + Clifford
By. Hugh E Walley
Box-253
Ouray Colo

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

RECEIVED
JUN 14 1956

224 New Customhouse
Denver 2, Colorado

June 11, 1956

Mr. H. E. Walby
Walby & Clifford
P. O. Box 253
Ouray, Colorado

Re: Docket DMEA 3881 (Tungsten)
Contract Idm-E916
Walby & Clifford, a Partnership
San Juan County, Colorado

Dear Mr. Walby:

Reference is made to your letter of June 7, 1956 wherein you request advice as to the procedure to follow in event Earl Clifford disposes of his interest in the partnership.

Inasmuch as the contract is prepared in favor of "Walby & Clifford, a Partnership Comprised of Hugh E. Walby and Earl Clifford," it will be necessary that the Government approve of the assignment of the contract to yourself and the new partner. In conjunction with the assignment, the following documents would be required:

1. Original and three copies, or four photostats of the original document by which Earl Clifford transfers to a new owner his interest in the partnership and the property described under Article 2 of the contract.

2. The original and five copies of a request from you and the new owner, concurred in by Earl Clifford, that the contract be assigned to yourself and the new owner.

3. If Earl Clifford transfers to a new owner his interest in the Big Ben Unpatented Claim, described in Annex I attached to the contract, it will be necessary that the new owner execute a new form MF-203, "Consent to Lien." However, if Earl Clifford retains his full interest in the Big Ben Claim, we believe that the Consent to Lien that was executed by Earl Clifford will be adequate.

In the event that Earl Clifford does dispose of his interest in the partnership and the property involved under Contract Ida-2917, you are hereby advised that the Government will not contribute to the costs of any work performed as outlined under Exhibit "A" of the Contract until all matters relative to the assignment of the contract have been resolved.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, IDEA
Field Team, Region XII

JWT:prl
cc: Chairman, Oper. Comm. (2)) w/copy of Operator's letter of June 7
Marshman)
Shaw)
Townsend)
Corres. file)
Chron.

COPY

Docket No. 3001

OURAY, COLO.

June 7, - 36

RECEIVED
JUN 14 1936

D. M. E. A.

Gentlemen:

We are starting to build road to the Tie Dog and Copper Dungeon claims this morning June 7 - 36.

Mr. Earl Clifford my partner wish to sell out his interest in these claims and the man he is wanting to deal with is O.K. with me. Please advise me if he can sell with the loan on the property and what procedure to go thru to get the other man's name on the loan or if it can be done.

Yours very truly

WALBY & CLIFFORD

By /s/ H. E. Walby

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

RECEIVED
MAR 12 1956

224 New Customhouse
Denver 2, Colorado

March 8, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3881 (Tungsten), Contract Idm-E917, Walby and Clifford, a Partnership, Tincup, Gypsy, and Big Ben Claims, San Juan County, Colorado.

Enclosed herewith are the Government's, Division, and Docket copies of Exploration Project Contract Idm-E917, which was forwarded by your letter of February 3, 1956, for signature by the Operator and attachment of executed Consent to Lien form.

Also enclosed are two copies of our letter of March 8, 1956, whereby we forwarded the Operator's copy of the contract and provided forms and instructions relative to reporting on the work to be performed under the contract.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
MAR 12 1956

224 New Customhouse
Denver 2, Colorado

March 8, 1956

Messrs. Hugh E. Walby
and Earl Clifford
c/o Mr. Hugh E. Walby
P. O. Box 253
Ouray, Colorado

Re: Docket DMEA 3681 (Tungsten)
Contract Idm-2917
Walby and Clifford, Partnership, Tincup, Gypsy and Big Ben Claims, San Juan County, Colorado

Gentlemen:

Enclosed herewith is your copy of Exploration Project Contract No. Idm-2917, Docket DMEA 3681.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the completion of the first calendar month of operation and monthly thereafter, you are required to submit five copies of the forms to Mr. John F. Shaw, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The sixth form is for your records.

Please note that the monthly accounting report requires a narrative report which should be accompanied by maps or sketches showing the work performed. The narrative report must be signed by the operator. The monthly report will not be processed for payment unless accompanied by a narrative report. Additional copies of forms MF-104 and MF-104A will be forwarded to you each month on receipt of your completed report for the prior month.

For your information and in reply to many questions that have been asked, after forms MF-104 and MF-104A are received an engineer will check progress and approve your accounts, after which they will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for auditing and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the costs. If you have any difficulty in completing these forms and the reports, please call on Mr. Shaw or this office for assistance.

The contract is prepared on form NF-200A and under the provisions of Exhibit "A", which is a part of the contract, the work is to be performed at fixed unit costs which are the basis of reimbursement to you as units of work are completed and reported on forms NF-104 and NF-104A.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or sketches or other pertinent data.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any change in the work program or contract provisions. Such approval can only be given by the Washington Office, NSEA, or by the NSEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Shaw.

Very truly yours,

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

Enclosures

JWT:prl
cc: Chairman, Oper. Comm. (2)
Finance Office, Region III
Amendment file
Harshman
Shaw
Townsend
Corres. file
Chron.

400

DOCKET
Surname:
Chapman
Martin
Talbot
K Johnson

FEB - 3 1956

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

Re: Docket No. DMEA-3861, Tungsten
Walby and Clifford (partnership)
Tin Cup, Gipsy, and Big Ben
claims
San Juan County, Colorado

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed contract, signed by the Administrator for the Government, together with Annex I (1 page), Exhibit "A" (1 page), and 3 maps. Two extra copies of Annex I, Exhibit "A", and the maps are enclosed for use of the Field Team.

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

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

Also enclosed are seven Consent to Lien forms properly filled out, to be signed by Earl Clifford, locator and owner of the Big Ben claim.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Enclosures

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Reading File
T. Kiilsgaard, USGS
R. W. Holliday, USBM
FT, Region 3

TLChapman/ls
2/1/56

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

JAN 26 1958

Memorandum

To: Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

WSM

Subject: Docket No. DMEA-3881
(Tungsten)
Walby and Clifford
Tin Cup and Gypsy claims
San Juan County, Colorado

As requested in Mr. Martin's memorandum dated January 4, we have prepared the attached contract.

Apparently the partners do business under the name Walby and Clifford, and the Operator is so identified in the contract, which should be signed by both partners.

Since Clifford holds the Big Ben claim individually, his Consent to Lien should be affixed to the contract prior to execution. The attached Consent to Lien has been prepared for this purpose.

Two maps, referred to in the contract, should also be attached.

Robert P. Dwyer

Robert P. Dwyer

Rubin
Dwyer

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

JAN 26 1956

Memorandum

To: Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

INTERIOR DEPT.
JAN 27 1956
SOLICITOR

Subject: Docket No. DMEA-3861
(Tungsten)
Walby and Clifford
Tin Cup and Gypsy claims
San Juan County, Colorado

As requested in Mr. Martin's memorandum dated January 4, we have prepared the attached contract.

Apparently the partners do business under the name Walby and Clifford, and the Operator is so identified in the contract, which should be signed by both partners.

Since Clifford holds the Big Ben claim individually, his Consent to Lien should be affixed to the contract prior to execution. The attached Consent to Lien has been prepared for this purpose.

Two maps, referred to in the contract, should also be attached.

Robert P. Dwyer

Robert P. Dwyer

HCRubin/wog
January 23, 1956
Copies to: DMEA Docket
Solicitor's Docket
W.S.Martin (2)
G.C.Selfridge
R.P.Dwyer
H.C.Rubin
Chron.

400

DOCKET
SURNAME
Chapman
Martin

January 4, 1956

MEMORANDUM

INTERIOR DEPT.
JAN 11 1956
SOLICITOR

To: Associate Solicitor, Div. of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of contract
Docket No. DMEA 3881
Hugh E. Walby and Earl Clifford
Tin Cup and Gypsy claims
San Juan County, Colorado

Transmitted herewith is a draft of a proposed contract for the captioned project for your use in preparing the contract in final form.

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

Attachment

TLChapman/foc
1/3/56
cc to: Docket
Code 400

EXPLORATION PROJECT CONTRACT
HUGH E. WAILEY AND EARL CLIFFORD
DOCKET NO. DMEA 3861

EXHIBIT "A"

Description of the Work

Attached maps are as follows:

Figure 1. Location Map, showing location of the property

Figure 2. Claim and Exploration Map, showing proposed exploration work on claims.

Figure 3. Plan showing geology in open tunnel and recommended crosscut and drift.

1. Build about 3/4 mile of access road.
2. Rehabilitate adit approximately 65 feet.
3. At the present face of the adit near the ~~north~~ east end of the Gypsy claim crosscut easterly and westerly, the total not to exceed 25 feet, to locate hanging and footwall and possible parallel vein or veins. These crosscuts to be not less than 4 x 6 feet in the clear.1/
4. From the face of the same adit continue drift southerly along the vein a maximum distance of 275 feet. This drift to be not less than 4½ x 6½ feet in the clear.1/

1/ It is estimated that 300 feet of crosscutting and drifting may require timbering. Where the mineralization so warrants sample and assay for WO_3.

EXPLORATION PROJECT CONTRACT
HUGH E. WAILEY AND EARL CLIFFORD
DOCKET NO. DMSA 3681

ANNEX I

The land referred to in Article 2 of the contract form, and shown on the attached Figure 2, Claim and Exploration map, consists of two patented lode mining claims and one unpatented lode mining claim, located in the S. ½ of section 29, T. 42 N., R. 7 W., Eureka Mining District, San Juan County, Colorado, as follows:

Claim Name	U.S. Survey No.	Book No.	Page No.	
Tin Cup	19588	Ownership 176	306-308	Treasurer
Gypsy	19588	Ownership 176	306-308	
Big Ben, Located by Earl Clifford		183	178	Recorder

The Tin Cup and Gypsy claims are owned by the Applicants.

The Big Ben located by Earl Clifford, will have to be transferred or leased to the partnership.

Estimated cost of the project
Agreed Unit Costs

1.	Build about 3/4 mile of access road 2/.	$1,000.00	
2.	Rehabilitate adit, approximately 65 feet 2/	200.00	
3.	Crosscut and drift 300 feet at $36.00 per foot.	10,800.00	
4.	Timbering, 100 feet at $8.00 per foot.	800.00	
5.	Assaying 40 samples for WO_3 at $5.00 each.	200.00	
	Estimated cost of project.		$13,000.00
	Government participation, 75 percent.		9,750.00

2/ The complete job is the unit.

Dorkan

IN REPLY REFER TO:

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

400

December 22, 1955

RECEIVED
DEC 23 1955

Copy rec. W. S. Martin

Re: DMEA 3881
Wilby and Clifford
Tincup-Gypsy group
San Juan Co., Colorado
$12,544.00 - Tungsten

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The examiners and Field Team recommend the approval of an alternate work program on this hubnerite-bearing quartz vein from which 1,220 units of WO_3 have been produced.

The work program proposed by the examiners consists of:--

Construct 3/4 mile road	$ 1,000.00
Drive 275 feet drift at $38.48/ft.	10,582.00
Drive 25 feet crosscut at $38.48/ft.	962.00
	$12,544.00

The prospect probably warrants the work and the work proposed appears adequate for exploring the indifferent showing.

I concur with the recommendations of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

Copy rec. 400

Docket

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

December 16, 1955

Copy returned 4-[illegible]

Memorandum

To: Chief, Iron & Ferroalloys Division-DMEA
Through: Acting Chief, Branch of Ferrous Metals & Ferroalloys

From: Commodity Specialist-Tungsten

Subject: Review of Report of Examination
Docket No. DMEA-3881
Tincup, Gypsy, Big Ben Claims
San Juan County, Colorado
Hugh E. Walby, Ouray, Colo. and
Earl Clifford of Silverton, Colorado
$12,544.00-Tungsten

The examining team recommends construction of 3/4 mile of access road 25 feet of cross cutting and 272 feet of drifting.

The reason is not clear for concluding "that the chance of discovering a large body of tungsten ore is poor....". However, the program recommended appears to be well planned and entirely justified.

I concur with the field team in recommending approval.

R W Holliday
R. W. Holliday

Copy to: Mr. Holliday
Mr. Geehan
Docket file DMEA-3881
Files

RECEIVED
DEC 19 1955

Docket

RECEIVED

DEC - 8 1955

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

224 New Customhouse
Denver 2, Colorado

December 5, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA 3881, Walby and Clifford (Tungsten) San Juan County, Colorado

Enclosed are the original and three copies of the joint report on the subject docket. The field examiners recommend a modified exploration program in which we concur.

Attached are nine extra copies of Figure 2 "Claim and Exploration Map," for possible use in the contract.

E. N. Harshman

E. N. Harshman
Acting Executive Officer, DMEA
Field Team, Region III

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
12-12-55
(date)

RECEIVED
DEC - 8 1955

DMEA
Doc Rec'd
DEC 2 1955
BUREAU OF MINES
Denver, Colorado

Building 20
Denver Federal Center
Denver 2, Colorado
December 1, 1955

Region III

Memorandum

TRANSMITTED
DEC 5 1955

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman
John F. Shaw

Subject: DMEA 3881, Walby and Clifford (Tungsten) San Juan County, Colorado

Enclosed are the original and 7 copies of the Joint Engineering and Geologic Report by D. R. MacLaren, Geologist, and C. M. Harrer, Mining Engineer, covering Docket No. 3881.

Walby and Clifford applied for exploration assistance to explore the Tincup, Gypsy and Big Ben claims by 300 feet of drifting. The estimated cost of the work was $21,002.00.

The property was examined by D. R. MacLaren, Geologist, and C. M. Harrer, Mining Engineer, on September 20, 1955. A revised program consisting of constructing an access road and 300 feet of drifting and crosscutting, at an estimated total cost of $12,544.00 was approved by the examining team. It is recommended that a short form contract be prepared to authorize the work agreed upon by the examining team and the applicant.

E. N. Harshman

E. N. Harshman
Member Field Team

John F. Shaw

John F. Shaw
Supervising Mining Engineer

JFS/mw
ec 7
E. N. Harshman
DMEA 3881
Chron.

Reviewed by
DMEA OPERATING COMMITTEE
12-12-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

RECEIVED
DEC - 8 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED
DEC 5 1955

DMEA 3881

H. E. WALBY AND E. CLIFFORD

TINCUP AND GYPSY CLAIMS

SAN JUAN COUNTY, COLORADO

Tungsten

Joint Engineering and Geologic Report

Reviewed by
DMEA OPERATING COMMITTEE
12-12-55
(date)

By

D. R. MacLaren, Geologist
Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

November 28, 1955

DMEA 3881

RECEIVED
DEC - 8 1955

H. E. WALBY AND E. CLIFFORD
TINCUP AND GYPSY CLAIMS
SAN JUAN COUNTY, COLORADO

CONTENTS

Joint engineering and geologic report — Page

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Location, topography, and physical features 2
History and production 3
Ownership 3
Geology 4
Minable ore reserves 6
Present status 6
    Exploration and development 6
    Mining, milling, and other facilities 7
Applicant's project proposal and costs 7
Conclusions 10
Recommendations 10

ILLUSTRATIONS

Figure — Follows page

1. Location map, H. E. Walby and E. Clifford (Gypsy and Tincup) claims, San Juan County, Colorado 2

2. Claim and exploration map, H. E. Walby and E. Clifford (Gypsy and Tincup) property, San Juan County, Colorado 2

3. Plan showing geology in open tunnel and recommended crosscut and drift, Walby and Clifford prospect, San Juan County, Colorado 5

DMEA 3881

RECEIVED
DEC - 8 1955

H. E. WALBY AND E. CLIFFORD
TINCUP AND GYPSY CLAIMS
SAN JUAN COUNTY, COLORADO

SUMMARY

Hugh E. Walby of Ouray and Earl Clifford of Silverton, Colorado, have applied for Defense Minerals Exploration Administration assistance to explore their Tincup, Gypsy and Big Ben claims for tungsten which occurs as the mineral hubnerite ($MnWO_4$). The claims comprise about 62.0 acres in the S1/2 of sec. 29, T. 42 N., R. 7 W., San Juan County, Colorado, at altitudes ranging between 10,000 and 12,000 feet above sea-level. The claims are in rough mountainous terrain. A good dirt road up Cement Creek passes along the west end of the Tincup claim. The rest of the claims are accessible over foot trails.

The applicants propose to construct about 3/4 mile of access road from the county road up Cement Creek to an old adit which is the site of their exploration program. In addition, they propose to explore a vein containing hubnerite by 300 feet of drifting. They originally estimated the cost of this work at $21,002.00.

The chances of discovering several small deposits of hubnerite tungsten ore having a moderate over-all tonnage are fairly good and it is recommended that:

1. An access road be constructed to the property at a cost not to exceed $1,000.00.

2. Crosscuts be driven east and west from the present breast of the open adit a combined total distance not to exceed 25 feet at an estimated cost of $962.00.

3. The breast of the existing adit be advanced southerly for 275 feet or until the quartz vein pinches out. Estimated cost $10,582.00.

Total cost of the project is estimated at $12,544.00, and Government participation of 75 percent would be $9,408.00.

INTRODUCTION

Hugh E. Walby of Ouray and Earl Clifford of Silverton, Colorado, are partners and owners of the Tincup, Gypsy and Big Ben claims which they wish to explore for tungsten. They have applied for Defense Minerals Exploration Administration assistance to explore their claims with a program of underground exploration at an estimated cost of $21,002.00, which includes the construction of about 3/4 mile of access road.

The applicants' claims were examined by a joint Bureau of Mines and Geological Survey team on September 20, 1955. H. E. Walby accompanied the examining team.

ACKNOWLEDGMENTS

H. E. Walby, one of the partners, served as guide during the examination and contributed his knowledge of the property.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Tincup, Gypsy and Big Ben claims are contiguous, standard, lode claims in the S1/2 of sec. 29, T. 42 N., R. 7 W., in the Eureka mining district, San Juan County, Colorado, figures 1 and 2. The claims lie in an easterly direction from the Cement Creek valley floor, between Cascade and Tiger gulches, and at altitudes ranging between 10,000 and 12,000 feet above sea-level. The claims are in heavily wooded, steep and rough

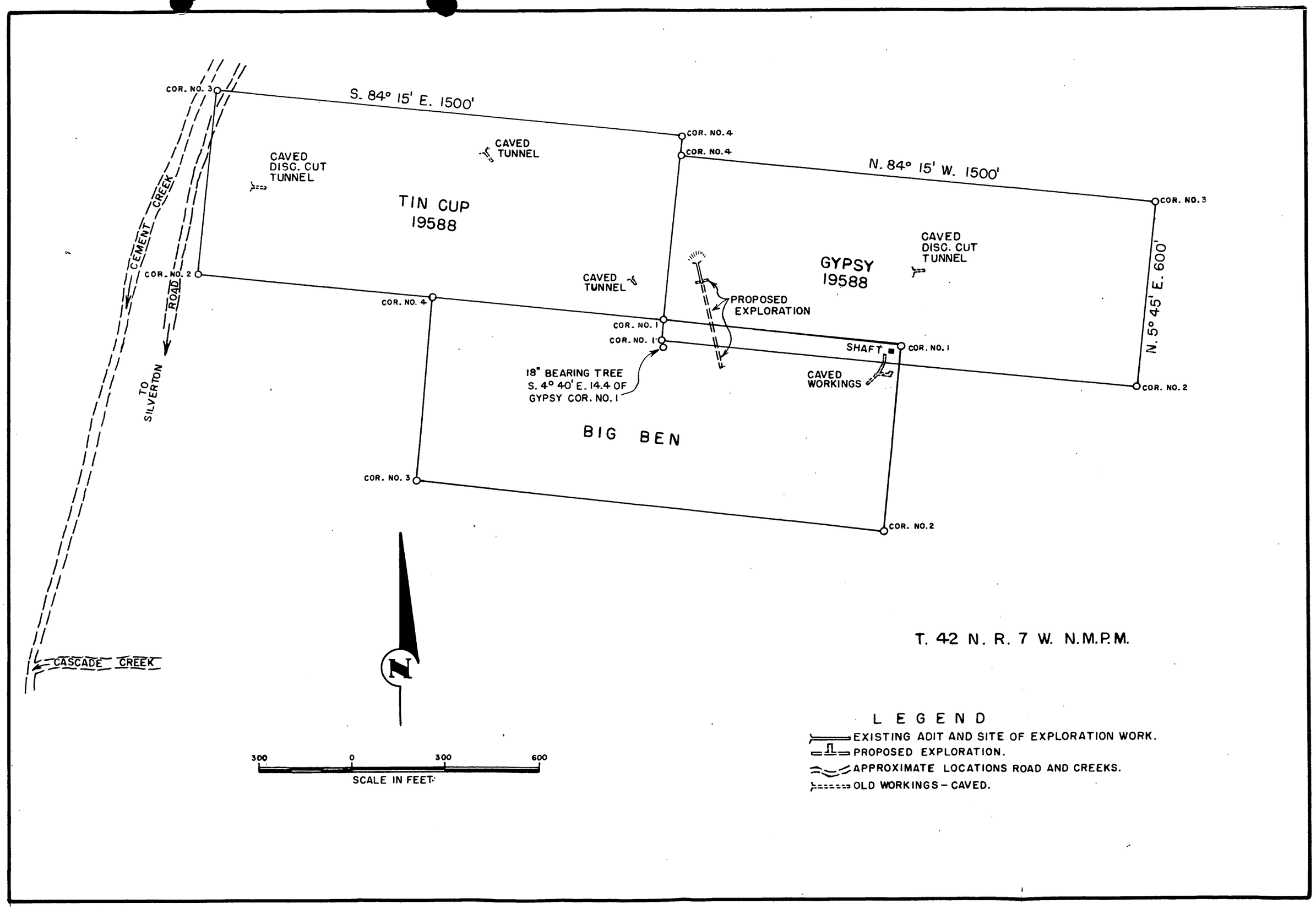

FIGURE 2 - CLAIM AND EXPLORATION MAP, H. E. WALBY AND E. CLIFFORD (GYPSY AND TIN CUP) PROPERTY, SAN JUAN COUNTY, COLO. DMEA 3881

RECEIVED
DEC - 8 1956

mountainous terrain. A well maintained dirt road from Silverton extends up Cement Creek and passes the west end line of the Tincup claim. From this point the claims are accessible over rough foot trails. Supplies and labor are readily obtainable from Silverton, Colorado, about 5 miles distant. The nearest water supply is from Cement Creek at the lower end of the Tincup claim. Timber is readily obtainable on the claims. Snowfall is heavy and winters are severe.

HISTORY AND PRODUCTION

Production of hubnerite started in the Cement Creek area of San Juan County about 1899. The Conyer group of claims comprising the Tincup and Gypsy lode claims (Mineral Survey 19588) was in production early in 1900 and during World War I. They were originally the property of Albert Conyer but changed hands several times and now are the property of H. E. Walby and Earl Clifford. Past production from the property is reported by the Bureau of Mines[1/] as 1,220 units of WO_3.

OWNERSHIP

The Tincup and Gypsy claims are standard (600 x 1500) lode claims located by Albert Conyer and surveyed for patent (Mineral Survey No. 19588) on August 7, 1914. H. E. Walby of Ouray and Earl Clifford of Silverton, Colorado, partners, are owners of the claims through a "County Commissioners Deed" dated July 13, 1954. Ownership is recorded in book 176, pages 306-308 in the San Juan County Treasurer's office in Silverton. The claims

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1/ Unpublished report of the Bureau of Mines. A Study of the Tungsten Potential in the San Juan Area, Ouray, San Juan and San Miguel Counties, Colorado, by Carl Belser. Production statistics are confidential.

occupy an area of 41.322 acres of rough mountainous terrain. The claims are variously known as the Conyers and Conyers-Clifford group locally. In addition, Earl Clifford, one of the partners, has staked the Big Ben claim which is recorded in book 183, page 178 of the County Clerk's records. This is a standard (600 by 1500) lode location comprising 20.661 acres, recorded on September 30, 1955.

GEOLOGY

The rocks along Cement Creek are principally pyroxene andesite flows of the upper part of the Silverton volcanic series, and a few intrusive bodies of rhyolite and latite. The andesite has been considerably fractured and many of the fractures are mineralized. The vein deposits may be differentiated into two mineralogic types, quartz-pyrite-gold veins and tungsten-bearing quartz veins. The latter type veins may occur either independently or as a late stage of mineralization in the walls of the quartz-pyrite-gold veins. The tungsten-bearing mineral is hubnerite which occurs in the quartz as isolated lath-shaped crystals, radiating masses, and vein fillings. As a rule the hubnerite ore is erratically distributed in large masses of quartz vein material and silicified rock. Therefore, profitable production has been pretty well limited to periods of urgent demand for tungsten.

On the applicant's claims (Fig. 2) there are several old tunnels and at least one shaft. At the time of the examination the shaft and all but one of the tunnels were caved and inaccessible. From the material on the dumps, it is evident that some of these workings were driven on hubnerite-bearing veins. The one accessible tunnel near the north end of the Gypsy

claim, is about 53 feet long measured from the present portal. It is flanked by two other tunnels, both caved, one about 9 feet to the west and the other about 15 feet to the east, measured center to center of the apparent portals. The lengths of the flanking tunnels are not known and the one on the east side may be little more than a prospect pit as there is scarcely any dump material remaining. From the present size of the dump, common to the open tunnel and the caved one to the west, the latter may be as much as 50 feet long, and possibly longer. The open tunnel follows a hubnerite-quartz vein that strikes S. 14° E., and dips 57° to 60° SW (fig. 3). The vein is a strong fracture that has been filled by quartz. The walls have been silicified and are frozen to the quartz in places, making it difficult to determine the true width of the quartz filling, which apparently ranges in width from an inch to over 2 feet. Hubnerite occurs in vein-like streaks up to 1 inch wide and 10 feet long within the quartz. From 10 to 33 feet from the portal is a stope. It extends about 5 feet above the back of the tunnel for the first 12 feet and about 10 feet above for the final 11 feet. From the portal to the north end of the stope is an irregular series of hubnerite seams less than one quarter of an inch thick. In the north end of the stope the seams appear to die out between the back of the tunnel and the back of the stope. From the south end of the stope a seam of hubnerite up to 1 inch thick and about 10 feet long is exposed in the back of the tunnel. For a distance of about 8 feet this seam is flanked by several irregular hubnerite seams up to one quarter of an inch thick and 1 to 2 feet long. The back of the stope could not be reached for close inspection but in the south end irregular lenses and seams of hubnerite could be seen from the back of the

tunnel to the back of the stope. In the final 10 feet of the tunnel there are small irregular lenses and streaks of hubnerite ranging from one quarter of an inch to 1 inch thick and 1 to 3 feet long. About 4 feet south of the stope a channel sample cut by the examiners assayed 5.0 percent WO_3 over a width of 1 foot.

Due to heavy soil overburden and dense brush and timber cover the vein could not be traced on the surface. In the tunnel it appears to be a strong structure and may be expected to continue for several hundred feet at least. The closeness of the two flanking tunnels suggest that the vein in the open tunnel may be in a fracture zone somewhat wider than the width of the tunnel, and that there may be parallel veins of similar composition.

MINABLE ORE RESERVES

There is no basis on which to estimate ore reserves. Past production of 1,220 units of tungsten is reported by the Bureau of Mines. A sample cut across one foot of vein, 37 feet in from the portal assayed 5 percent WO_3.

PRESENT STATUS

Exploration and Development

Work on the Tincup and Gypsy claims included intermittent prospecting evidenced by shallow and almost obliterated pits and several adits, only one of which was accessible (fig. 2). This accessible adit is the site of the proposed exploration program and has been driven 53 feet in a southeasterly direction along a fracture zone containing hubnerite. Access to the property is over 3/4 mile of foot or horse trail.

Mining, Milling, and Other Facilities

There is no mining equipment on the property other than a few pieces of hand drill steel, hammers and a shovel. There are no milling or other facilities on the property.

APPLICANT'S PROJECT PROPOSAL AND COSTS

H. E. Walby and E. Clifford propose to explore their Tincup, Gypsy, and Big Ben claims with DMEA assistance, as follows:

1. Construct about 3/4 mile of access road across the property to the site of exploration which is an old adit. They originally estimated the cost of this road at $4,000.00. Discussion with the applicant indicated that this might be accomplished for about $1,000.00, or less.

2. Advance the present adit along the vein for 300 feet as a 5 x 7-foot drift. They propose to accomplish this on a single shift basis within 6 months at an over-all cost of $17,002.00 or $56.67 per foot. Their costs are distributed as follows:

(1)	Independent contracts: 3/4 mile of access road	$4,000.00
(2)	Labor and supervision:	
	Labor (5 men at $2.00 per hour)	$10,752.00
	Supervision	none
	Technical services	none
(3)	Operating materials and supplies:	
	Timber	none
	Explosives	$920.00
	Pipe	180.00
	Track	500.00
	Fuel and lubricants	750.00
	Carbide	75.00
	Drill steel	300.00
	Small tools	25.00
(4)	Operating equipment:	
	Rental - 185-210 c.f.m. compressor	$1,200.00
	Rock drill complete with hoses and water tank	550.00
	Purchase - 1 tram car	150.00

(5)	Initial rehabilitation and repairs:	existing adit	$ 500.00
(6)	New buildings, improvements, etc.:	Compressor house and shop	$ 200.00
(7)	Miscellaneous:		
	Payroll taxes		$ 600.00
	Bookkeeping (6 months)		300.00
(8)	Contingencies:		none
	Total		$21,002.00

These costs are excessive for the work involved.

EXPLORATION PROGRAM AND COSTS RECOMMENDED BY THE EXAMINING TEAM

The following exploration program is recommended:

1. Construct about 3/4 mile of access road from Cement Creek to the exploration site at a cost not to exceed $1,000.00.

2. Drive 7 x 5-foot crosscuts east and west from the present breast of the open tunnel, (figs. 2 and 3) for a combined distance not to exceed 25 feet. The west side crosscut should be driven first and stopped as soon as a definite hanging wall is established. The east side should then be driven until a definite footwall is established, or until the balance of the 25 feet has been used up. The purpose of the crosscut is to determine the width of the possible fracture zone, whether or not the west flanking tunnel extends beyond 50 feet from the caved portal, and whether parallel veins exist. The cost of 25 feet of crosscut is estimated at $38.48 per foot for a total of $962.00.

3. Extend the present open adit 275 feet southerly from the breast or until the quartz vein pinches out. The cost of 275 feet of drift is estimated at $38.48 per foot for a total of $10,582.00.

Total cost of the project is estimated at $12,544.00, and Government participation of 75 percent would be $9,408.00.

The project would be completed within 6 months.

The estimated costs are as follows:

(1) Independent contracts:

About 3/4 mile of access road estimated at about $1,000.00 (to be completed within two weeks).

Estimated costs for drifting and crosscutting - to be completed in 100 working days or 5-1/2 months.

		Total	Cost per foot
(2) Labor and supervision:			
Direct labor at $14.00 per foot (including overtime)	$4,200.00		$14.00
Working foreman at $450.00 per month for 4 months	1,800.00		6.00
		$6,000.00	$20.00
(3) Operating materials and supplies:			
Timber	$ 300.00		
Explosives	1,000.00		
Pipe	180.00		
Track	350.00		
Fuel and lubricants	650.00		
Drill steel and bits	300.00		
Small tools	100.00		
Miscellaneous (carbide, etc.)	75.00		
		$2,955.00	$ 9.85
(4) Operating equipment - rental only:			
Rental of compressor, drill, cars, etc.		$1,800.00	$ 6.00
(5) Initial rehabilitation and repairs:			
Clean up and retimbering of adit portal and clean up of adit preparatory to mining		$ 200.00	$ 0.67
(6) New buildings, improvements, etc.:			
Crude compressor house and shop		$ 100.00	$ 0.33
(7) Miscellaneous:			
Repairs to equipment	$100.00		
Payroll taxes	120.00		
Liability insurance	169.00		
Bookkeeping	100.00		
		$ 489.00	$ 1.63
Total cost of 300 feet of drift and crosscut		$11,544.00	$38.48

Total cost of project is $12,544.00.

Government participation of 75 percent is $9,408.00.

CONCLUSIONS

It is concluded that the chance of discovering a large body of tungsten ore is poor, but that the chance of discovering several small deposits that might have a moderate over-all tonnage is reasonably good.

RECOMMENDATIONS

The following exploration program is recommended for approval:

1. Construct about 3/4 mile of access road to the property at a cost not to exceed $1,000.00.

2. Complete 25 feet of crosscuts and 275 feet of drift from an existing and accessible adit at $38.48 per foot for a cost of $11,544.00.

Total cost of the project is estimated at $12,544.00 and Government participation of 75 percent would be $9,408.00.

DOCKET
CODE 400
SURNAME
Chapman
Martin
Helfman

JUL 19 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
22h New Custom House Building
Denver 2, Colorado

Re: Docket No. DMEA 3681 - Tungsten
Walby and Clifford (partnership)
Tin Cup and Gypsy claims
San Juan County, Colorado

Dear Mr. Traver:

The above docketed application for exploration assistance is being referred to your office for a field examination of the property.

Two copies of a relevant memorandum, dated July 13, 1955, by Henry R. Cornwall, Geological Survey are enclosed for your information.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (SHB)

Enclosure

APPROVED:

/s/ Robert W. Geehan (SHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

TLChapman:foc
7-18-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. III
Messrs. Helliday, USBM
Kiilsgaard, USGS

R.C.H.

400
DOCKET
SURNAME
Chapman
Martin
Gerhard
Kilsgaard
Johnson

JUL 19 1955

Mr. Hugh R. Walby
Box 253
Ouray, Colorado

Re: Docket No. DMEA 3881 - Tungsten
Walby and Clifford (partnership)
Tin Cup and Gypsy claims
San Juan County, Colorado

Dear Mr. Walby:

The above docketed application for exploration assistance for tungsten ores has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. W. M. Treuer, Executive Officer, DMEA Field Team, Region III, 224 New Custom House Building, Denver 2, Colorado, for a field examination of the property.

Any assistance that you can give the members of the Field Team will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

TLChapman:fcc
7-18-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. III
Messrs. Holliday, USBM
Kilsgaard, USGS

R.C.G.

Docket

IN REPLY REFER TO:

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

RECEIVED
JUL 14 1955

July 13, 1955

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: H. R. Cornwall, U. S. Geological Survey

Subject: Tungsten application, DMEA 3881, H. E. Walby and Earl Clifford, Tin and Gypsy claims, San Juan Co., Colo.

The applicant wants to explore a tungsten-bearing quartz vein with a 300-foot drift. A 3/4-mile access road to the prospect is also required. The property had a small production during World War I.

We recommend that this application be referred to a Field Team for evaluation of the property, the competency of the applicant, and the proposed costs. The estimated costs appear too high, and the applicant's proposal to furnish his share by his own labor is probably not feasible.

Henry R. Cornwall

Henry R. Cornwall

Copy retained 400

July 1, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA-3881 Hugh E. Walby & Earl Clifford

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

July 1, 1955
Subject: DMEA-3881
Re: Exploration Assistance

Hugh E. Walby
Box 253
Ouray, Colorado

Dear Mr. Walby:

The receipt of your application dated June 28, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3881 and referred to the Iron and Ferro-Alloys Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

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

RECEIVED
JUL - 1 1955

224 New Customhouse
Denver 2, Colorado

June 29, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Tungsten, Application of Hugh E. Walby and Earl Clifford, Tin Cup and Gypsy claims, San Juan County, Colorado

Enclosed are the original and two copies of the subject application in the amount of $21,002.00.

One copy of the application is being retained in our files.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
JUL - 1 1955

224 New Customhouse
Denver 2, Colorado

June 29, 1955

Mr. Hugh E. Walby
P. O. Box 253
Ouray, Colorado

and

Mr. Earl Clifford
P. O. Box 52
Silverton, Colorado

Gentlemen:

Thank you for your letter of June 27, 1955 and the application for DMEA assistance on your Tin Cup and Gypsy claims.

Your application has been forwarded to the Washington Office, DMEA for further processing.

Very truly yours,

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

HMC:sr

cc Chairman Op. Comm. (2)
Subject
Chron

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DMEA
Date Rec'd.
JUN 23 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

BUREAU OF MINES
Denver, Colorado

Docket No. 3128
Metal or Mineral Tungsten
Date Received 7-1-55
Estimated Cost $21,002.00
Participation (Government %)

RECEIVED
JUL 1 1955

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Hugh E Walby Box-253 Ouray Colo
Partnership Earl Clifford Box 52, Silverton Colo

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract
TIN CUP AND GYPSY CLAIMS OF CONYER'S + CLIFFORD GROUP
SILVERTON — COLO

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

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

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Tungsten
305 Ft drifting on Vein

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within at once days and be completed within 6 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs? Labor

☐ Money ☐ Use of equipment owned by you ☒ Other Labor

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated June - 28, 1955

Walby + Clifford
(Applicant)

By H. E. Walby

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Ouray Colo
June - 27 - 55

Mr W. M. Traver
Denver Colo

DMEN
Date Rec'd
JUN 28 1955
BUREAU OF MINES
Denver, Colorado

Dear Mr Traver

Inclosed are the forms and other iformation fill'd out to the best of my knowledge also an estimate of the cost for 300 Ft of Drifting. Hoping to hear from you soon

Very Truly Yours
Walby and Clifford
By Hugh E Walby
Box - 253 Ouray Colo

Physical description
Conyer's and Clifford group

A - There isn't any work being done on these claims at this time. I understand it was last worked during the first world war and produce'd some where around 1000 units of tungsten. It can be examined by

B - crawling thru a small hole which I will enlarge. There is about 3/4 of a mile of foot trail leading from the Cement Creek County road up to the mine.

C - It is a large well defind quarts vein runing in a North westerly direction and should intersect with two other veins runing in an easterly dierction.
I would like to do 300 Ft of drifting on this vein as it has chance's of developing into a good mine.

D. It will take around 3/4 miles of road to reach the mine. Shipping point for any ore produc'd would be Boulder Colo of Maybe Salt Lake City Utah.
all suppl's at Silverton. 7 miles distance would live at Silverton after work gets under way.

E. Help of all kinds will be ample.

(a) First I would have a road built up a Timberd Mountain approximatly 3/4 of a mile long to old tunnel Then I would drive 300 Ft of Drift on the Gypsy Vein and also cut a cross vein runing in an easterly direction

(6) Have been mining 20 years around 5 years in the Tungsten at Boulder Colo Salida Colo Silverton Colo. Fairplay Colo. Would supervise the job personly.

We would figure on putting up our 1/4 of the cost of this deal in Labor if that could be worked out.

Hoping to hear from you soon
Yours Very Truly
Wally and Clifford
By Hugh & Wally

Contract of [illegible] for 360 [illegible]
of [illegible] on Hodgers [illegible]

3½ lbs 72 Rails		4	50	00
Powder		2	50	00
300 ft 2 in Pipe Air line		1	80	00
Blasting Caps		1	00	00
Fuse			90	00
Drill Steel		3	00	00
Rent on Compressor	1	2	00	00
Track spikes and iron plates			50	00
Fuel and oil		7	00	00
Carbide			75	00
Frame Cars		1	50	00
Picks shovels and small tools			25	00
Lumber for compressor house and shop			20	00
Labor 5 men at 2.00 per hr.	12	7	50	00
Board	4	0	0	
Drilling Officers		5	50	00
Comp. Officers Wages and Exp		6	[illegible]	[illegible]
Superintendent Salary		5	00	00
Rent Quarters for month 300 for officers staff		3	00	00

Total $21 002 00

Walter [illegible]

Geo. [illegible] Alexander

SILVERTON GLADSTONE RAILROAD

CEMENT CREEK

WAGON ROAD

5 DISC TIN CUP

CONVER'S AND CLIFFORD GROUP
SAN JUAN Co
SCALE = 200 FT. = 1-INCH

4

4

19588

PROPSE'D WORK

3

300 Ft Drifting on Vein

TUNNEL

IN 50-FT GYPSY

DISC

VEIN

19588

DISCOVERY

TUNNEL

2

1

PROPSE'D ROAD

APPROXIMATE COURSE

VEIN

DO NOT RETURN

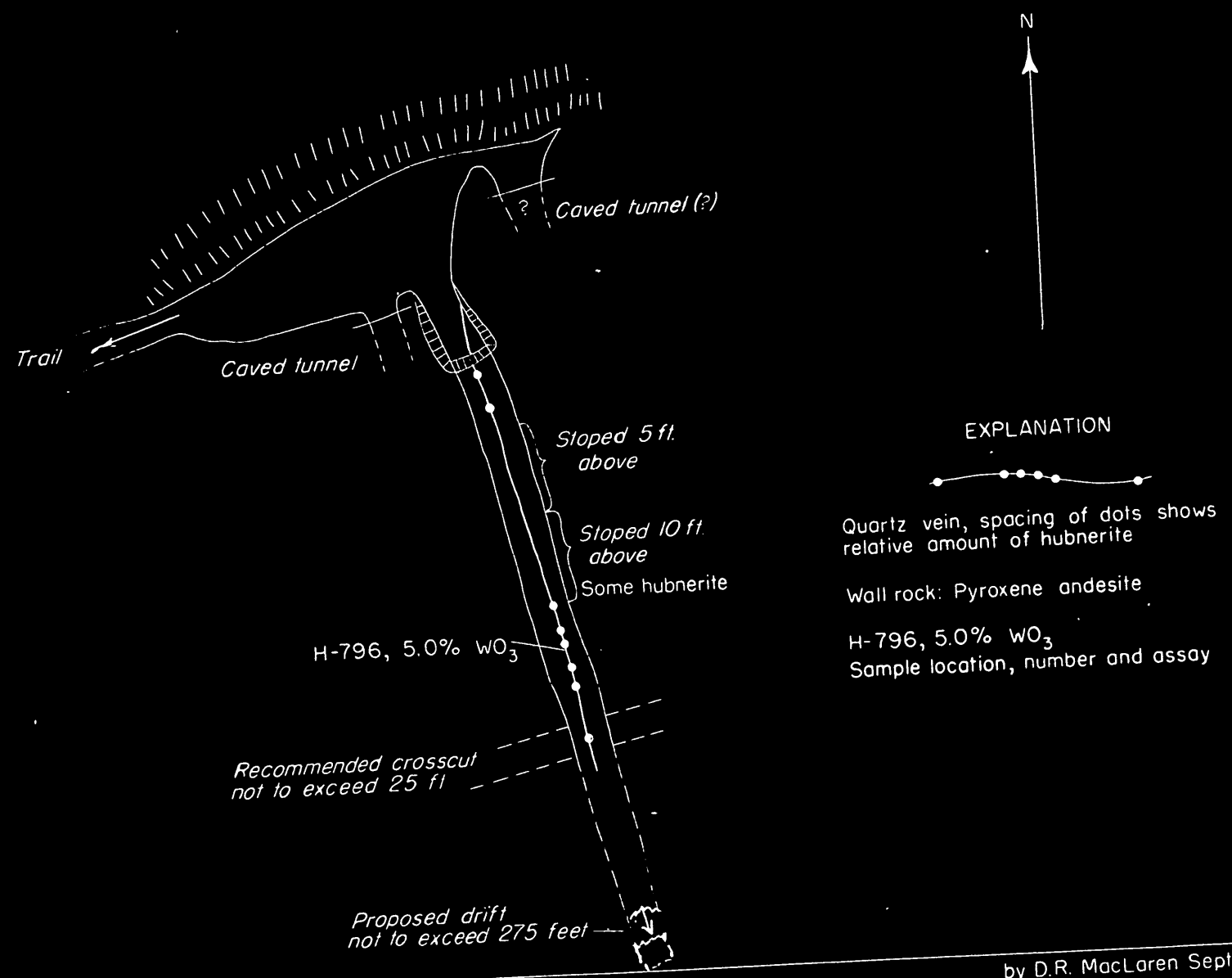
RECEIVED
JUL - 1 1982

RECEIVED
JUL - 1 1955

DEPARTMENT OF THE INTERIOR

.INT EXAMINATION REPORT
DMEA DOCKET 3881

PREPARED FOR DEFE
MINERALS EXPLORATION ADMINISTRATION



by D.R. MacLaren Sept, 1955

FIGURE 3 PLAN SHOWING GEOLOGY IN OPEN TUNNEL AND RECOMMENDED EXPLORATION CROSSCUT AND DRIFT. WALBY AND CLIFFORD PROSPECT, SAN JUAN COUNTY, COLORADO.

20 10 0 20 Feet

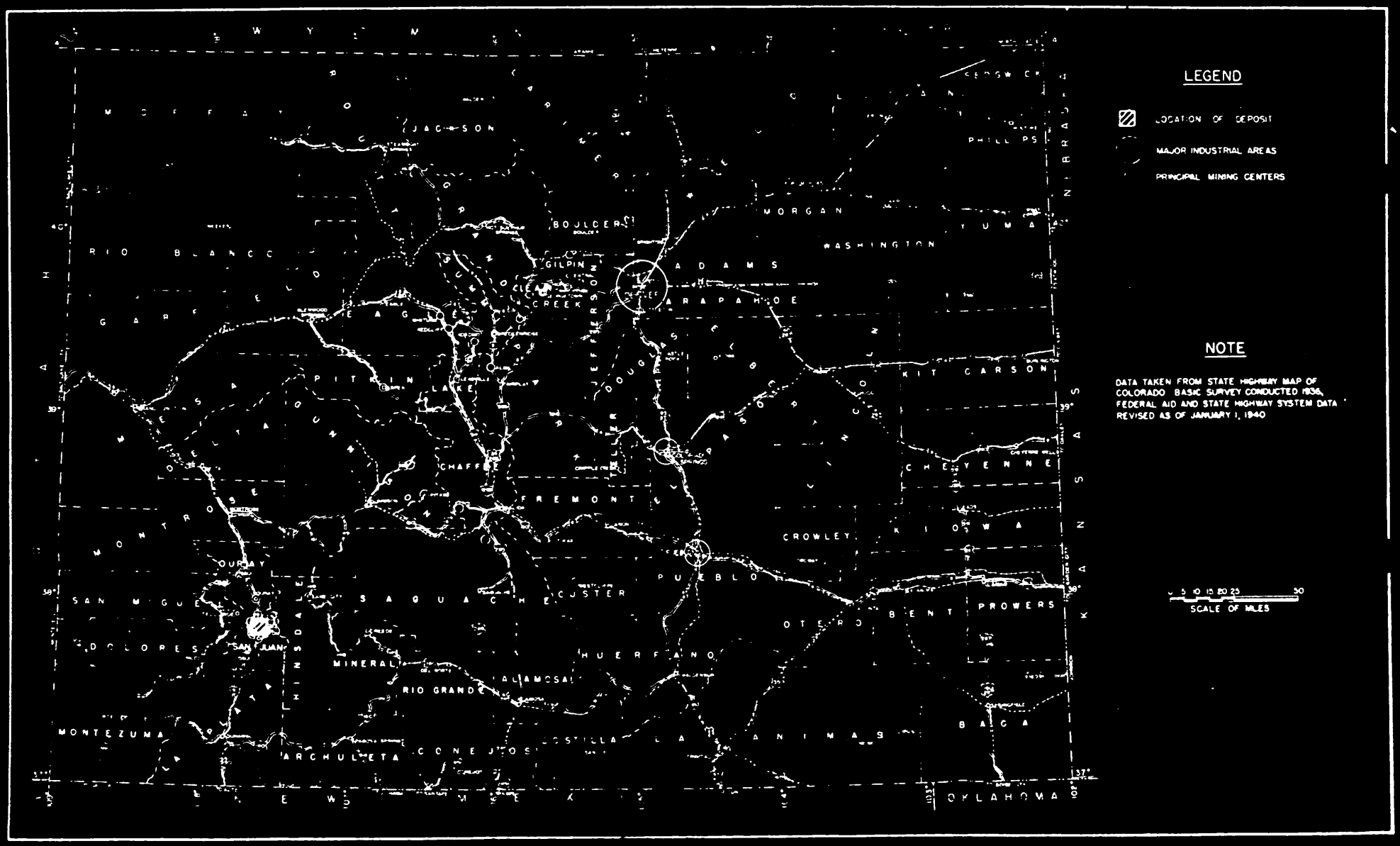


FIGURE 1 - LOCATION MAP, H.E. WALBY AND E. CLIFFORD (GYPSY AND TINCUP) CLAIMS, SAN JUAN COUNTY, COLO. DMEA 3881