UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 2 1959

DATE	INITIALS	CODE
10/2	RCW	225
10/2	[illegible]	800
		~~500~~
10-2	[illegible]	130
10/2	[illegible]	110
10/9	[illegible]	~~330~~
		220

September 29, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4848 (Lead-Zinc) Contract No. Idm-E1190 Norbute Corporation (Saints John mine) Summit County, Colorado - FIELD TEAM'S FINAL SUMMARY REPORT

The contract was terminated before completion of all work provided for by Termination Agreement dated July 7, 1959, which was made effective November 10, 1958.

The field examiners Final Engineering and Geologic Report was forwarded to you by memorandum dated July 10, 1959, and the Operator's final report was forwarded by memorandum of August 28, 1959.

Final payment to the Operator was processed by this office September 29, 1959, in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated September 1, 1959, which was released to this office September 28, 1959.

Preliminary work on the project consisted of rehabilitation of the power line and surface plant, repair of air and water lines, and reconditioning of compressor. The exploration work completed consisted of the drilling of three diamond drill holes aggregating 1120 ft. Additional project costs incident to the drilling consisted of the purchase of 38 core boxes, and analysis of 21 samples.

The total accepted cost of the project was $12,700.53, toward which the Government contributed 50 percent, or $6,350.27.

The exploration work completed did not result in a significant discovery of Lead-Zinc ore; therefore, certification of the project is not recommended.

J. W. Townsend

J. W. Townsend

Reviewed by
OME OPERATING COMMITTEE
10/9/59
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.
Building 20 - Federal Center
Denver 25, Colorado

September 29, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED OCT 7 1959		
DATE	INITIALS	CODE
10/7	RCW	225
		[redacted]
		[redacted]
10/7	FEG	110
10/8	ogc	500

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4246 (Lead-Zinc Contract No. Idm-W1190
Norbute Corporation (Saints John Mine, Saguache County,
Colorado

Reference is made to the memorandum to you from this office dated January 20, 1959, whereby Form MF-104, Operator's Monthly Report and Voucher for the month of October 1958, was forwarded to you for processing and wherein it was requested that the sum of $500.00 be withheld from reimbursement to the Operator pending resumption of work after an over winter recess.

Instead of resuming work, the contract was terminated by mutual agreement effective November 10, 1958. A copy of the Termination Agreement was forwarded to you by copy of our letter to the Operator dated August 14, 1959.

The Operator has rendered a Final Engineering and Geologic Report as required by the contract; therefore, it is recommended that final payment be made to the Operator in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated September 1, 1959.

J. W. Thomason

OME
DEPARTMENT OF THE INTERIOR
OCT 2 1959
REGION III
DENVER, COLORADO

$ 490.00
Naomi E. Stokes
DMEA-60-10 10/1/59

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE
1-26	[illegible]	220
1/9/10	[illegible]	800
1/27	[illegible]	500

224 New Customhouse
Denver 2, Colorado
January 23, 1959

Mr. DeWitt C. Deringer
Vice-President
Norbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Re: Docket DMEA 4848 (Lead-Zinc)
Contract No. Idm-E1190
Norbute Corporation
(Sts. John mine)
Summit County, Colorado

Dear Mr. Deringer:

Form MF-104, Operator's Monthly Report and voucher for October, 1958, has been received in this office and is being processed for payment. The following deductions have been made.

Disallowance, Supervision

The contract provides for a maximum of 2.5 months of supervision. You have reported a total of 2.8+ months of supervision through October, 1958; therefore, as indicated in our letter of January 19, 1959, the reported cost for all supervision in excess of 2.5 months is disallowed, together with applicable payroll taxes and insurance.

Amount Withheld

Project work is recessed for the winter months; therefore, an amount of $500.00 is withheld from reimbursement to you pending resumption of project work, and receipt of your monthly account report pertaining there to.

You will be further advised of the deductions by means of an Administrative Audit Difference Statement which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustments of units and costs in the next report submitted on voucher and accounting Forms MF-104 and MF-104A.

JDC:ltm

cc: Chmn. Op. Comm. (2)
Harshman
Belser, OME/DFC
Corres. File
Cooper
Chron.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE
1/26	C	220
1/27	[illegible]	500

224 New Customhouse
Denver 2, Colorado

January 19, 1959

Mr. DeWitt C. Deringer
Vice-President
Morbute Corporation
P. O. Box 1700
Grand Junction, Colorado

Re: Docket No. DMRA 4848 (Lead, Zinc)
Contract No. Idm-E1190
Morbute Corporation
(Sts. John mine)
Summit County, Colorado

Dear Mr. Deringer:

Reference is made to your letter of November 24, 1958 and to our subsequent correspondence and telephone conversation, pertaining to your request for revision of work units and costs under Stage I of the captioned contract.

The Government considers that the processing of an amendment to increase the supervision employment period for the minor consideration involved is not warranted; therefore, your request pertaining to this item is denied. The reported costs for supervision in excess of 2½ months will therefore be disallowed, together with applicable payroll taxes and liability insurance.

No amendment is necessary to increase those items of estimated work and cost which are not expressly designated "maximum". Therefore, adjustment can be made dependent on the merits of the case, as each occasion of the excess arises as long as neither the total allowable cost for the contract nor the total allowable cost for certain categories within each stage of work, are exceeded.

If you have any questions regarding the matter, please feel free to contact this office.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer
OME Field Team, Region III

JDC/ad
cc: Chmn. Op. Comm. (2)
Harshman) w/copy Chmns.
Belser, OME/DFC) relative let.
Corres. File, Reg.3) of 1/13/59
Cooper, Chron.
Chron.

FILE COPY
N. E.
JAN 28 1959

DATE	INITIALS	CODE
1-26	C	220
"	[illegible]	110
1/27	[illegible]	500

FINAL DISTRIBUTION
MADE JAN 22 1959

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

Administrative Audit Difference Statement

Date: January 21, 1959
Payee's Reference: October 1958

Morrison Corporation
P. O. Box 1700
Grand Junction, Colorado

Gentlemen:

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

Amount Claimed	$	3,531.43
Difference	$	209.14
Amount Approved	$	3,322.29

The reason for the difference was due to:

Disallowed, Supervision

The contract provides for a maximum of 2.5 months supervision. The Operator has reported a total of 2.8+ months through October 1958; therefore, the reported cost for all supervision in excess of 2.5 months is to be disallowed, as follows:

Total reported cost of Supervision to date, 2.8+ months at $525.00 per month ----------	$1,500.00
Acceptable cost of Supervision 2.5 months at $525.00 per month ----------	1,312.50
Supervision costs disallowed ----------	$187.50

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

Disallowed, Payroll Taxes and Insurance

The allowable cost for supervision for October 1958 is $171.20 ($358.70 - $187.50). The Operator has reported payroll taxes on $525.00, and liability insurance on $434.00 applicable to Supervision. Excess payroll taxes and insurance are disallowed, as follows:

Payroll taxes reported, $525.00 at 5.25 percent -----	$27.56	
Allowable payroll taxes, $171.20 at 5.25 percent ----	8.99	
Excess payroll taxes ----------		$18.57
Liability insurance reported, $434.00 at 1.165 percent ----------	5.06	
Allowable liability insurance, $171.20 at 1.165 percent ----------	1.99	
Excess liability insurance ----------		3.07
Payroll taxes and liability insurance disallowed ----------		21.64
Total amount disallowed ----------		$209.14

Withheld an amount of $500.00 from reimbursement to the Operator pending resumption of contract work. The project is recessed for the winter months.

224 New Customhouse
Denver 2, Colorado
January 20, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, CME Field Team, Region III

Subject: Docket No. DMEA 4848 (Lead-Zinc) Contract Edm-E1190, Norbute Corporation, (Ets. John mine) Summit County, Colorado - Operator's Monthly Progress Report for the month of October, 1958

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

The work is being performed partly under independent subcontract, partly by the Operator on the basis of actual incurred costs, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances the rates for the work performed under independent subcontract are considered to be reasonable. The costs reported for work performed by the Operator have been reviewed by this office, and are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowance Supervision

The contract provides for a maximum of 2.5 months supervision. The Operator has reported a total of 2.8+ months through October, 1958, therefore the reported cost for all supervision in excess of 2.5 months is to be disallowed, as follows:

Total reported cost of Supervision to date,
2.84 months at $525.00 per month--------- $1500.00
Acceptable cost of Supervision 2.5 months
at $525.00 per month---------- 1312.50

Supervision costs to be disallowed----------$ 187.50

Disallowance, Payroll Taxes and Insurance

The allowable cost for supervision for October, 1958 is $171.20 ($358.70 - $187.50). The Operator has reported payroll taxes on $525.00, and liability insurance on $434.00 applicable to Supervision. Excess payroll taxes and insurance are to be disallowed, as follows:

Payroll taxes reported, $525.00 at 5.25 percent----------	$27.56		
Allowable payroll taxes, $171.20 at 5.25 percent----------	8.99		
Excess payroll taxes----------		$ 18.57	
Liability insurance reported, $434.00 at 1.165 percent----------	5.06		
Allowable liability insurance, $171.20 at 1.165 percent----------	1.99		
Excess liability insurance----------		3.07	
Payroll taxes and liability insurance to be disallowed-------			21.64
Total amount to be disallowed----------			$209.14

Withhold an amount of $500.00 from reimbursement to the Operator pending resumption of contract work. The project is recessed for the winter months.

Reconciliation With Amount Reported by the Operator on Form MF-104 for the month of October, 1958

Amount reported on Form MF-104 for October, 1958----------	$3531.43
Amount to be disallowed----------	209.14
Acceptable cost for October, 1958----------	3322.29
Government participation at 50 percent----------	1661.14
Amount to be withheld----------	500.00
Balance due the Operator----------	$1161.14

REMARKS:

Date of Report----------January 2, 1959
Date Received in Field Office----------January 7, 1959
Date Received in Region Office----------January 13, 1959

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWC:hmh

cc:- Chmn. Op. Comm. (2)
Belser, CMR/NFC
MF-104 file, Reg. III
Harshman) w/copy of
Cooper) Engr's Report
Chron

OME
DEPARTMENT OF THE INTERIOR

JAN 13 1959
REGION III
DENVER, COLORADO

Jan. 12, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket No. DMEA 4848 (Lead-Zinc) Contract Idm-E1190, Norbute Corporation (Sts. John mine) Summit County, Colorado -- Progress report of October 1958

Operations under the subject property were inspected on November 4, 1958. No one was at the property. The mine was entered and the drill was still set up over hole No. 4 where it had been since the month before. The core had been removed to the core house where the 341 feet of core was held in seven core boxes.

The operator has submitted in quintuplicate a narrative report with D. D. log of hole No. 4, and one copy each of the following:

1. Invoice No. 3, McPherson Drilling Company
2. Saints John pay roll of October 17
3. Saints John pay roll of October 31

Public Service Company of Colorado statement of October 31
Antlers Service Station invoice No. 862
Heated Stores invoice Nov. 3
Kellogg's Hardware, Inc. Statement of October 18
The Colorado Assaying Company statement of Nov. 1
The Henry E. Wood Assaying Company statement of Oct. 24

The several claims are analysed as follows:
Category 1, independent contractors -- the independent driller's statement appears to be correct. The item of Surveying is not included in the 104's.

Category 2, supervision -- Gordon Bruchner's salary was $525.00 but only .683 percent of a month (not .8 as shown on the 104) has been charged on the 104 and is recommended for approval as .683 months -- $358.70.

Category 2, labor -- the sum of $604.50 is supported by statements and is recommended for approval. Under lubricants and miscellaneous is a statement for 150 sacks at $24.48 of which 75 are claimed up to November 1, leaving 75 sacks still to be accounted for and is recommended for approval.

Liability insurance and payroll tax has documentation to support it and is recommended for approval.

Assaying is supported by two statements and is recommended for approval.

Summary of Allowable Costs

Core drilling 241 feet at $4.50/ft.	$1,084.50
Core drilling 9 feet at $3.75/ft.	33.75
91 feet core drilling at $4.25/ft.	386.75
311 feet reaming and casing at $2.00/ft.	622.00
35 feet cementing and redrilling at $2.00/ft.	70.00
Supervision .683 of $525.00	358.70
Labor 255 hrs. at $1.95/hr. 36 hrs. at $2.925/hr.	604.50
5 core boxes at $2.50/ea.	12.50
Payroll taxes	59.30
Liability insurance	26.05
Assaying	50.00
Lubricants, miscel. supplies	19.38
Power	204.00
Total	$3,531.43

Payment of 50 percent of the above amount, or $1,765.72 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc:6
I&m-K1190
chron

OME
DEPARTMENT OF THE INTERIOR

JAN 6 1959
REGION III
DENVER, COLORADO

January 2, 1959

Mr. J. W. Townsend, Executive Officer
OME Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4848 (Lead-Zinc)
Contract IDm - E1190
Norbute Corporation
(Saints John Mine)
Summit County, Colorado

Dear Mr. Townsend:

Herein presented is the fourth report on the above listed DMEA contract which covers the month of October, 1958.

Accompanying this report is a map showing the locations of the holes drilled to date, together with the proposed locations of the two additional holes which would complete Stage 1 of this contract. Also sent with this report are letters requesting change in the attitude of hole No. 2 and change of location of hole No. 5.

In the "Operator's Monthly Report and Voucher", the only items exceeding the "Estimated Cost of the Project" are: Casing costs which exceed the estimate by $360.00; power, lubricants and miscellaneous supplies which exceed the estimate by $93.29; and assaying which exceeds the estimate by $45.00. However, savings in other categories more than compensate for the increases in these categories; so that there will be no overall increase in the estimated total cost of Stage 1.

Very sincerely yours,

Dewitt C. Deringer

Dewitt C. Deringer
Vice President

DC/b

MONTHLY REPORT OF OPERATOR

Docket No. DMEA 4848 (lead-zinc)
Contract No. Idm-E1190
Norbute Corporation
(Saints John Mine)
Summit County, Colorado

This is the fourth report on the above listed project and covers progress made during the month of October, 1958.

Diamond core drilling was started on hole No. 4 on September 24 and the hole completed to a length of 341 feet on October 31. Through the entire hole, the ground was broken to such an extent that casing had to be kept to within ten feet of the drill bit. At 241 feet, the BX casing became firmly stuck, making it necessary to complete the hole at AX size. Cementing was tried without success and AX casing had to be carried to 311 feet.

Core recovery was poor, averaging 44.0% for the hole. Sludge samples were carefully taken. The presence of much cave material in each run made it difficult, if not impossible, to differentially separate such material in the sludge samples. Often after drilling a few feet and having the core barrel block, it was necessary to redrill as much as seven feet of cave material before further advance could be made.

No well mineralized core was recovered from this hole. A sample log was prepared from representative cuts of the sludge and examined under a microscope. The samples showing the most ore mineralization were assayed, with the following results:

Feet	Au	Ag	Pb	Zn
278-280	Tr	Tr	Tr	0.05
288-290	Tr	.10	.10	0.20
294-296	Tr	.20	.35	1.60
298-300	Tr	.20	.30	1.10

The character of the ground in the last 40 feet changed markedly to predominantly unaltered gneiss. Due to the condition of the ground cut by this hole, it is our feeling that no conclusion can be drawn from the meager evidence offered by the sludge samples, other than to confirm the presence of some mineralization between 294 and 300 feet, and continuance of the vein structure.

The first major snow fall started on November 5, while the drilling contractors were still trying to recover as much of their BX casing as possible from hole No. 4. It became apparent that there would be a considerable delay between each snowfall and the reopening of the road. The drilling contractor therefore insisted upon shutting down this program until underfoot conditions permit proper access to the property. All operations were suspended on November 11. It is estimated that work can be resumed by June 15, 1959.

At this point it would appear timely to review the results of the program to date.

Hole No. 1

This hole was drilled from No. 7 vein with the objective of cutting the Comstock vein normal to its strike. The following core samples were taken:

	Footage	Inches of core	Au	Ag	%Pb	%Zn	%Cu
1.	212 to 215 ft.	28	0.04	2.40	1.47	6.20	Tr
2.	238 to 239 ft.	12	Tr	0.05	0.16	0.90	Tr

Assuming the first assay as the Comstock vein, the dip of the Comstock is indicated to be 55 degrees. Hole No. 1 was completed at 339 feet.

Hole No. 2

In order better to establish the actual dip of the vein before drilling holes at an angle to the vein, it was decided to skip drill hole No. 2 temporarily and drill proposed hole No. 3 next.

Hole No. 3

The first 200 feet of this hole was through blocky ground which was expected due to the timber section at the drift level. Two ore sections were cut by this hole, giving the following assay values:

Footage	Inches of core	Au	Ag	%Pb	%Zn	%Cu
1. Core						
261-262	9	none	0.45	0.63	2.57	
262-262.5	4	0.01	4.60	1.90	37.40	0.15
262.5 - 263	4	none	0.50	0.14	3.88	
Sludge sample 257-259		Tr.	0.20	Tr.	2.8	0.10
2. Core						
269-272	6	0.01	5.90	2.0	30.8	0.15
Sludge sample 269-272		Tr.	0.20	0.40	0.80	0.05

Hole No. 3 was carried to a total length of 440 feet for it offered the best opportunity to cross the structure and assure us that the mineralization encountered was definitely the Comstock vein and that there was no adjacent parallel vein present.

Hole No. 4

This was the third hole drilled and has been reviewed above. The broken condition of the ground prevented us from gaining any additional information about the mineralization from this hole. It has, however, focused our attention on the questionable advisability of drilling proposed hole No. 5 as planned. A request for change of location for hole No. 5 is being made, a copy of the letter accompanying this report.

Completion of Stage I

Three of the five holes constituting Stage I of this program have been completed. The progress of the work to date has been a good deal slower than

anticipated even though due diligence by the drilling contractor has been shown. Both the swivel type and standard core barrel have been tried in an effort to gain maximum core recovery. In all cases, however, core recovery in the vein zone has been poor, apparently due to the alteration and broken ground present in this zone. Samples taken to date have indicated an increased ratio of zinc to lead over the sampling done at the drift elevation. There is no way that we have yet found to determine whether there is a differential loss between the lead and zinc mineral in the sludge samples due to their difference in size or specific gravity.

As soon as underfoot conditions permit reentry to the Saints John portal, it is planned that the two holes remaining in this project will be completed. Tentative plans call for the completion of hole No. 2 next, followed by hole No. 5. Under "Description of the Work" in the contract it is stated, "If less than three of the five drill holes encounter ore that, in the opinion of the Government, may be of commercial width and grade, no further work shall be performed under the contract". It is still possible that with two good ore intercepts on the remaining holes the work could be carried on to Stage II.

Stage II calls for an intercept of the vein at an elevation approximately 500 feet below the Saints John tunnel level, which would require holes of 750 feet in length. Considering the drilling and core recovery difficulties experienced to date, it would be optimistic in the extreme to hope that two out of the four holes would core sufficient values to justify the continuation of this program into Stage III.

In view of the foregoing, it might be well to examine the entire program in an effort to determine what possibilities remain. While the three completed holes did intercept a mineralized zone of approximately the width

originally anticipated, there is considerable doubt that this mineralization is commercial; because low core recoveries necessitated relying on sludge samples for assay values. If the low assays of these three completed holes preclude the government's authorising continuation of the exploration program in some form after completion of Stage I, regardless of the results that may be obtained from the remaining two holes, then it is questionable whether Stage I should be completed. On the other hand, if the results to date do not preclude a favorable decision then there would appear justification for continuing the program.

Abbott Charles

Abbott Charles, Manager
Western Mining Division

January 2, 1959

SUMMARY OF CALCULATIONS

(1) MacPherson Drilling Co.

0-241 BX	241 @ $4.50	$1,084.50	
241-250 AX	9 @ $3.75	33.75	
250-341 AX	91 @ $4.25	386.75	
0-311 Reaming and casing	311 @ $2.00	622.00	
260-241 Cementing and redrilling	35 @ $2.00	70.00	
			$2,197.00

(2) Labor

	1-15	15-31	Total	
Loren R. Enyeart	$183.30	$	$ 183.30	
David A. Williams	179.40		179.40	
William Plandel	31.20	210.60	241.80	
				604.50

Supervision

Gordon W. Bruchner - salary	525.00

(3) Operating Materials and Supplies

Public Service Company of Colorado		204.00
Core boxes used 5 @ $2.50		12.50
Kelloggs Hardware, Inc.	$12.24	
Antler's Service Station	3.32	
Hested Stores	3.82	
		19.38

(7) Payroll Taxes

Labor	$604.50	FICA rate	2.25	
Supervision	525.00	Emp. Soc.	3.00	
	1,129.50	x	5.25	59.30

Liability Insurance

Labor	604.50	total		
	70.20	overtime		
	534.30	net @ 3.30 now rate	= 20.99	
Supervision				
Maximum applicable $434.00 @ 1.165 " "			= 5.06	
				26.05

Assaying

The Colorado Assaying Co.	$20.00	
The Henry E. Wood Assaying Co.	30.00	
		50.00

Duplicate invoices accompanying the October report

MacPherson Drilling Company - Invoice No. 3

Saints John payroll of October 17
Saints John payroll of October 31

Public Service Company of Colorado statement of October 21

Antler's Service Station Invoice #862

Hested Stores invoice November 3

Kellogg's Hardware, Inc. statement of October 18

The Colorado Assaying Company statement of November 1

The Henry B. Wood Assaying Company statement of October 24,

January 7, 1959

Mr. J. W. Townsend, Executive Officer
OME Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4848 (Lead-Zinc)
Contract Idm-E1190
Norbute Corporation
(Saints John Mine)
Summit County, Colorado

Dear Mr. Townsend:

Enclosed you will find the original and four copies of Forms MF 104 and MF 104a which are exact duplicates of those presented with our fourth monthly report on the above listed contract, with correction of the totals.

Very truly yours,

Abbott Charles

Abbott Charles, Manager
Western Mining Division

AC/b
Enc.

OME
DEPARTMENT OF THE INTERIOR
JAN 9 1959
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

JAN 26 1959 O.M.E.

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

Month of October, 195 8 Docket No. DMEA 4848 Contract No. Idm E-1190
Operator's Name Norbute Corporation Minerals Lead-zind
Address Box 1700, Grand Junction, Colo.
Contract Amount, $190,760.00 Government Participation: 50 % Amount, $95,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Term~~ Contracts:						
Drilling BX 0-241	1,084.50					
~~Bulldozing~~ AX 241-250	33.75	2,250.00	3,368.25			
~~Crosscutting~~ AX 250-341	386.75	1,395.00	1,781.75			
~~Drifting~~ Cas 0-311	622.00	338.00	960.00			
Cementing	70.00	60.00	130.00			
(2) Labor and Supervision:						
Labor	604.50	1,618.50	2,223.00			
Supervision	358.70	1,141.30	1,500.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
~~Timber~~ Core boxes	12.50	82.50	95.00			
Explosives						
~~Pipe~~ Power	204.00	385.76	589.76			
Track						
Lub. & misc. sup.	19.38	84.15	103.53			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		230.20	230.20			
(5) Initial Rehabilitation and Repairs		715.26	715.26			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	59.30	144.70	204.00			
Liability Insurance	26.05	57.87	83.92			
(8) Contingencies (specify):						
1 3-way station		500.00	500.00			
1 2-way station		300.00	300.00	?		?
Assaying	50.00	95.00	145.00			
TOTALS	3,531.43	9,398.24	12,929.67	3322.29	9398.24	12,720.53

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

Date Jan. 2, 1959 *Payee NORBUTE CORPORATION

Per [signature] Title Manager, Western Mining ~~Division~~

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

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

$500.00 Withheld

(Instructions on reverse)

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

$1161 15

Signature [signature]
(Authorized Certifying Officer)

Date 1/21/59 Vou. No. DMEA 59-82

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E1190 in accordance with the terms of the contract.

Signature Carl Bilen (476572) Title Mining Engineer Date 1/12/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date JAN 19 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1950 Docket No. DMEA 4890 Contract No. Idm-21100
Operator's Name Norbute Corporation Minerals Lead-zinc
Address Box 1700, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Labor		634.50		3,223.00				
~~Drifting~~ Supervision	no.	358.70	171.20	1,500.00	2.0	535.00		
~~Crosscutting~~ Core boxes	no.	12.50	5	95.00	38	2.50		
~~Raising~~ 1 3-way sta.	no.			500.00	1	500.00		
~~Shafts~~ 1 2-way sta.	no.			300.00	1	300.00		
~~Winzes~~ Power		224.00		580.70				
Drilling: Core DK 0-241	ft.	1,084.50	241					
DM Churn 241-250	ft.	33.75	9	3,360.25	750	4.62		
DM Auger 250-341	ft.	386.75	91	1,761.75	300	4.04		
~~Stripping~~ Cog 0-311	ft.	622.00	311	960.00	480	2.00		
~~Trenching~~ Cntg.	ft.	70.00	35	130.00	65	2.00		
~~Test Pits~~ Depreciation	no.			230.20	2.5	92.08		
~~Roads and Trails~~ Pr1 tax	$	53.30	8.99	204.00				
Liability insurance	$	26.05	1.99	83.92				
Assaying	ea.	50.00		145.00				
Lub. Misc. Supplies		10.38		103.53				
Total Distributed Costs								Total Costs Authorized by Contract
Total Distributed Costs		3,531.43	3322.29	12,214.41				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				715.26				
New Buildings, Improvements, etc.								
Total Costs		3,531.43		12,929.67				

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

Date Jan. 2, 1950 Operator NORBUTE CORPORATION

Per [signature] Title Manager, Western Mining Division

Remarks:

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

(Instructions on reverse)

(For Government use only) Earl Belson

INSTRUCTIONS

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

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

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

GPO 872894

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

CHapel 2-4589

CERTIFICATE OF ANALYSIS

TO

Norbute Corporation
P.O. Box 1700
Grand Junction, Colorado

Date 9-23-58
Order No. 11394-8

Material: Ore Samples
Received: 9-23-58
For: Analysis

Lab. No.	Your No.	Description	Radiometric ~~% UO_3~~ Ounces Per Ton Au	Chemical ~~% UO_3~~ Ounces Per Ton Ag	~~% V$_2$O$_5$~~ % Pb	~~% CuO~~ % Zn
11394-1	Hole # 1	28" From 212-215	0.04	2.40	1.47	6.20
11394-2	Hole # 1	236.6-238.6			0.22	1.00
11394-3	Hole # 1	Core 12" 238-239	Trace	0.05	[illegible]	0.90
11394-4	Hole # 1	238.6-243.6	Trace	0.04	0.05	0.80

Note. Insufficient Sample for Gold Assay on # 11394-2 . Trace of Copper in all Samples.

[illegible] Brown
[illegible] Analyst.

M. E. HOLLAND, PRES.
EDWARD E. PHILLIPS, VICE-PRES.—GEN. MGR.

OUR MOTTO:—WHAT THERE IS IN IT, NO MORE, NO LE[illegible]

M. E. HOLLAND, TREASURER
M. E. PHILLIPS, SECRETARY

THE COLORADO ASSAYING COMPANY

(Incorporated)

ASSAYERS AND CHEMISTS

2244 BROADWAY

COMPLETE ANALYSIS ON ANY ORE $25.00 UP

THIS ANALYSIS WILL DETECT AND REPORT EVERY ELEMENT OR METAL THAT MAY BE PRESENT IN THE ORE, TOGETHER WITH THE PERCENTAGE AND VALUE OF EACH. IT IS THE MOST SATISFACTORY ANALYSIS TO APPLY ON ALL UNKNOWN ORES, WHOSE GENERAL APPEARANCE INDICATES PROBABLE VALUES

QUALITATIVE ANALYSIS $5.00

THIS ANALYSIS WILL DETECT AND REPORT THE PRESENCE OR PRESENCE OF THE FOLLOWING 22 METALS: LEAD, SILVER, MERCURY, GOLD, BISMUTH, ARSENIC, ANTIMONY, COPPER, CADMIUM, TIN, ALUMINUM, MANGANESE, COBALT, ZINC, CHROMIUM, STRONTIUM, IRON, NICKEL, BARIUM, CALCIUM, MAGNESIUM, TUNGSTEN AND MOLYBDENUM.

DENVER 1, COLO., Sept. 19, 1959.

Samples submitted by Norbute Corporation, Box 1700, Grand Junction, Colorado.

SAMPLE NUMBER	Oz./ton GOLD	Oz./ton SILVER	% COPPER	% LEAD	% ZINC
CORE #253'-263'	0.01	4.60	0.15	1.9	37.4
CORE #268-273	0.01	5.70	0.15	2.0	30.8
#253-255	trace	0.10	trace	0.2	0.2
#255-257	0.01	0.10	0.10	0.3	0.3
#257-259	trace	0.20	0.10	trace	2.8
#259-261	trace	trace	trace	trace	0.3
#261-263	trace	0.20	0.05	trace	0.1
#263-267	trace	0.20	0.05	0.2	0.2
#267-269	0.01	0.10	trace	trace	0.1
#269-272	trace	0.20	0.05	0.5	0.5
#272-274	0.01	0.20	trace	trace	0.7

Respectfully submitted,

THE COLORADO ASSAYING CO.

Ed. Phillips

FINAL DISTRIBUTION

MADE NOV 1 0 1958

4848

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
O. M. E.

OFFICIAL FILE COPY
RECEIVED NOV 13 1958

DATE	INITIALS	CODE
11/13	[illegible]	220
11/14	[illegible]	110
11/13	[illegible]	500

Administrative Audit Difference Statement

Eureka Corporation
P. O. Box 1700
Grand Junction, Colorado

Date: November 7, 1958
Payee's Reference: September 1958

Gentlemen:

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

Amount Claimed	$	4,431.88
Difference	$	70.80
Amount Approved	$	4,361.08

The reason for the difference was due to:

Disallowed cost of 33 core boxes at $2.50 each -- only 33 used. (Claim for others may be made as boxes are used.)	$70.00
Disallowed cash discount allowed by Salt Lake Hardware on Prestone but claimed on this 104.	.20
	$70.20

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

Very sincerely yours,

XXXXXXXXXXXX Randel R. Cooper
XXXXXXXXXXXX Authorized Certifying Officer

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

224 New Customhouse
Denver 2, Colorado
November 5, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. [illegible] 4848 (Lead-Zinc) Contract Idm-E1190, Norbute Corporation, (Sts. John mine) Summit County, Colorado - Operator's Monthly Progress Report for the month of September, 1958

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

<u>Disallowance, Core Boxes</u>

The Operator has reported the cost of 61 core boxes; however, only 33 core boxes were used during the period. The reported cost for 28 core boxes is to be disallowed, as follows, but balance of costs may be claimed on subsequent vouchers, as the core boxes are used.

Disallow, reported cost for 28 core boxes at $2.50 per box---------- $70.00

Disallowance, Lubricants and Miscellaneous Supplies

The Operator has reported a cost of $10.20 for anti-freeze; however, the final billing indicates that a 2 percent discount was given by the vendor, and that the net cost was $10.00. The excess reported cost is to be disallowed, as follows:

Amount reported, 4 gallons anti-freeze	$10.20	
Final billing from The Salt Lake Hardware Company	10.00	
Amount to be disallowed		$ 0.20
Total amount to be disallowed		$ 70.20

Reconciliation With Amount Reported by the Operator on Form MF-104 for September, 1958

Amount Reported on Form MF-104 for September, 1958	$4431.28
Amount to be disallowed	70.20
Acceptable cost for September, 1958	$4361.08
Government participation at 50 percent	$2180.54

Remarks:

Date of Report ---------- October 9, 1958
Date Received in Field Office ---------- October 13, 1958
Date Received in Region Office ---------- October 21, 1958

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JBC:hmh

cc: Chem. Op. Comm. (2)
Belser, OMB/DPC
MF-104 file, Reg. III
Harshman } w/copy
Cooper } of Engr's Report
Chren

OME
DEPARTMENT OF THE INTERIOR

OCT 21 1958
REGION III
DENVER, COLORADO

Oct. 21, 1958

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. DMEA 4848 (Lead-Zinc) Contract Idm-E1190, Nortute Corporation (Sts. John mine) Summit County, Colorado -- Progress report for September 1958

Operations under the subject contract were inspected on October 8, 1958 in company with Gordon Bruchner, engineer. No. 3 hole had been finished at a total depth of 440 feet. At a depth of 262.5 feet, 4 inches of zinc-lead mineralization was cut and at 269 feet, 6 inches of zinc-lead material containing 5 ounces of silver was cut. Total core recovery was about 60% for the hole. Because the core was very altered and the manager did not think the small veinlets cut were the Comstock vein, drilling was continued but no other vein was cut. Bruchner now believes the vein to be flatter than originally figured. Hole No. 4 was down to a depth of 181 feet deep. The direction was due south and the dip 50°. No veins had been cut. Core recovery for Hole 4 was about 50 percent.

The operator has submitted in quintuplicate a narrative report with D. D. log of hole No. 3, and one copy each of the following:
1. Statement of MacPherson Drilling Company
2. Mine payroll and time distribution for period ending 9/15/58
3. " " " " " " " " 9/31/58
4. Statement of Public Service Co. of Colorado
5. 2 Antlers Service Station invoices
6. Salt Lake Hardware Company invoice.
7. Colorado Assaying Company statement of September 17
8. Brown Laboratory statement of Sept. 23
9. Ingersoll-Rand Company invoice
10. Wesley M. Enyeart (core box) statement of Sept. 11

The several claims are analysed as follows:
category (1) independent contractors, appears to be correct.
The item surveying is not included in the 10%'s.
category (2) Supervision 1 month $585.00. Claim covers services of Gordon W. Bruchner for Sept. 1958. Recommended for approval.
category (2) labor - Compressor operator (L. R. Enyeart and B. A. Williams) Enyeart 24 hours overtime and Williams 32 hours overtime. Total $050.20. Recommended for approval.

Lubricants, miscellaneous supplies, power
Compressor parts (I-R) $10.87
Oil (Antlers) 7.90
Prestone (Salt Lake Hdwr.) 10.00
$28.77 (not $28.97)

Recommended for approval
Power (Amendment 1) Public Service $185.19
Recommended for approval
Core boxes (W. H. Enyeart) 61 at $2.50/ea. $152.50
Recommended 33 at $2.50 or $82.50
Assaying - Colorado Assaying Co. $66.00
Brown Laboratory $29.00 (Total assaying $95.00)
Recommended for approval
Depreciation - 50 percent of $92.08 or $46.04
Recommended for approval
Payroll Tax $1,375.20 at 5.25 percent $72.20
Recommended for approval
Liability insurance $795.60 labor at 3.15 percent plus $434.00 supervision at .95 percent $29.18
Recommended for approval

Summary of Allowable Costs

250 feet core drilling at $4.50/ft.	$1,125.00
190 feet core drilling at $5.00/ft.	950.00
156 feet reaming and casing at $2.00/ft.	312.00
30 feet cementing and redrilling at $2.00/ft.	60.00
Supervision engineer 1 month at $525/mo.	525.00
Labor 2 men 1 month	850.20
Power	185.19
Oil, Prestone, and compressor parts (not 28.97)	28.77
Depreciation (month)	46.04
33 core boxes at $2.50/ea. (rest unused)(not 152.50)	82.50
Payroll taxes	72.20
Liability insurance	29.18
Assaying	95.00
Total	$4,361.08

Payment of fifty percent of the above amount, or $2,180.54 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB/mw
cc: 6 Idm-M1190 chron

OME
DEPARTMENT OF THE INTERIOR
OCT 10 1958
REGION III
DENVER, COLORADO

October 9, 1958

Mr. J. W. Townsend
Executive Officer
Minerals Exploration Administration
Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4848 (lead-zinc)
Contract Idm-E1190
Norbute Corporation
Saints John Mine
Summit County, Colorado

Dear Sir:

Herein presented is the third report on the above listed DMEA contract, which covers the month of September, 1958.

Accompanying this report is a geologic map of the Saints John level which was prepared by our geologist, Gordon Bruchner.

I would like to bring to attention the fact that there are not additional copies of the individual assays to include one set with each of the reports. It is presumed that should you require additional copies t ey could be made at your offices.

Very truly yours,

Abbott Charles

Abbott Charles, Manager
Western Mining Division

AC/b
Enc.

SUMMARY OF CALCULATIONS

(1) MacPherson Drilling Co.

0-250	250 @ 4.50	1,125.00	
250-440	190 @ 5.00	950.00	
Reaming and casing	156 @ 2.00	312.00	
Cementing and redrilling	30 @ 2.00	60.00	
			2,447.00

(2)

Labor	1-15	15-30	Total	
Loren Enyeart	195.00	218.40	413.40	
David Williams	218.40	218.40	436.80	
				850.20

Supervision

Gordon W. Bruchner - salary	525.00

(3) Operating Materials and Supplies

Wesley M. Enyeart, core boxes		152.50
Public Service Company of Colorado		185.19
Antler's Service Station	7.90	
The Salt Lake Hardware Co.	10.20	
Ingersoll-Rand Co.	10.87	
		28.97

(4)

Equipment and Property	Value	
75 h.p. electric compressor	4,270.00	
365 CFM diesel compressor	3,150.00	
Truck	2,000.00	
Air receiver	375.00	
	9,795.00	
Allowable depreciation		46.04

(7) Payroll Taxes

Labor	850.20	FICA rate	2.25	
Supervision	525.00	Emp. Sec.	3.00	
	1375.20	x	5.25	72.20

Liability Insurance

Labor	850.20 total	
	54.60 overtime	
	795.60 net @ 3.15 rate = 25.06	
Supervision		
Maximum applicable $434.00 @ .95 = 4.12		29.18

Assaying

Brown Laboratory	29.00	
Colorado Assaying Co.	66.00	
		95.00

Duplicate Invoices accompanying the September report

MacPherson Drilling Company - Invoice No. 2

Saints John payroll of September 15
Saints John payroll of September 30

Public Service Company statement of September 22

Antler's Service Station Invoices 709 and 748

Salt Lake Hardware Invoice G33050

Colorado Assaying Company statement of September 17

Brown Laboratory statement of September 23

Ingersoll-Rand Company invoice No. SO 48-608

Wesley M. Enyeart statement of September 11

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 18 1958 D.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 195 58 Docket No. DMEA 4848 Contract No. Idm-E1109
Operator's Name Norbute Corporation Minerals Lead-Zinc
Address Box 1700, Grand Junction, Colorado
Contract Amount, $190,760.00 Government Participation: 50% Amount, $95,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling BX size						
~~Bulldozing~~ 0' to 250'	1,125.00	1,125.00	2,250.00	11/18/58		
~~Crosscutting~~ 250' to 440'	950.00	445.00	1,395.00			
~~Drifting~~ Rmg & csg	312.00	26.00	338.00			
Cementing & redrill	60.00	00.00	60.00			
(2) Labor and Supervision:						
Labor	850.20	768.30	1,618.50			
Supervision	525.00	616.30	1,141.30			
Technical Services						
(3) Operating Mat'ls. and Supplies:			82.50			
~~Timber~~ core boxes	152.50	00.00	152.50			
~~Explosives~~ power	185.19	200.57	385.76			
Pipe						
Track						
Lub. & misc. sup.	28.97	55.38	84.35			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	46.04	184.16	230.20			
(5) Initial Rehabilitation and Repairs	00.00	715.26	715.26			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	72.20	72.50	144.70			
Liability Insurance	29.18	28.69	57.87			
(8) Contingencies (specify):						
1 3-way dd station	00.00	500.00	500.00			
1 2-way dd station	00.00	300.00	300.00			
Assaying	95.00	00.00	95.00			
TOTALS	~~4,431.28~~	~~5,037.16~~	~~9,468.44~~	4361.08	5037.16	9398.24

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

Date Oct. 9, 1958 *Payee NORBU E CORPORATION

Per [signature] Title Manager, Western Mining Division

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

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

(Instructions on reverse)

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

$2180.54

Signature RRC
(Authorized Certifying Officer)

Date 11-7-58 Vou. No. DMEA-59-60

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E1190 in accordance with the terms of the contract.

Signature Carl Beber ($2,180.54) Title Mining Engineer Date 10/17/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date NOV 5 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 13 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1958 Docket No. DMEA 4848 Contract No. Idm-E1190
Operator's Name Norbute Corporation Minerals Lead-Zinc
Address Box 1700, Grand Junction, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Labor		850.20		1,618.50				
~~Drifting~~ Supervision	mo	525.00		1,141.30				
~~Crosscutting~~ core boxes	each	152.50	~~33~~ 61	82.5 152.50	61	2.50		
~~Raising~~ 1 3-dim.dd sta	each	00.00		500.00	1	500.00		
~~Shafts~~ 1 2-dim.dd sta	each	00.00		300.00	1	300.00		
~~Winzes~~ Power		185.19		385.76				
Drilling: Core BX 0 to 250	ft	1,125.00	250	2,250.00	500	4.50		
~~Churn~~ 250 to 440	ft	950.00	190	1,395.00	279	5.00		
~~Auger~~ Rng.& csg	ft	312.00	156	338.00	169	2.00		
~~Stripping~~ Cement & redrl	ft	60.00	30	60.00	30	2.00		
~~Trenching~~ Depreciation	mo	46.04		230.20				
~~Test Pits~~ Payroll tax	%	72.20		144.70				
~~Roads and Trails~~ Liab.In.	%	29.18		57.87				
Assaying	each	95.00	15	95.00	15	6.33		
Lub. & misc. sup.		28.97		84.35				
TOTAL DISTRIBUTED COSTS		4,431.28		8,753.18				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		00.00		715.26				
New Buildings, Improvements, etc.								
TOTAL COSTS		4,431.28		9,468.44				

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

Date October 9, 1958 Operator NORBUTE CORPORATION

Per [signature] Title Manager, Western Mining Division

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Paul Belan

INSTRUCTIONS

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

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

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

GPO 872894

MONTHLY REPORT OF OPERATOR

Docket No. DMEA 4848 (Lead-zinc)
Contract No. Idm-E1190
Norbute Corporation
(Saints John Mine
Summit County, Colorado

This is the third report on the above listed project, and covers the progress made during the month of September, 1958.

Diamond core drilling was continued on hole No. 3 until September 20th when it was completed to a total length of 440 feet. Considerable difficulty was encountered by the drilling contractors in overcoming a badly fractured portion of the ground. Eventually some 170 feet of casing was placed in the hole, which alleviated the principal difficulties, and the remainder of the hole was drilled without undue time lost.

Lead and zinc mineralization are found in the core starting at 233 feet. In the ten foot run between 253 and 263 feet, six feet ten inches of core was recovered. Poor sludge recovery was effected in this zone. No doubt a contributing factor was a caving condition present in the hole at 198 feet. This was not apparent, however, until after the vein zones were passed. A three inch section of core was recovered in a zone between 259 and 262.5 feet. The assay of half of this core ran: 0.01 ounces gold and 4.60 ounces silver per ton, 0.15% copper, 1.9% lead and 37.4% zinc. Sludge samples were taken every two feet. The sample between 257 and 259 feet assayed: trace gold, no silver, .10% copper, trace lead, and 2.8% zinc. Although it can be assumed that much of the heavier cuttings were lost in the hole, this section undoubtedly encompasses one portion of the vein. In the run between 268 and 273 feet, two feet two inches of core were recovered, showing significant mineralization. A six inch piece of core is all that was recovered

between 269 and 272 feet. Half of this core was sampled, which assayed: 0.01 ounces gold and 5.90 ounces silver per ton, and 0.15% copper, 2.0% lead and 30.8% zinc. The sludge sample for this three foot interval assayed: trace gold, 0.20 ounces silver per ton, 0.05% copper, 0.4% lead and 0.8% zinc. It is possible that this hole has intersected two three foot vein sections of ore value.

This hole was surveyed and found to have retained its bearing and inclination. The two mineralized bands intersected indicate the dip of the Comstock vein is from 54° to 55.5° in the 250 feet below the main haulage level. The hole was completed at a depth of 440 feet which affords a good cross section of the ground and is well beyond any reasonably expected change in the dip of the vein. A redesigning of the sludge box was made to eliminate the possibility of future loss in cuttings from the hole. Now that the attitude of the vein is more definitely defined, the hole can be conditioned to provide the most advantageous condition so that a minimum of cuttings will be lost in the hole itself.

In a recheck of diamond drill hole No. 1, it is found that the only section of mineralization encountered was between 212 and 215 feet. A 28-inch piece of core was recovered which represents a four foot section. This portion of core assayed: 0.04 ounces gold and 2.40 ounces of silver per ton, trace of copper, 1.47% lead and 6.20% zinc. This can be assumed to be the intersection of the Comstock vein. The average dip indicated is 54° to 55°, which checks the attitude of the vein as determined by hole No. 3. By using this corrected dip, a recalculation of the attitude of diamond drill hole No. 4 was made and the bearing of the hole was changed to a due south direction with attitude -50°

in an attempt to intersect the Comstock vein at 250 feet below the adit level.

Drilling was started on No. 4 hole and is continuing at a satisfactory rate.

Abbott Charles, Manager
Western Mining Division
Norbute Corporation

October 9, 1958

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

FINAL DISTRIBUTION

MADE ~~OCT 8 1958~~

Administrative Audit Difference Statement

REGIONAL FILE COPY

Eurbute Corporation
Post Office Box 1700
Grand Junction, Colorado

O. M. E.
RECEIVED OCT 13 1958

DATE	INITIALS	CODE
10/13	C	220
"	JCG	110
10/13	WPL	500

Date: October 8, 1958

Payee's Reference: August 1958

Gentlemen:

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

Amount Claimed	$	3,299.93
plus		96.96
Difference minus	$	34.52
Amount Approved	$	3,362.37

The reason for the difference was due to:

Reinstated:

Supervision 4/23 of $525.00	$91.30	
Payroll taxes 5.25% of $91.30	4.79	
Liability Insurance 0.95% of $91.30	.87	
		$96.96

Disallowed:

Fire extinguishers	33.40	
Steel tape	1.50	
	34.90	
Less discount	.38	
		$34.52

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

Very sincerely yours,

RRC

[redacted]
[redacted]

Randel R. Cooper
Authorized Certifying Officer

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

224 New Customhouse
Denver 2, Colorado
October 6, 1958

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4848 (Lead-Zinc) Contract Idm-E1190, Norbute Corporation (Sts. John mine) Summit County, Colorado - Operator's Monthly Progress Report for the month of August, 1958

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

The work is being performed partly under independent subcontract, partly by the Operator on the basis of actual incurred costs, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the costs are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used. Under the circumstances the rates for the work performed under independent subcontract are considered to be reasonable. The costs reported for work performed by the Operator have been reviewed by this office, and are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

<u>Reinstatement, Supervision, Payroll Taxes, and Insurance</u>

Supervision costs for July, 1958 were suspended pending receipt of documentation, and determination of the extent of allowability of the supervision costs. Documentation has now been received from the Operator, and is attached to the original of

of Form MP-104 for August, 1958. Review of the documentation reveals that four days were spent during July 1958 by Gordon Gruncher in supervising actual drilling operations, therefore, the reported cost of supervision for four days, including related payroll taxes and insurance, is to be reinstated as follows:

Reinstate:

1. Supervision, 4/23 of $525.00---------$91.30
2. Payroll Taxes, 5.25% of $91.30-------- 4.79
3. Liability Insurance, 0.95% of $91.30- 0.87

Total----------$ 96.96

Disallowance, Lubricants and Miscellaneous Supplies, Category 3

The reported cost for two fire extinguishers and one 8 foot tape are not considered to be direct and necessary costs of the exploration project. The balance of the reported costs for lubricants and miscellaneous supplies are acceptable to this office. Disallowance is to be made as follows:

Amount reported, Lubricants and Miscellaneous supplies-------$ 89.90
Acceptable cost of Lubricants and Miscellaneous supplies:

Oil----------$ 4.85
Bolb Lacing and Fractons---------- 17.89
Sample sacks---------- 12.64
Total----------$55.38

Amount to be disallowed----------$34.52

Reconciliation with Amount Reported by the Operator on Form MP-104 for the month of August, 1958

Amount reported on Form MP-104 for August, 1958----------$3299.93
Amount to be reinstated----------$96.96
Amount to be disallowed---------- 34.52
Net reinstatement---------- 62.44

Total Acceptable cost----------$3362.37

Government participation at 50 percent----------$1681.18

Remarks:

Date of Report----------September 5, 1958
Date Received in Field Office----------September 9, 1958
Date Received in Region Office----------September 16, 1958

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JBC:hmh

cc: Chmn. Op. Comm. (2)
Balsar, CHE/DFC
MF-104 file, Reg. III
Harshman } -w/copy of
Cooper } Engr's Report
Chron

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
Sept. 16, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: Carl Belser

Subject: Docket No. DMEA 4848 (Lead-Zinc) Contract I4m-E1190, Norbute Corporation (Sts. John mine) Summit County, Colorado -- Progress report for August 1958

Operations under the subject contract were inspected on September 3, 1958 in company with Gordon Bruchmer, engineer. No. 1 hole was firm and a 97 percent core was obtained for the entire depth of 339 feet. At 214 feet a six inch vein containing some sphalerite was cut. No. 3 hole was down 105 feet S. 50° E., dip 60° in broken ground and core recovery was only 50 percent. No veins have been cut. Sludge samples are saved.

The operator has submitted in quintuplicate a narrative report with D. D. log of hole No. 1, and one copy each of the following:

1. Mine payroll and time distribution for period ending 8/15/58
2. Mine payroll and time distribution for period ending 8/31/58
3. Statement of MacPherson Drilling Co.
4. Statement from Kellogg Hardware
5. 2 statements from Salt Lake Hardware
6. Statement from Antlers Service Station
7. Statement of Public Service Company of Colo.

The several claims are analyzed as follows:
Category (2) Personnel Services
Supervision 1 month $525.00
Claim covers services Gordon W. Bruchmer for August 1958
Recommended for approval
(c) Labor - Compressor operator (L. R. Enyeart and D. A. Williams)
Enyeart 16 hrs. overtime $705.90
Recommended for approval

Power fuel, lubricants, miscellaneous supplies (Amendment No. 1)
Public Service, power $200.57

Antlers Service Station, oil	$4.85
Salt Lake Hardware, Belt Lacing, Prestone	17.89
Kellogg's " , 200 sacks	32.64
	$255.95

Disallowed Salt Lake Hardware
2 fire extinguishers and 8 ft. tape 35.60

The above four statements add to $90.98 instead of the $89.90 in this category shown in the 104's, a difference of 1.08.

Allowable costs are:

Core drilling 250 ft. at $4.50/ft.	$1,125.00
Core drilling 89 ft. at $5.00/ft.	445.00
Reaming and casing 13 feet at $2/ft.	26.00
Labor	705.90
Supervision	525.00
Power, fuel, lubricants, miscl. supplies	255.95
Depreciation	92.08
Payroll taxes $1,230.90 at 5.25 percent	64.62
Liability insurance $690.30 at 3.15 percent and from operator's documentation $434.00 at .95%	25.86
Total	$3,265.41

(3,265.41 plus $35.60 less $1.08 is $3,299.93)

Payment of fifty percent of the above amount, or $1,632.71 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-K1190
chron

DMEA
DEPARTMENT OF THE INTERIOR
SEP 8 - 1958
REGION III
DENVER, COLORADO

September 5, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4848 (lead-zinc)
Contract Idm-E1190
Norbute Corporation
Saints John Mine
Summit County, Colorado

Dear Sir:

Herein presented is the second report on the above listed DMEA contract. The period covered is the month of August, 1958.

During this period diamond drill hole No. 1 was completed and a second drill hole was advanced to 105 feet.

Included is a separate page titled "Summary of Calculation" where the complete computation of each category of expense for the month can be followed. Each item is supported as requested.

Very truly yours,

Abbott Charles

Abbott Charles, Manager
Western Mining Division

AC/b
Enc.

SUMMARY OF CALCULATION

(1) MacPherson Drilling Co.

0-250	250 @ 4.50	1,125.00	
250-339	89 @ 5.00	445.00	
Reaming and casing	13 @ 2.00	26.00	
			1,596.00

(2) Labor

	1-15	15-30	Total	
Loren Enyeart	195.00	187.20	382.20	
David Williams	193.05	130.65	323.70	
				705.90

Supervision

Gordon W. Bruchner - salary 525.00

(3) Operating Materials and Supplies

Public Service Company of Colorado, July 23-August 21 200.57

Lubricants and miscellaneous supplies:

Salt Lake Hardware -	belt lacing	4.52	
	Prestone	13.02	
	fire extinguisher	33.40	
	steel tape	1.50	
	tax	1.05	
		53.49	
	less discount	1.08	
		52.41	
Antler's Service Station - 1 case oil		4.85	
Kellogg's Hardware, Inc., - sample sacks		32.64	
			89.90

(4) Equipment and Property

	Value
75 h.p. electric compressor	4,270.00
365 CFM diesel compressor	3,150.00
Truck	2,000.00
Air receiver	375.00
	9,795.00
	========

Allowable depreciation rate 92.08

(7) Payroll Taxes

Labor	705.90	FICA rate	2.25
Supervision	525.00	Emp. Sec.	3.00
	1230.90	x	5.25
	=======		=====

64.62

Liability Insurance

Labor 705.90 total
15.60 overtime
690.30 net @ 3.15 rate = 21.74

Supervision
Maximum applicable $434.00 @ .95 = 4.12

25.86

DMEA
DEPARTMENT OF THE INTERIOR
SEP 8- 1958
REGION III
DENVER, COLORADO

Duplicate invoices accompanying the August report

MacPherson Drilling Co. - Invoice No. 1

Saints John payroll of August 29
Saints John payroll of August 15

Public Service Company statement of August 21, 1958

Antler's Service Station Invoice No. 284

Salt Lake Hardware Co. Invoice G25955
Invoice G31685

Kellogg's Hardware, Inc. - Invoice 01632

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

Budget Bureau No. 42-R1036.5

DMEA
DEPARTMENT OF THE INTERIOR
SEP 8- 1958
REGION III
DENVER, COLORADO

RECEIVED OCT 13 1958 O.M.E.

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

Month of August, 1958 Docket No. DMEA 4848 Contract No. IDM-E1190
Operator's Name Norbute Corporation Minerals Lead-Zinc
Address Box 1700 Grand Junction, Colo.
Contract Amount, $190,760.00 Government Participation: 50% Amount, $95,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling BX size						
~~Building~~ 0' to 250'	1,125.00	0	1,125.00			
~~Crosscutting~~ 250'- 339'	445.00	0	445.00			
~~Drifting~~ Reaming & Casing	26.00	0	26.00			
(2) Labor and Supervision:						
Labor	705.90	62.40	768.30			
Supervision	525.00	600.00	1,125.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
~~Track~~ Power	200.57	0	200.57			
Lubricants & misc. supplies	89.90	0	89.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	92.08	92.08	184.16			
(5) Initial Rehabilitation and Repairs	0	715.31	715.31			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	64.62	33.72	98.34			
Liability Insurance	25.86	7.66	33.52			
(8) Contingencies (specify):						
1 3-directional dd sta	0	500.00	500.00			
1 2-directional dd sta	0	300.00	300.00			
TOTALS	3,299.93	2,311.17	5,611.10	3362.37	2311.17	5673.54
				1636.38		1636.38

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

Date Sept. 5, 1958 *Payee NORBUTE CORPORATION

Per [signature] Title Manager, Western Mining Division

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

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

(Instructions on reverse)

1/ Previous disallowance

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 1674.79 5837.16

$1681.18

Signature [signature]
(Authorized Certifying Officer)

Date 10/8/58 Vou. No. DMA-59-47
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E190 in accordance with the terms of the contract.

Signature Carl Bilan (4632.71) Title Mining Engineer Date 9/15/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Checked for Engineering Adv.

Signature E. N. Hanshman Title Acting Executive Officer Date OCT 6 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 13 1958 D.M.E.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 8 - 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1958 Docket No. DMEA 4848 Contract No. Idm-E1190
Operator's Name Norbute Corporation Minerals Lead-zinc
Address Box 1700, Grand Junction, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
~~Drifting~~ Labor		705.90		768.30				
~~Crosscutting~~ Supervision	month	525.00	1	1,125.00	2	565.00	2½	600.00
~~Raising~~ Power		200.57		200.57				
~~Shafts~~ Lub. & misc.		89.90		89.90				
~~Winzes~~ Depreciation	month	92.08	1	184.16	2	92.08		92.08
~~Drilling: Core~~ Payrl tax	%	64.62		98.34				
~~Churn~~ Liab.Ins	%	25.86		33.52				
1 3-dimentional DD st	ea	0		500.00	1	500.00	1	500.00
1 2-dimentional dd st	ea	0		300.00	1	300.00	1	300.00
~~Trenching~~ BX 0-250	ft	1,125.00	250	1,125.00	250	4.50	1250	5.25
~~Test Pits~~ 250-339	ft	445.00	89	445.00	89	5.00	750	6.00
~~Roads and Trails~~								
Reaming and casing	ft	26.00	13	26.00	13	2.00		
TOTAL DISTRIBUTED COSTS		3,299.93		4,895.79				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		0		715.31				
New Buildings, Improvements, etc.								
TOTAL COSTS		3,299.93		5,611.10				

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

Date Sept. 5, 1958 Operator Norbute Corporation

Per [signature] Title Manager
Western Mining Division

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Belser

INSTRUCTIONS

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

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

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

GPO 872894

MONTHLY REPORT OF OPERATOR

DMEA
DEPARTMENT OF THE INTERIOR
SEP 8 - 1958
REGION III
DENVER, COLORADO

Docket No. DMEA 4848 (Lead-Zinc)
Contract No. Idm-E1190
Norbute Corporation
(Saints John Mine)
Summit County, Colorado

This, the second report on the above listed project, covers the month of August, 1958.

Diamond core drilling was started on July 28 on hole No. 1. The hole was collared from station U with a bearing of South 50° East with the objective of cutting the Comstock vein at a nearly 90° angle to its strike. The hole was started with inclination of 75° below the horizontal in an attempt to intersect the vein approximately 250 feet below the drift elevation.

Only the usual difficulties were encountered at the start of drilling. To insure a sufficient and dependable auxiliary air supply, our diesel operated Gardner Denver 365 cubic feet air compressor was placed in the line together with the old electric Imperial compressor. On August 1, drilling was put on a two shift basis. The first hole was completed at a depth of 339 feet on August 10. Total core recovery on this hole was 97%. The entire core recovered is stored at the mine, together with pertinent sludge samples taken of the cuttings. Accompanying this report is a geologic log of diamond drill hole No. 1.

The zone of attempted vein intersection of hole No. 1 contains less extensive stoping above the drift level than any other portion where the vein is exposed. Also the character of the vein development is such that it is not necessarily discouraging that an easily defined zone has not

been uncovered by this first hole. To this time, no samples from this hole have been sent for assay. It is our plan to select some samples for assay at the time the representative for DMEA examines the core, if he so desires.

Upon the completion of hole No. 1, it was decided to move the drill to station V so that hole No. 3 could be drilled next. This hole was planned to intersect the vein in a similar manner to hole No. 1 but in an area of more favorable mineralization on the adit level. This hole was started on August 12 and has continued to a length of 105 feet on August 30. Considerable difficulty has been encountered in this hole due to the necessity of going through over 85 feet of heavy and caving ground. The hole was cased by placing a diamond bit on the end of the casing and rotating to cut the hole to BX size casing. Before reaching the objective of 105 feet, a sharp edge of rock severed the casing just above the diamond bit making it impossible to proceed. Therefore, NX casing was brought to the property and again with the diamond bit the NX casing was rotated around the BX casing in an attempt to recover the BX casing and the bit. At the time of writing this report the BX casing and bit had not been recovered. It is planned and hoped to recover the BX casing and bit and thereafter proceed with BX core.

Abbott Charles, Manager
Western Mining Division
Norbute Corporation

September 5, 1958

FINAL DISTRIBUTION

MADE SEP 5 1958

4848

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

Administrative Audit Difference Statement

[redacted]

RECEIVED

9-8	C	220
"	Jeg	110
		500

Date: [redacted]

Payee's Reference: [redacted]

[redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

(CONTINUED ON ATTACHED SHEET.)

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

Accordingly, the amount of $600.00 is suspended pending receipt of further documentation from the Operator. The Operator will be requested to furnish additional documentation.

Amount suspended ---------- $600.00

Suspension - Payroll Charges

The Operator reports costs of $41.38 in payroll taxes and liability insurance under this category. Of the amount, acceptable documentation was provided for only $5.05. The difference is to be suspended pending receipt of further documentation from the Operator. The Operator will be requested to furnish additional documentation.

Reported costs, payroll taxes and liability insurance ----------	$41.38	
Acceptable costs, payroll taxes and liability insurance ----------	5.05	
Amount suspended ----------		$36.33
Total amount suspended ----------		$636.33
Total amount disallowed and suspended ----------		$636.38

25th Floor Customhouse
Denver 2, Colorado

August 29, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

Subject: Docket DMEA 4548 (Lead-Zinc) Contract Dm-E1190, Hecla Corporation (Saints John mine) Summit County, Colorado - Operator's Monthly Progress Report for the period June 25-July 31, 1958

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

The work is being performed partly under independent subcontract, partly by the Operator on the basis of actual incurred costs, and partly at fixed unit costs. No work was performed under independent subcontract during the period. The costs reported for work performed by the Operator have been reviewed by this office and are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowance - Initial Rehabilitation and Repairs

The reported costs for initial rehabilitation and repairs (Category 5) exceeded the invoiced costs; therefore, the excess is to be disallowed as follows:

Reported costs for initial rehabilitation and repairs	$715.31
Acceptable costs for initial rehabilitation and repairs	715.26
Amount to be disallowed	$0.05

Suspension - Supervision

The services of D. C. Deringer, Abbot Charles, and Gordon W. Bruchner are stated to total $741.30, of which $600.00 for supervision is claimed by the Operator. However, the distribution of the several individual's time is not given, so it cannot be verified whether the claim is within the contract maximum for all elements of the category other than the maximum of $600.00 per month. Accordingly, the amount of $600.00 is to be suspended pending receipt of further documentation from the Operator. The Operator will be requested to furnish additional documentation.

Amount to be suspended ---------- $600.00

Suspension - Payroll Charges

The Operator reports costs of $41.38 in payroll taxes and liability insurance under this category. Of the amount, acceptable documentation was provided for only $5.05. The difference is to be suspended pending receipt of further documentation from the Operator. The Operator will be requested to furnish additional documentation.

Reported costs, payroll taxes and liability insurance ----------	$ 41.38	
Acceptable costs, payroll taxes and liability insurance ----------	5.05	
Amount to be suspended ----------		36.33
Total amount to be suspended ----------		$636.33

Reconciliation with Amount Reported by the Operator on Form MF-104 for the period June-July 1958

Amount reported on Form MF-104 for June-July 1958 ----------		$2,311.17
Amount to be disallowed --------	$ 0.05	
Amount to be suspended --------	636.33	
Amount to be disallowed and suspended ----------		636.38
Acceptable cost for June-July 1958 ----------		$1,674.79
Government participation at 50 percent ----------		$ 837.40

REMARKS:

Date of Report ---------- August 6, 1958
Date Received in Field Office ---------- August 8, 1958
Date Received in Region Office ---------- August 12, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures
MBM:jy
cc: Chm. Op. Comm. (2)
MF-104 File, Reg. III
Salsbury-DMSA/DFC
Harshman Cooper) w/copy of Engr's. rpt.
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

AUG 12 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 8, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: M. E. Salisbury

Subject: Project No. DMEA 4848 (Lead-zinc) Contract IDm-M190, Marbuto Corporation (Mg. John mine) Summit County, Colorado -- Progress report for period June 25 - July 31, 1958

Operations under the subject contract were inspected on August 5, 1958 by M. E. Salisbury in company with G. W. Brechner, supervisor, for the operator. Building of drill hole M61 was in progress, a depth of 166 feet having been reached with good core recovery. The hole has encountered only minor mineralization to date but none was expected as the minimum calculated distance to the vein, which is the target, is 240 feet. No claim is made for drilling at this time.

The operator claims payment in the period June 25, 1958 through July 31, 1958 for initial rehabilitation and repairs, depreciation, supervision, labor, miscellaneous, and 2 underground drill stations totaling $2,311.17.

The operator has submitted in quintuplicate a narrative report with 2 maps, MF-104 and 104A forms together with one copy each of the following:

1. Mine payroll and time distribution (allocation) for period ending 6/30/58
2. Mine payroll and time distribution for period ending 7/15/58
3. Mine payroll and time distribution for period ending 7/31/58
4. Statement of equipment on which depreciation is based
5. 2 invoices from Antlers Service Station
6. Invoice from Pabkin Service Company of Colo.
7. Invoice from Hagans Service (Hagan Armstrong, electrical contractor)
8. Summary of time distribution

The several claims are analyzed as follows:

Category (2) Managerial Services
Supervisor 1 month $600.00

Claim covers services of D. C. Beringer, Abbott Charles, and Gordon W. Brechner for a total of $741.30. However, the distribution of the several individuals' time is not given so that it can be verified whether the claim is within contract maximum for this category other than the maximum of $600/mo. Recommended for suspension pending further documentation.

(c) Labor - compressor operator
Period July 27 through July 31 - 32 hrs at $1.95/hr. $62.40
Covers period during which drilling was done.
Recommended for approval.

Category (4) Operating Equipment
(a) depreciation on equipment as provided in contract and amendment No. 1: 1 month 92.08
Recommended for approval

Category (5) Initial rehabilitation and repairs
(a) Powerline and surface plant rehabilitation

Public Service Company of Colo. (itemized)	41.84	
Wayne Armstrong electrical contractor (not itemized)	226.30	
Labor snow shed removal (payroll)	22.50	
Payroll taxes and insurance (payroll distribution summary)	1.82	1/
	292.46	

Repairs and Connections, air and water lines, drainage
Labor (payroll)
Payroll taxes and insurance (payroll distribution summary) 260.75
21.12 1/
281.87

Total for subcategory (a) $574.33
The total for subcategory (a) does not exceed the contract maximum for the items included ($575.00)

1/ Total of taxes and insurance on payroll distribution sheets is $22.95 instead of $22.94 on payroll distribution summary

(b) Reconditioning 75 Hp. compressor

oil and supplies (itemized)	23.16	
Labor (payroll)	108.95	
Taxes and insurance (payroll distribution sheet)	8.82	1/
Total subcategory (b)	140.93	

The total for subcategory (b) does not exceed contract maximum ($350.00)
Total Category (5) recommended for approval $715.26
Total claimed by operator for Category (5) $715.31
Recommended for disallowance $0.05
Note: Invoice from Wayne Armstrong, electrical contractor, is not itemized but this may not be required.

1/ Total of taxes and insurance on payroll distribution (allocation) sheets is $8.83 instead of $8.82 as shown in payroll distribution summary.

Category (7) Miscellaneous
Payroll charges

Payroll taxes and insurance on Supervisors' salaries	$36.22
Payroll, taxes, and insurance on labor of compressor operator	5.05
	41.27
Claimed by operator, Category (7)	41.38
Recommended for disallowance	.11
Recommended for suspension	36.22
(amount of taxes and insurance on supervisors' salaries which are also suspended)	
Recommended for approval	5.05

Fixed Unit Costs items

1 three directional underground drill station	$500.00
1 two directional underground drill station	300.00
Recommended for approval	$800.00

Summary of cost,

Category	Claimed	Recommended by inspector Disallowed	Suspended	Approved
(2)	600.00	-	600.00	-
(3)	62.40			62.40
(4)	98.08			98.08
(5)	715.31	.05		715.26
(7)	41.38	.11	36.22	5.05
Fixed Unit Cost Items	800.00			800.00
Totals	2,311.17	.16	636.22	1,674.79

The drill stations have been excavated in accordance with contract specifications. Both the electrically driven and the gas-powered compressors are in service, neither one have proved adequate alone.

The operator has checked dip and strike of the veins which are drilling targets at every available location and plotted part of the results on a plan map and vertical cross section of drill holes Nos. DH1 and DH2. The bearing and attitude at which these holes are being drilled are based on the survey results.

Payment of $837.40 is recommended for approval, or 50 percent of the amount claimed in the period June 25, 1958 through July 31, 1958, $2,311.17, less $0.16 recommended for disallowance, and $636.22 recommended for suspension pending further documentation of claims for supervisory costs under Category 2a.

M. E. Salsbury
Mining Engineer

MES/mr
cc: 6 1199
Idaho-2
clmen

DMEA
DEPARTMENT OF THE INTERIOR

AUG 7 - 1958

REGION III
DENVER, COLORADO

August 6, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4848 (Lead-Zinc)
Contract Ida-21198
Horbute Corporation
Saints John Mine
Summit County, Colorado

Dear Sir:

Herein presented is the first report on the above listed DMEA contract. The period covered is from June 25 through July 31, which encompasses the most difficult accounting portion of the first phase of this program. From this time forward most of the work will be covered by the independent drilling contract under Category 1, with only minor ancillary charges.

The charges under Category 2, labor and supervision, are shown broken down in the allocation of time of the Saints John payroll which accompanies the original of the report. Only the compressor operator's time during the drilling period has been charged under this category. The time of staff members of Horbute Corporation as shown listed are independent and separate job performances and do not represent more than one person performing a specific task at any one time. On July 28 Mr. Gordon Bruchner was employed specifically for the supervision of the work at the mine, logging of core, and geologic studies. Subsequently his time only is to be charged to the DMEA portion of this program.

Under Category 5a, power line and surface plant rehabilitation, the major portion of this work was done by the Public Service Company of Colorado and Mr. Wayne Armstrong, electrical contractor, as shown in the accompanying billings. A specific breakdown in the subcategory is shown below.

Public Service Company of Colorado	$ 41.84
Wayne Armstrong, Electrical Contractor	226.30
Snow shed removal, labor	24.32
Repairs and connections, air and water lines, drainage, labor	281.91
	$574.37

Under Form MB-200 (Rev. June 1954) page 3, subcategory (a) states that the estimated total for this subcategory is a maximum, which is not herewith exceeded.

Under Category 5b, reconditioning of the compressor has been entirely [illegible]med to date by employees on the job. Replacement bearings for the fly [illegible]l and springs for the compressure valves have been ordered and will be [illegible]sequently added to this classification. The materials purchased from the [illegible]tlers Service Station in Dillon, for which the billing is enclosed, were [illegible]ed in the reconditioning of this piece of machinery.

Under Category 7, payroll taxes and liability insurance have been separated only for those services listed under Category 2. All labor under Category 5 has been inclusive of such payroll charges.

It is hoped that this information is presented in sufficient clarity of detail to be easily cross checked by your offices.

Very truly yours,

Abbott Charles

Abbott Charles, Manager
Western Mining Division

RC/b
Enc.

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

Budget Bureau No. 42-R1036.5

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

RECEIVED SEP 8 1958

Month of June 29 - July 31 195 8 Docket No. DMEA 4848 Contract No. Idn E-1190

Operator's Name Horbute Corporation Minerals

Address Box 1760, Grand Junction, Colorado

Contract Amount, $ 100,768.00 Government Participation: 50 % Amount, $ 96,389.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:	82.40	none	82.40			
Labor	600.00	none	600.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	82.00	none	82.00			
(5) Initial Rehabilitation and Repairs	715.31	none	715.31			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	33.78	none	33.78			
Payroll Taxes	7.00	none	7.00			
Liability Insurance						
(8) Contingencies (specify): 1 3-directional drift	500.00	none	500.00			
1 2-directional drift	300.00	none	300.00			
TOTALS	2311.17	none	2311.17	1674.79		1674.79

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

Date August 0, 1958 *Payee Horbute Corporation

Per Albert Charles Title Manager, Western Mining Division

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

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

(Instructions on reverse)

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

$ 837.40

Signature (Authorized Certifying Officer)

Date 9/2/58 Vou. No. DMA 59-31

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1190 in accordance with the terms of the contract.

Signature M. H. Adsbury #837 40 Title Mining Engineer Date 8-11-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title alternate acting Executive Officer Date AUG 29 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 18 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 30 - July 31 195 0 Docket No. DMEA 6048 Contract No. Ech D-1193
Operator's Name [illegible] Minerals [illegible]
Address Box 1700, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1,535.80		1,535.80				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		715.31		715.31				
New Buildings, Improvements, etc.								
Total Costs		2,314.17		2,314.17				

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

Date August 6, 1959 Operator [illegible]

Per [illegible] Title Manager Uranium Mining Division

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

MONTHLY REPORT OF OPERATOR

Docket No. DMMA 4848 (Lead-Zinc)
Contract No. Idn-E1190
Norbute Corporation
(Sts. John Mine)
Summit County, Colorado

This is the first report on the progress of the above listed exploration program.

Work was first started on Stage I on June 25, 1958. Two miners were employed to clean up and recondition the Saints John adit level. At the same time work was started on the repair of the electrical connections necessary to test the performance of the 75 h.p. motor and the Imperial 10 air compressor which is installed on the property. After freeing and cleaning the valves and cooling system, and checking bearings, replacing seals, etc., the compressor appears to be operating efficiently enough to allow for its use on the initial drilling program. The shaft of the fly wheel is slightly warped but the slow speed of this machine should permit its use without excessive wear. The old springs on the cylinder valves will have to be replaced. New ones have been ordered but not as yet received. The equipment necessary to properly check the volume of air produced by this compressor was not available. The theoretical volume calculated on this machine does not offer much excess in the demands required for maximum efficiency of the diamond drill rig and the water pumps. A Diesel compressor will be kept available for installation at the site should additional volume of air be required.

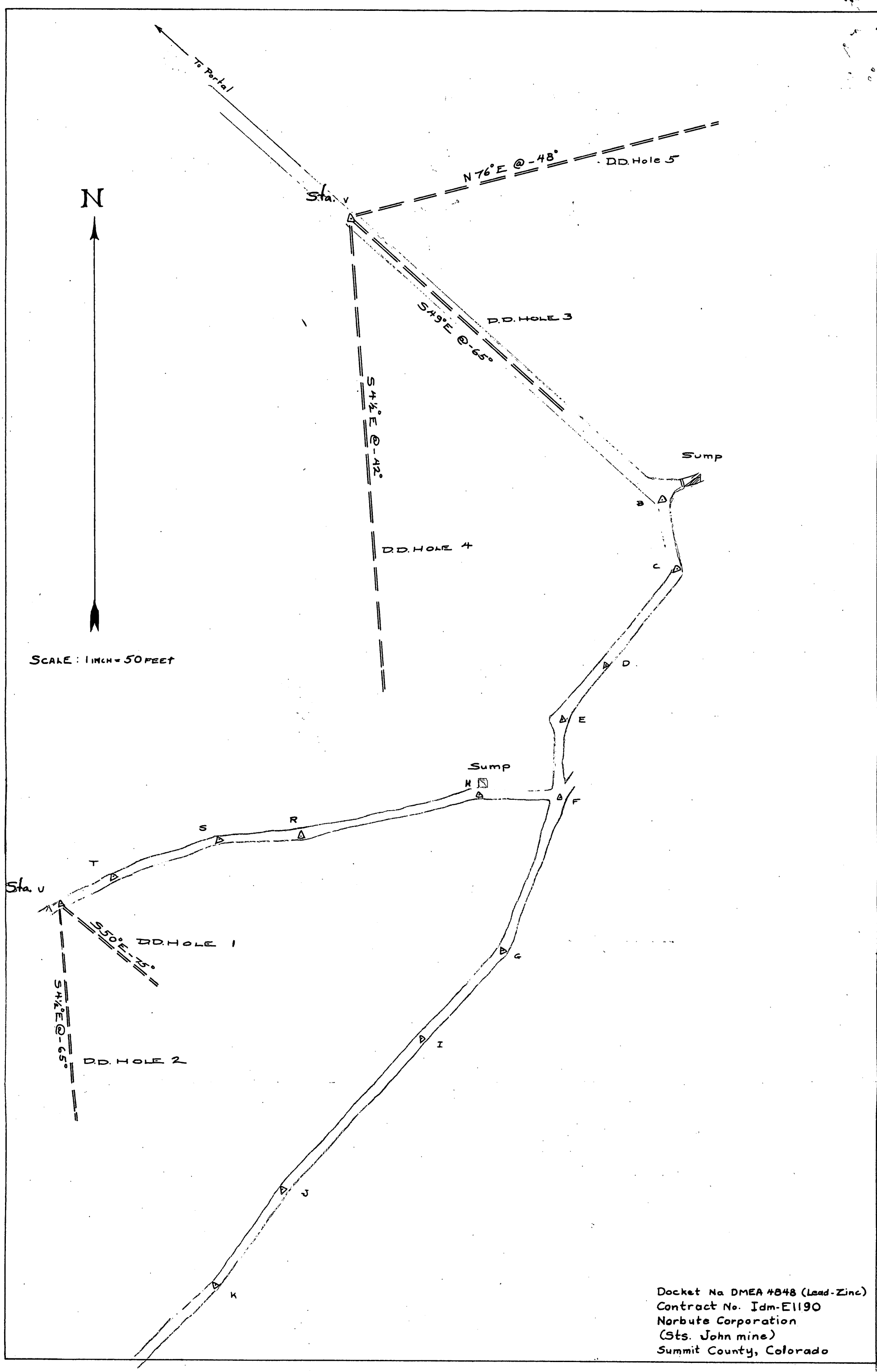
The property was inspected by the Colorado Bureau of Mines, Mine Safety Department, who recommended that the fire hazard at the portal be removed and that a fire door be placed in serviceable condition. This was done, as well as timber installed where necessary to relieve old sets and keep access to the work stations safe. Sloughed material was removed from the drifts and, where necessary, drifts barred down for safety. The air line was repaired and fittings tightened. Two diamond drill stations were then put in and timbered.

Diamond drilling was started on July 28th at Station U. At the end of the month 69 feet of drilling was completed. Core recovery to date has been excellent.

Attached hereto are two sketch maps. The first shows the location of the two drill stations as well as the direction and attitude of the five proposed diamond drill holes to be drilled from these two stations. The second shows sections through holes No. 1 and 2 as estimated. The calculation of attitude on the drill holes was checked and approved by D.M.E.A.

Abbott Charles, Manager
Western Mining Division
Norbute Corporation

August 5, 1958



Docket No. DMEA 4848 (Lead-Zinc)
Contract No. Idm-E1190
Norbute Corporation
(Sts. John mine)
Summit County, Colorado

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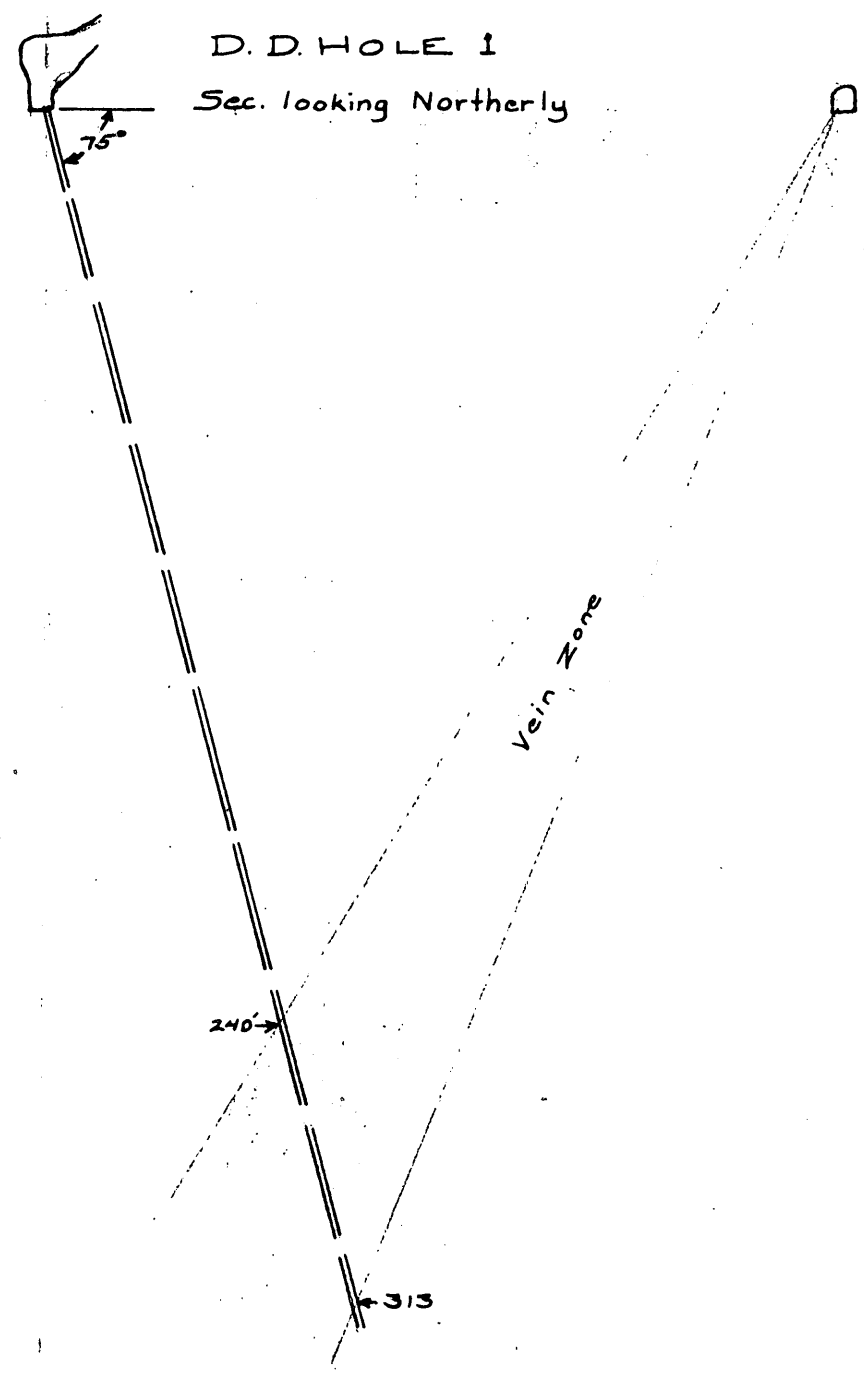

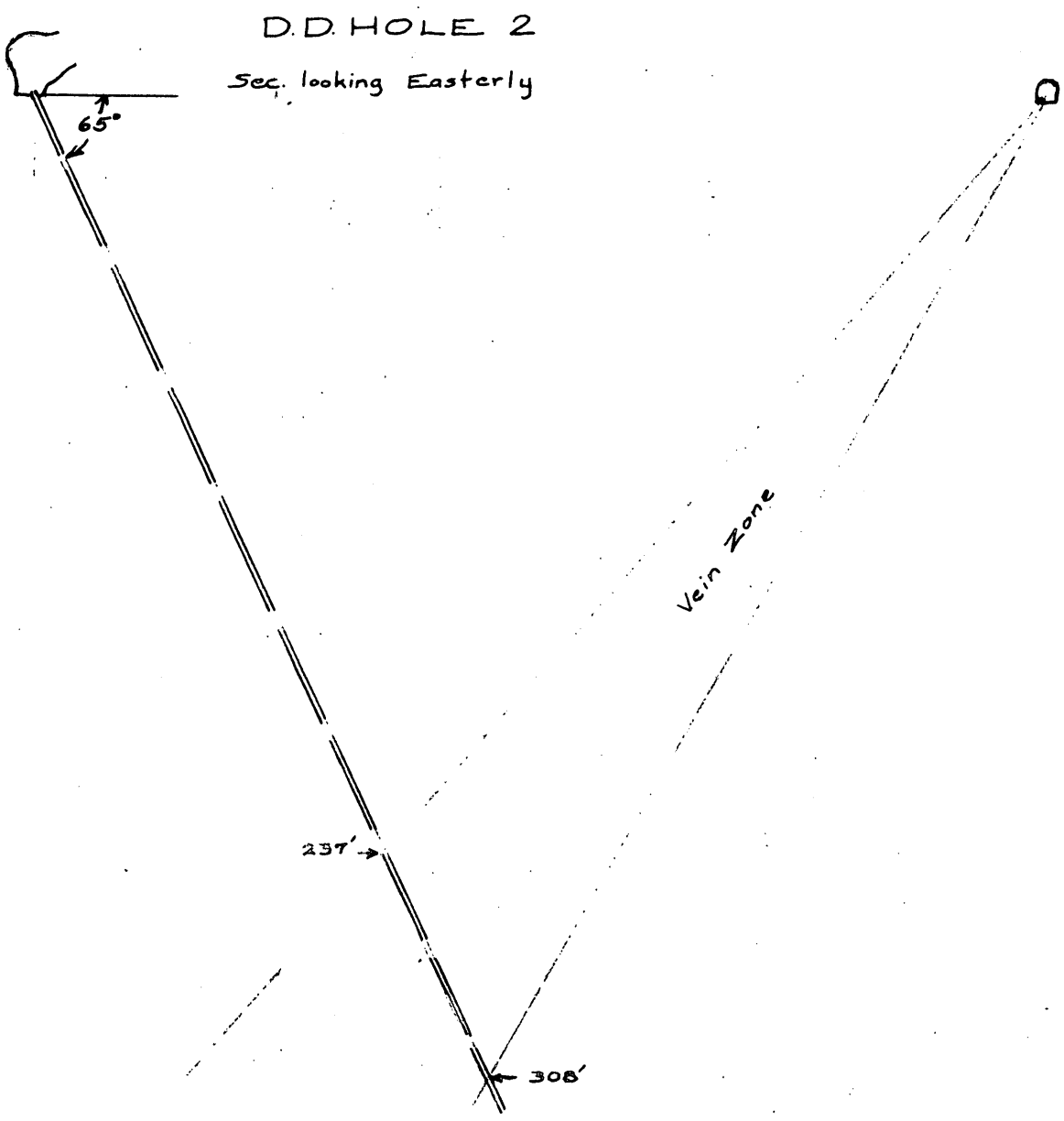

SECTIONS
D.D HOLES 1 & 2

Scale: 1 inch = 50 feet

Docket No. DMEA 4848 (Lead-Zinc)
Contract No. Idm-E1190
Norbute Corporation
(Sts. John mine)
Summit County, Colorado

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Footage From	Footage To	% Rec.	Remarks
281'	287'	100	Some chlorite Rock is gray, consists of quartz, feldspar More feldspar biotite, chlorite, gneissic 1/8" veinlet orange mineral - silver doubtful - hematite
287'	292'	97	Increasing chloritization and orange spotting
292'	293'	100	
293'	296'	92	Shows hematite staining
296'	305'	103	Gray rock, quartz, feldspar, biotite, 2nd chlorite in fractures, pyrite, no red spotting or staining 2' zone, much pyrite, kaolinized feldspar, quartz, no barite, possible vein
305'	308'	116	Trace hematite staining Very soft kaolinized gneiss, 1" pyrite, possible vein
308'	314'	96	½" pyrite Hematite staining
314'	318'6"		Less altered 1" rhodochrosite, soft gneiss Much biotite Pyrite 3" gouge
318'6"	329'	100	Becoming more siliceous, more chlorite Composed of quartz, slightly kaolinized feldspar, chloritized, hematite staining
329'	339'	100	Much pyrite Near pegmatite

Hole bottom
Total core recovery 97%

Footage From	Footage To	% Rec.	Remarks
186'	194'4"	100	1" pyrite Green gneiss
194'4"	196'	95	
196'	201'	100	Becoming more siliceous
201'	211'	91	6" breccia like rock Soft, kaolinized Green gneiss hematite staining 6" breccia Siliceous, lighter green gneiss, somewhat altered, shows pinhead size rust spots probably from alteration of hornblende and biotite to chlorite and limonite and hematite.
211'	216'		Soft kaolinized gneiss, high in pyrite 6" sphalerite, galena, vuggy quartz, no barite
Start sludge sample			
216'	221'	93	1" clay, gouge Siliceous light green gneiss
221'	222'6"	110	Quartz, feldspar, chloritized
222'6"	226'6"	100	Hematite staining 6" gouge Qtz. feldspar, chloritization, pyritization
226'6"	236'6"		Green gneiss, hematite staining
236'6"	238'6"	113	2" gouge 2" calcite with trace sphalerite-galena 6" badly kaolinized gneiss, chloritized
238'6"	243'6"	95	¼" calcite near pegmatite
243'6"	250'	105	Gradational change from green gneiss to more siliceous, somewhat altered gneiss. Some koalinization and pyritization, chloritization, more plagioclose orange spots, probably hematite-derived from chloritization of hornblende and biotite, could be ruby silver but not likely.
250'	258'	100	No orange spotting, rock is more quartz-feldspar, gray appearance, chloritization.
258'	260'6"	97	1" quartz-feldspar, with orange spotting
260'6"	267'	100	Orange spotting in quartz-feldspar rich section Becoming highly chloritized, kaolinized, siliceous, more pyrite Possible fault surface
267'	270'	95	2' quartz-feldspar, considerable orange spotting, possible vein no barite
270'	275'	95	1' quartz-feldspar, chloritized
275'	281'	87	Less altered Possible 1/16" veinlet ruby silver in gneiss bonding

Footage From	Footage To	% Rec.	Remarks
89'	95'	100	Slightly more siliceous Quartz, chlorization
95'	99'	94	Green gneiss Quartz, chlorization
99'	102'6"	136	2' qtz, plogioclase, some carbonate, magnetite, kaolinization, chloritization 3' qtz, feldspar zone as above
102'6"	109'3"	92	Near pegmatite 1' highly altered 1" highly altered
109'3"	114'	98	6" soft kaolinized gneiss Sludge shows quartz, pyrite
114'	120'	95	Green gneiss Siliceous zone 1" pyrite
120'	122'	92	Quartz, plogioclose, magnetite, kaolinized, chloritized Siliceous zone
122'	126'	81	Green gneiss
126'	131	105	
131'	139'	101	
139'	143'	100	More siliceous
143'	144'	100	Shows chloritization
144'	146'	96	High silica, plogioclose, some carbonates
146'	148'	96	Rock has breccia appearance, quartz and feldspar fills space in broken green gneiss Breccia as above
148'	155'	102	Green gneiss Quartz, feldspar more strongly kaolinized, chloritized 1" gouge 1" Rhodochrosite
155'	160'	83	Breccia like. Soft kaolinized green gneiss Qtz. rich, biotite, chlorite
160'	163'3"	98	Qtz. rich, chloritization, little pyrite 2" biotite
163'3"	166'	98	Quartzo feldspathic, chloritization Breccia appearance as above
166'	170'4"	100	Green gneiss
170'4"	176'	99	
176'	186'	103	Hemotite staining Sludge shows quartz pyrite 4' zone of quartz and feldspar, chloritization 1" biotite

NOROUTE CORPORATION

D.D. HOLE No. 1

DOCKET No. DMEA 4848 (Lead-Zinc) CONTRACT No. Idm-E1190

LOCATION: Sts. John Mine, Summit Co., Colo. COORDINATES: 4363 N, 6381 E

COLLAR ELEVATION: 11,050 feet; BEARING: S 50° E; INCLINATION: -75°; TOTAL Depth: 339 ft.

DATE: Started 7/28/58, Ended 8/10/58; CORE RECOVERY: 97%

Footage From	To	% Rec	Remarks
0'	3'	95	Considerable quartz Trace galena, sphalerite
3'	5'	75	Trace galena, sphalerite
5'	10'	97	Quarto-feldspathic, horn blende, biotite gneiss, pyritization, chloritization alteration, hereafter called green gneiss
10'	10'6"	100	
10'6"	15'	30	Feldspar is plogioclase
15'	21'	95	Green gneiss, pyritization
21'	27'6"	108	Some kaolinized feldspar, more pyrite
27'6"	30'	83	Becoming more siliceous
30'	36'	103	Quartz, feldspar zone, some chlorite and pyrite ¼ in. sphalerite, galena ½ in. rhodochiosite, trace sphalerite
36'	41'	83	Highly kaolinized
41'	46'	78	
46'	48'	58	Green gneiss, pyritized
48'	51'	128	
51'	53'	83	
53'	60'	90	2' qtz, less pyrite Qtz. band. Sludge shows Qtz. pyrite
60'	65'	153	Green Gneiss
65'	90'	90	Quartz, some calcite veinlets, chloritized, pyritized small veinlets pyrite, magnetite ½" magnetite, calcite
69'	74'	97	Green gneiss Quartz, feldspar increase, calcite. Sludge shows quartz pyrite
74'	75'6"	100	
75'6"	82	88	Green gneiss 1' quartz rich zone, hematite staining
82'	89'	119	1' quartz, feldspar, highly kaolinized Green gneiss Slightly more siliceous

Footage From	Footage To	" core / " run	% Rec	Remarks
370'	378'	94/96	98	very strong chloritization gneiss, unaltered except for slight chloritization and pyritization
378'	388'	79/120	66	consists of quartz, feldspar, slight amount of magnetite, some chloritization and hematite staining
388'	393'	17/60	28	slightly chloritized gneiss
393'	403'	24/120	20	
403'	408'	43/60	78	consists of quartz, feldspar, slight cloritization, kaolinization, trace hematite staining
408'	412'	23/48	48	consists of quartz, feldspar, trace pyrite, kaolinization is stronger, no chloritization
412'	417'	51/60	85	consists of quartz, feldspar, trace pyrite, kaolinization stronger, no chloritization some gouge
417'	420'	30/36	83	unaltered gneiss 6" gouge
420'	426'	60/72	83	
426'	428'	19/24	79	
428'	434'	58/72	81	slight amount of kaolinization some clay and gouge and caved material
434'	440'	45/72	63	
				61.2% total recovery for hole

Footage From	To	" core / " run	% Rec	Remarks
310'	316'	60/72	83	unaltered gneiss, except for trace of chlorite and some pyrite.
				some kaolinization
316'	321'	64/60	106	somewhat siliceous gneiss, trace chloritization
321'	326	45/60	75	quartz, feldspar; somewhat kaolinized, more chloritization
326'	330'	43/48	90	unaltered gneiss, except for trace chloritization
330'	338'	51/96	53	
338'	342'	29/48	60	chloritization increasing
342'	347'	34/60	57	siliceous gneiss, has red staining, probably hematite from alteration of hornblende and biotite in the gneiss to chlorite and hematite
347'	352'	47/60	78	
352'	358'	44/72	61	red staining decreasing, as is chlorite
				red staining strong
358'	363'	23/60	38	
363'	368'	34/60	57	unaltered gneiss, except for some chlorite
368'	370'	24/24	100	

Footage From	Footage To	" core / " run	% Rec	Remarks
249'	253'	60/48	125	some rhodochrosite with trace sphalerite
253'	263	82/120	68	strongly kaolinized feldspar with quartz and chlorite seam rhodochrosite with trace sphalerite 4" sphalerite with rhodochrosite and quartz, pyrite Core sampled for assay oz/ton oz/ton % % % 0.01 Au, 4.60 Ag, 0.15 Cu, 1.9 Pb, 37.4 Zn
263'	268'	50/60	83	6" soft broken material 2" pyrite becoming more strongly kaolinized Sludge sampled for assay 253'-274'
268'	273'	26/60	43	6" sphalerite, some galena, rhodochrosite Core sampled for assay oz/ton oz/ton % % % 0.01 Au, 5.90 Ag, 0.15 Cu, 2.0 Pb, 30.8 Zn
273'	280'	56/84	67	trace rhodochrosite alteration decreasing
280'	282'	18/24	75	siliceous, chloritized gneiss
282'	284'	37/24	154	more siliceous, more strongly kaolinized
284'	293'	94/108	87	feldspar strongly kaolinized, chloritization slightly altered gneiss
293'	296'	23/36	64	consists of quartz, feldspar, somewhat kaolinized and chloritized trace sphalerite seam rhodochrosite
296'	300'	27/48	56	somewhat chloritized gneiss
300'	303'	28/36	78	more siliceous, some what kaolinized and chloritized
303'	310'	68/84	81	

Footage From	Footage To	" core / " run	% Rec	Remarks
183'	187'	44/48	92	some magnetite
187'	191'	24/48	50	unaltered gneiss
191'	193'	12/24	50	some caved material rock is chloritized
193'	194'	12/12	100	
194'	196'	21/24	87	more kaolinization and chloritization
196'	200'	23/48	48	trace hematite staining, some caved material
200'	203'	18/36	50	consists of quartz, feldspar, with biotite, pyrite, kaolinized, chloritized
203'	206'	35/36	97	some magnetite, trace hematite staining
206'	209'	25/36	70	hematite staining fault surface
209'	209'11"	11/11	100	
209'11"	213'	28/37	76	chloritized, hematite staining
213'	217'	32/48	67	chlorite
217'	221'	25/48	52	somewhat brecciated, chloritization stronger, some gouge largely quartz
221'	226'	27/60	45	considerable pyrite
226'	233'	50/84	60	consists of quartz, feldspar, some pyrite, also kaolinized and chloritized. chloritization and kaolinization stronger
233'	239'	57/72	79	1" galena, sphalerite, with very small barite blades considerable rhodochrosite with trace galena and sphalerite feldspar is kaolinized, chloritization strong
239'	243'	59/43	123	some rhodochrosite with trace sphalerite and galena kaolinization, chloritization and pyritization strong
243'	249'	67/72	93	trace galena brecciated, consists of quartz, feldspar, strong kaolinization, chloritization. rhodochrosite seam with sphalerite some rhodochrosite with trace sphalerite

NORBUTE CORPORATION

D. D. Hole No. 3

Docket No. DMEA 4848 (Lead-Zinc)
Location: Sts. John Mine, Summit County, Colorado
Collar Elevation: 11,037 Bearing: S 49° E
Date started: 8/12/58 Ended: 9/20/58 Core recovery: 61.2%

Contract No. Idm-E1190
Coordinates: 4748N, 6547E
Inclination: 65°
Total depth: 440 feet

pyritization
mineralization
unaltered Swandyke gneiss
quartz and feldspar
kaolinization and chloritization

Footage From	Footage To	" core / " run	% Rec	Remarks
0'	10'	25/120	21	quartz-feldspathic, biotite hornblende gneiss; shows pyritization, some hematite staining and chloritization
10'	14'	23/48	48	kaolinized zone
14'	18'	6/48	12.5	quartz and feldspar, kaolinized
18'	20'	6/24	25	more pyrite
20'	22'	16/24	67	
22'	24'	26/24	108	unaltered gneiss increase in pyritization, slightly kaolinized
24'	28'	6/48	12.5	
28'	33'	38/60	63	slightly kaolinized and chloritized gneiss
33'	36'	6/36	17	quartz, feldspar; vuggy, chloritized
36'	38'6"	12/30	40	some clay
38'6"	45'	45/78	58	Consists of quartz, feldspar; with biotite, chlorite, pyrite
45'	47'	23/24	96	slightly kaolinized gneiss
47'	48'	15/12	125	siliceous gneiss
48'	49'	6/12	50	
49'	53'	40/48	83	unaltered gneiss
53'	62'	24/108	18.5	consists of quartz, feldspar, with pyrite and chlorite
62'	70'	15/96	15.5	
70'	74'	12/48	25	
74'	77'	31/36	86	siliceous gneiss
77'	81'	40/48	83	chloritization is increasing, also quartz and feldspar increasing consists of highly altered quartz and feldspar with pyrite
81'	85'	39/48	81	less alteration
85'	87'	12/24	50	kaolinization strong
87'	88'	12/12	100	kaolinized gneiss
88'	90'	16/24	67	

Footage From	To	" core / " run	% Rec.	Remarks
				quartz and feldspar increasing
90'	92'	30/24	125	considerable pyrite
92'	94'	14/24	58	some gouge
94'	95'6"	15/18	83	unaltered gneiss
95'6"	97'	16/18	89	consists of quartz and feldspar with pyrite and chlorite
97'	99'6"	16/30	53	mostly caved material sludge samples start at 103 feet
99'6"	103'	11/42	26	
103'	111'	10/96	10	
111'	114'	12/36	33	unaltered gneiss
114'	118'	18/48	37	siliceous gneiss, some caved material
118'	121'	15/36	42	possible fault surface
121'	128'	15/84	18	strong chloritization, much caved material which is mostly quartz
128'	133'	29/60	48	consists of quartz and kaolinized feldspar, some pyrite
133'	138'	12/60	20	mostly caved material which consists of quartz and feldspar some hematite
138'	140'	9/24	38	
140'	144'	20/48	42	strong chloritization
144'	145'	13/12	108	
145'	146'	23/12	192	trace chloritization and pyritization
146'	151'	18/60	30	151-156 no core
156'	160'	30/48	62	pegmatitic, trace magnetite
160'	163'	25/36	69	consists of quartz, plagioclase with chlorite and pyrite, kaolinization
163'	164'	6/12	50	
				hematite staining
164'	167'	32/36	89	decrease in chloritization
				hematite staining
167'	171'	37/48	77	magnetite
171'	178'	89/84	106	siliceous gneiss
				consists of quartz, feldspar with some chlorite biotite and pyrite
178'	183'	48/60	80	somewhat chloritized gneiss

279'	281'	8/24	33	core badly broken, considerable caved material
281'	283'	6/24	25	
283'	285'	19/24	73	quartz
285'	289'	10/48	21	
289'	291'	19/24	79	much pyrite, core is of very small particles
291'	294'	11/36	31	gouge
294'	301'	39/84	46	trace galena and sphalerite, may be material caved from above
301'	306'	17/60	28	caved material
306'	311'	12/60	20	siliceous gneiss
311'	314'	17/36	47	slightly altered gneiss
314'	319'	32/60	53	
319'	322'	18/36	50	
322'	326'	31/48	65	unaltered gneiss, some cave
326'	331'	25/60	42	
331'	336'	22/60	37	siliceous gneiss, core broken
336'	341'	28/60	47	unaltered gneiss

Total core recovery 44.0%

181'	186'	29/60	48	fault chloritization stronger, some hematite staining
186'	191'	10/60	16.6	chloritization, kaolinization stronger, hematite staining, siliceous
191'	196'	10/60	16.6	mostly caved material
196'	202'	8/72	6.9	
202'	206'	31/48	65	consists largely of quartz, feldspar with some chlorite
206'	208'	13/24	54	siliceous gneiss, chloritized
208'	214'	12/72	16.6	
214'	219'	6/60	10	much caved material
219'	224'	15/60	25	
224'	230'	25/72	35	siliceous gneiss, some chloritization and kaolinization, hematite, considerable caved material
230'	231'	16/12	133	quartz, feldspar, chlorite with hematite staining, pyrite, caved material
231'	241'	20/120	16.6	kaolinization stronger, chloritization decreasing
241'	248'	13/84	15.5	AX size starts 6" cement kaolinization increasing
248'	250'	12/24	50	
250'	254'	26/48	54	consists of quarts and feldspar, kaolinization strong
254'	256'	11/24	46	core badly broken, much caved material
256'	258'	11/24	46	
258'	261'	12/36	33	
261'	262'	6/12	50	
262'	266'			no core
266'	267'	8/12	67	caved material
267'	268'	16/12	133	siliceous gneiss trace hematite staining, chloritization stronger
268'	271'	12/36	33	core badly broken
271'	276'	12/60	20	more chlorite and hematite, core is sandy and rusty appearing in places
276'	277'	12/12	100	core badly broken, considerable caved material
277'	279'	8/24	33	

81'	85'	23/48	48	slight chloritization
85'	90'	10/60	16.6	consists largely of quartz, feldspar, with some chloritization considerable caved material
90'	95'	9/60	15	
95'	101'	30/72	42	trace hematite staining
101'	104'	10/36	28	
104'	110'	6/72	8.3	
110'	115'	16/60	27	fault surface
115'	120'	12/60	20	
120'	124'	38/48	79	unaltered gneiss, except for trace pyritization
124'	127'	37/36	103	
127'	131'	34/48	71	fault surface
131'	135'	22/48	46	badly broken core, some caved material
135'	137'	21/24	88	slightly altered gneiss
137'	140'	12/36	33	
140'	143'	10/36	28	
143'	146'	8/36	22	siliceous gneiss
146'	153'	33/84	39	unaltered gneiss except for pyritization 2" strongly kaolinized
153'	157'	20/48	42	some caved material
157'	161'	26/48	54	
161'	166'	46/60	77	trace of chloritization and hematite staining
166'	171'	52/60	87	kaolinization and chloritization stronger fault
171'	173'	24/24	100	unaltered gneiss except for trace pyritization
173'	176'	11/36	30	slightly altered gneiss
176'	181'	42/60	70	fault badly broken core, somewhat kaolinized

NORBUTE CORPORATION

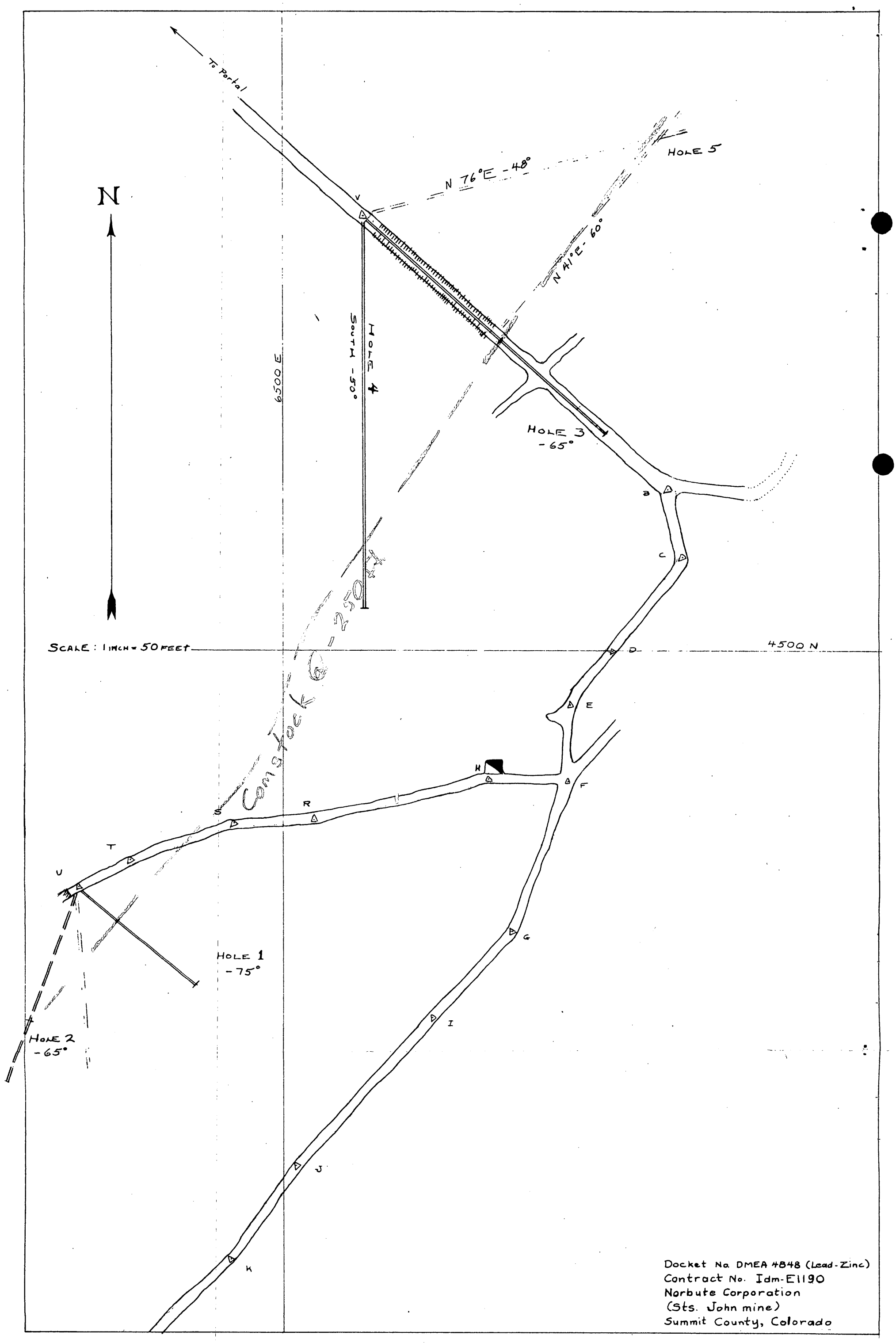
D. D. Hole No. 4

Docket No. DMEA 4848 (Lead-Zinc)
Location: Sts. John Mine, Summit County, Colorado
Collar Elevation: 11,037 Bearing: South
Date started: 9/24/58 Ended: 10/31/58 Core recovery: 44.0%

Contract No. Idm-E1190
Coordinates: 4748N, 6547E
Inclination: -50°
Total depth: 341 feet

pyritization
mineralization
unaltered Swandyke gneiss
quartz and feldspar
kaolinization and chloritization

Footage From	Footage To	" core / " run	% Rec	Remarks
0'	6'	69/72	96	unaltered gneiss except for trace hematite staining and trace chloritization and pyritization
				stronger pyritization, somewhat kaolinized, more siliceous
6'	11'	22/60	37	kaolinization stronger
11'	13'	7/24	29	
13'	16'			no core
16'	20'	49/48	102	kaolinization decreases
				trace hematite staining
20'	24'	36/48	75	stronger kaolinization and chloritization
24'	29'	46/60	77	unaltered gneiss, except for slight pyritization
29'	32'	49/36	136	siliceous gneiss, some hematite staining and chloritization
32'	35'	36/36	100	
35'	40'	36/60	60	gneiss, somewhat chloritized, trace hematite staining
40'	46'	80/72	111	unaltered gneiss, except for trace chlorite and pyrite
46'	51'	43/60	72	
51'	56'	15/60	25	badly broken core
56'	61'	14/60	23	trace hematite staining
61'	66'	12/60	20	badly broken core, some caved material
66'	71'	6/60	10	
71'	76'	28/60	47	kaolinization is stronger, some caved material
76'	79'	12/36	33	considerable caved material
79'	81'	18/24	75	slight chloritization


To Portal
N
N 76°E -48°
HOLE 5
N 41°E - 60°
6500 E
SOUTH -50°
HOLE 4
HOLE 3
-65°
B
C
D
4500 N
SCALE: 1 INCH = 50 FEET
Comstock 6-250
E
H
F
S
R
T
U
G
HOLE 1
-75°
I
HOLE 2
-65°
J
K
Docket No. DMEA 4848 (Lead-Zinc)
Contract No. Idm-E1190
Norbute Corporation
(Sts. John mine)
Summit County, Colorado

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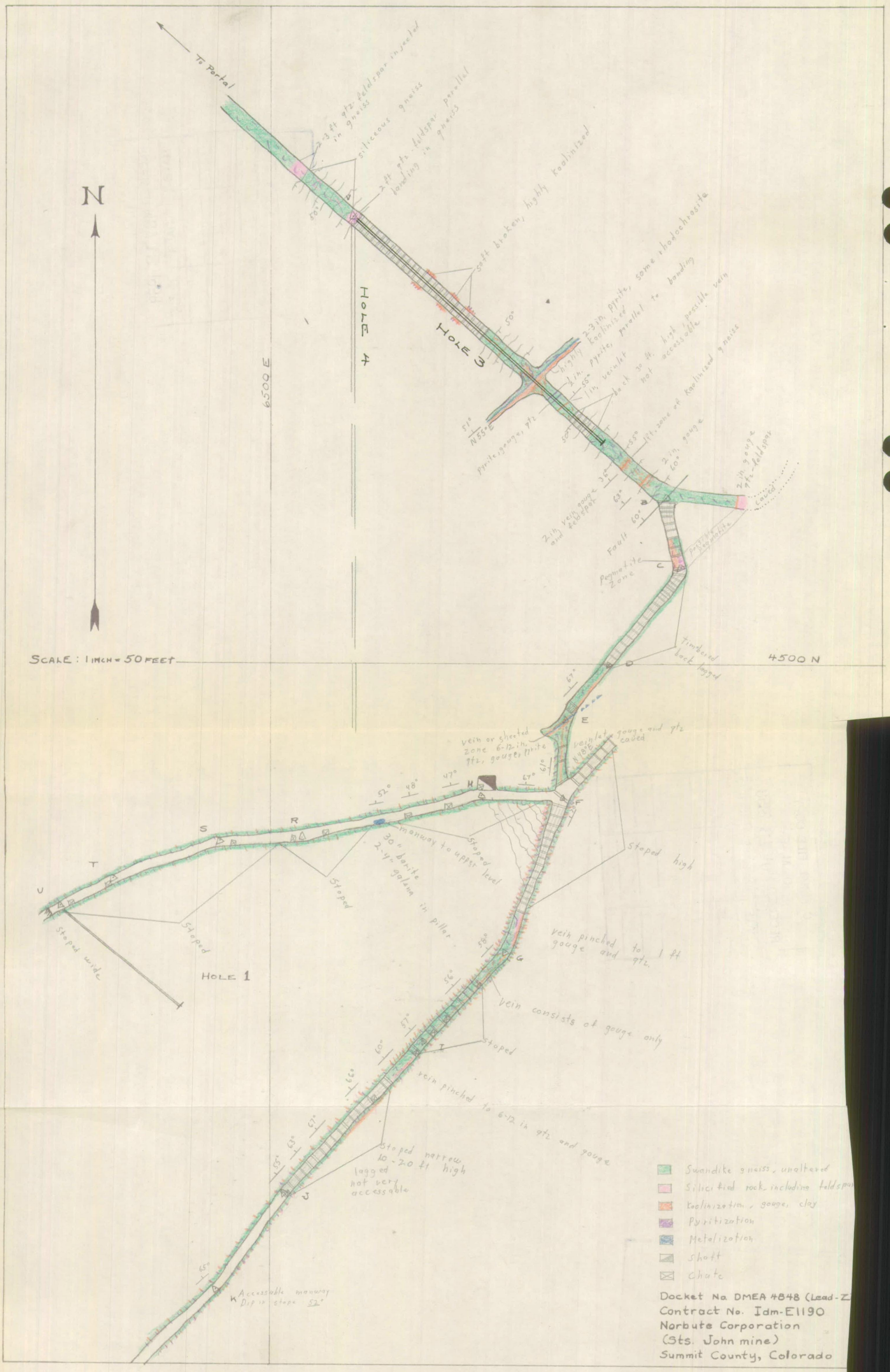
N
SCALE: 1 INCH = 50 FEET
To Portal
2-3 ft qtz-feldspar injected in gneiss
siliceous gneiss
2 ft qtz.-feldspar parallel banding in gneiss
50°
HOLE 4
6500 E
soft broken, highly kaolinized
HOLE 3
50°
highly kaolinized
2-3 in. pyrite, some rhodochrosite
1/2 in. pyrite, parallel to banding
1 in. veinlet
55°
back 30 ft. high possible vein not accessable
51°
N55°E
pyrite, gouge, qtz
50°
55°
lft. zone of kaolinized gneiss
2 in. gouge
60°
2 in. vein gouge and feldspar
36°
63°
60°
Fault
Pegmatite zone
C
possible pegmatite
2 in. gouge qtz.-feldspar
caved
4500 N
Timbered back lagged
67°
D
E
vein or sheeted zone 6-12 in. qtz, gouge, pyrite
61°
vein 1 ft gouge and qtz caved
N 48°E
67°
47°
48°
52°
K
R
S
T
U
manway to upper level
30" barite
2-4" galena in pillar
Stoped
Stoped high
Stoped wide
HOLE 1
vein pinched to 1 ft gouge and qtz.
G
58°
56°
vein consists of gouge only
57°
I
Stoped
60°
66°
vein pinched to 6-12 in qtz and gouge
67°
63°
55°
Stoped narrow 10-20 ft high lagged not very accessable
J
65°
K Accessable manway
Dip in stope 52°
Swandike gneiss, unaltered
Silicified rock, including feldspar
Kaolinization, gouge, clay
Pyritization
Metalization
Shaft
Chute
Docket No DMEA 4848 (Lead-Z
Contract No. Idm-E1190
Norbute Corporation
(Sts. John mine)
Summit County, Colorado

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