DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE 23 JUN 1958 Idm-E NO._____ DMEA NO. 4986

Application
- [ ] Denied
- [ ] Withdrawn

Contract 1219
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified

- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [x] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

Government's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 19 1958
DATE INITIALS CODE

Long
Langer
Approved
Chapman
Selfridge

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 18th day of November, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Harold George Horn and M. L. Burger, Partners, parties to that certain Exploration Project Contract No. Idm-E1219 (Docket No. DMEx-4986), dated June 23, 1958, as amended, that said Contract is hereby rescinded, revoked, and cancelled as of October 30, 1958, before any work has been performed or any costs have been incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been made.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

Harold Geo. Horn
Harold George Horn (Partner)

M. L. Burger
M. L. Burger (Partner)

Government's Copy

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EXPLORATION PROJECT CONTRACT
HAROLD GEORGE HORN AND M. L. BURGER, PARTNERS
DOCKET NO. DMEA 4986
CONTRACT NO. Idm-E1219

AMENDMENT NO. 1

It is agreed this 2nd day of September, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Harold George Horn and M. L. Burger, Partners, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1219, Docket No. DMEA 4986, dated June 23, 1958, hereinafter called the "Contract," that:

> The date fixed in Article 3, on or before which the Operator shall commence work, is extended from August 30, 1958, to October 30, 1958.

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

Executed in quintuplicate the day and year first above written.

HAROLD GEORGE HORN AND
M. L. BURGER, Partners

By Harold Geo. Horn (Partner)
Harold George Horn

By M. L. Burger (Partner)
M. L. Burger

UNITED STATES OF AMERICA

By E. M. Hanchman
~~Alternate~~ Acting Executive Officer, DMEA Field Team Region III

DMEA
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Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4986

Commodity lead-zinc

Contract No. Idm-E 1219

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 23 JUN 1958 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Harold George Horn and M. L. Burger, partners, whose mailing address is Horn & Burger P. O. Box 248, Breckenridge, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and one map, Figure 2.

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of an Assignment of lease recorded in Book 150, page 57, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Interest of Lessor

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien and Subordination Agreement of Lessor, The B & B Mines, Inc.

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of lead and zinc. The work to be performed is described in Exhibit "A." The Operator on or before August 30, 1958 shall commence the work, and on or before January 30, 1960 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A," except as otherwise provided in Exhibit "A" with respect to stages of work. See Article 13.

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 75,600.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $ 37,800.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~13~~. **See Article 13.**

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1), regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except*, that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer*, sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

See Exhibit "A", Category (3).

ARTICLE 9. /*Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf

Administrator, Defense Minerals
Exploration Administration

App'd. Sol. Off.

Harold George Horn (Partner)

Harold George Horn

M. L. Burger (Partner)

M. L. Burger

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) The period at the end of Article 3 is changed to a comma, and the following is added: "except as otherwise provided in Exhibit "A" with respect to stages of work".

(b) In the last sentence of Article 6(c) the words "Article 8" are substituted for the words "Article 9".

EXPLORATION PROJECT CONTRACT
HAROLD GEORGE HORN AND M. L. BURGER
DOCKET NO. DMEA-4986

ANNEX I

The land referred to in Article 2 of the Contract is situate in Summit County, Colorado, and is comprised of the following patented lode claims, or parts thereof as indicated below:

Full Claims

Name	U. S. Survey No.	Name	U. S. Survey No.
Siam	5798	Czar	15108
Chief	5798	Merry Gold	15108
Diamond Dick	5798	X-10-U-8	186
Prize Box	13499	X-10-U-8	7615A
Havana	12069	Silver Head	3126
Mono	12069	Colorado	2995
Wyoming	19166	Little Lizzie	3125

Partial Claims

So much of the Wellington Lode, U. S. Survey 7343 as covers the fraction south of the Silver Head Lode, U. S. Survey 3126 and bounded by a southerly extension of the easterly end of the said Silver Head Lode to the northerly side of the above-mentioned X-10-U-8 No. 2.

So much of the Oro Lode, U. S. Survey 5798 as is necessary for operating that part which is the mouth of some of the workings and sufficient other ground in connection therewith for the convenient working of the aforementioned premises.

The land is shown outlined in red on the attached map, Figure 2, entitled "Claim and Location Map, Wellington Mine . . ."

The Operator is in possession of the land pursuant to an assignment of lease executed May 2, 1956, by W. L. Davenport, the lease having been granted to W. L. Davenport by the B & B Mines, Inc., on January 1, 1955, for a period expiring December 31, 1966.

[illegible]95
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

DMEA
DEPARTMENT OF THE INTERIOR
MAY 12 1958
REGION III
DENVER, COLORADO

RECEIVED
MAY 14 1958
D.M.E.A.

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA- 4986
Contract No. Idm-E 1219
Contract Date 23 JUN 1958

CONSENT TO LIEN and SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Summit, State of Colorado, described as follows: 2/

Certain patented lode mining claims in the Bevin Mining District further described in Annex I which is attached hereto and made a part hereof.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 9th day of May, 1958.

	[Seal]		[Address]
The B & B Mines, Inc.	[Seal]	824 Equitable Bldg., Denver 2, Colo.	[Address]
By Frank E. Hickey President	[Seal]		[Address]
by Richard N. Downing Secy	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

Richard N. Downing

[Corporate Seal]

DMEA 4986

ANNEX I

Siam Lode, U. S. Survey 5798
Chief Lode, U. S. Survey 5798
Diamond Dick Lode, U. S. Survey 5798
Prize Box Lode, U. S. Survey 13499
Havana Lode, U. S. Survey 12069
Mono Lode, U. S. Survey 12069
Wyoming Lode, U. S. Survey 19166
Czar Lode, U. S. Survey 15108
Merry Gold Lode, U. S. Survey 15108
X-10-U-8 Lode, U. S. Survey 186
X-10-U-8 Lode, U. S. Survey 7615A
Silver Head Lode, U. S. Survey 3126
Colorado Lode, U. S. Survey 2995
Little Lizzie Lode, U. S. Survey 3125

So much of the Wellington Lode, U. S. Survey 7343 as covers the fraction south of the Silver Head Lode, U. S. Survey 3126 and bounded by a southerly extension of the easterly end of the said Silver Head Lode to the northe[redacted] side of the above-mentioned X-10-U[redacted]No. 2.

So much of the Oro Lode, U. S. Survey 5798 as is necessary for operating that part which is the mouth of some of the workings and sufficient other ground in connection therewith for the convenient workings of the aforementioned premises.

COPY

EXPLORATION PROJECT CONTRACT
HAROLD GEORGE HORN AND M. L. BURGER
DOCKET NO. DMEA-4986

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for lead-zinc ores by means of sinking, crosscutting, and drifting.

The work is divided into two stages, set forth below. The Operator shall perform Stage I, and shall perform as much of the Stage II work as the Government approves in advance.

The locations, directions, attitudes, and extent of all work performed under the contract are subject to the prior approval of the Government. The exploration work is indicated, in part, on the attached map in blue color.

Drifts and crosscuts shall be timbered as necessary with timber sets consisting of 8-inch by 8-inch timber or the equivalent in round timber, and shall be not less than 5 feet wide and 7 feet high in cross-section in the clear of the timber.

Stage I

Item Nos.

1. Replace motor and intermediate shaft pinions on hoist, install auxiliary brake on hoist, install pump for mine drainage, and extend compressor coolant pump piping 175 feet down the Oro shaft.

2. Build and install crosshead and latch, safety door, and bucket dumping arrangement.

3. Extend the existing vertical winze an additional 165 feet below the present level, known as the sub-level. The winze shall be completely timbered, divided into two compartments, and be not less than 4 feet by 8 feet in the clear of the timber.

4. Establish an exploration level 150 feet below the floor of the first sub-level, and crosscut not to exceed 350 feet on a bearing of approximately S 25° E towards the Wellington main vein.

5. Drift not to exceed 500 feet along the more favorable vein structures cut by the crosscut.

6. Assay not to exceed 50 samples for lead, zinc, copper, silver, and gold.

Stage II

1. Continue drifting and/or crosscutting on the more favorable vein structures encountered in the crosscut (Item 4, Stage I) an additional aggregate maximum of 600 feet.

2. Assay not to exceed 50 samples for lead, zinc, copper, silver and gold.

ESTIMATED COSTS OF THE PROJECT

(In addition to the maximums fixed in the Contract form, an asterisk indicates maximum)

Stage I

Work Item 1

Categories (1) through (4), (6) and (7)

None

Category (5) Initial Rehabilitation and Repairs[1] $ 345.00*

Work Item 2

Categories (1) through (5), and (7)

None

Category (6) New Buildings, Fixtures and Installations[1] 83.00*

Work Item 3 (Sinking Winze)

Category (1) Independent Contracts

None

Category (2) Personal Services

Subcategory (a) Supervision

Supervisor 3.2 months @ $600.00/mo.	$1,920.00	

Subcategory (b) Technical Services

None 2/

Subcategory (c) Labor	8,755.00	$10,675.00

Category (3) Operating Materials and Supplies 1/		3,836.00

Category (4) Operating Equipment

Subcategory (a) Rental

None

Subcategory (b) Purchases 1/

1-Reda type 3J 400 Submersible Pump and 1-10-inch electric ventilation fan	1,162.00

Subcategory (c) Depreciation

1-Joy 820 c.f.m. Compressor 3.2 months @ $125.00/mo.	400.00
2-Rock drills, 3.2 months @ $23.33/mo.	74.66
1-35 H. P. geared hoist, 3.2 months @ $41.17/mo.	131.74

1-27 cu. ft. self-dumping, Kimberly type skip, 3.2 months @ $14.17/mo.	$ 45.34	
1-One half ton battery locomotive and charger, 3.2 months @ $85.83/mo.	274.66	
8-20 cu. ft. roller bearing mine cars, 3.2 months @ $16.67/mo.	53.34	
Total Depreciation	979.74	$ 2,141.74
Categories (5) and (6)		
None		
Category (7) Miscellaneous		1,100.00
Total of Work Item 3		$17,752.74*

Work Items 4, 5 and 6 (Crosscutting and Drifting)

Category (1) Independent Contracts		
None		
Category (2) Personal Services		
Subcategory (a) Supervision		
Supervisor, 6 months @ $600.00/mo.	$3,600.00	
Subcategory (b) Technical Services		
None 2/		
Subcategory (c) Labor	15,750.00	19,350.00
Category (3) Operating Materials and Supplies 1/		8,025.00

Category (4) Operating Equipment

Subcategory (a) Rental

1-Eimco 12B air operated mucking machine, 6 months @ $275.00/mo.	$1,650.00	

Subcategory (b) Purchases

None

Subcategory (c) Depreciation

1-Joy 820 c.f.m. compressor 6 months @ $125.00/mo.	750.00	
3-pneumatic rock drills with Jacklegs, 6 months @ $35.00/mo.	210.00	
1-35 H.P. geared hoist, 6 months @ $41.17/mo.	247.00	
1-27 cu. ft. self-dumping, Kimberly type skip, 6 months @ $14.17/mo.	85.00	
1-One half ton battery locomotive and charger, 6 months @ $85.83/mo.	515.00	
8-20 cu. ft. roller bearing mine cars for main haulage level, 6 months @ $16.67/mo.	100.00	
4-16 cu. ft. mine cars for sub-level, 6 months @ $6.67/mo.	40.00	
Total Depreciation	$1,947.00	$ 3,597.00

Categories (5) and (6)

None

Category (7) Miscellaneous		
50 samples assayed @ $5.00* each sample	$ 250.00	
Taxes, Insurance, etc.	2,394.00	$ 2,644.00
Total of Work Items 4, 5, & 6		$33,616.00*
Estimated Total Costs of Stage I		$51,796.74*

Stage II

Category (1) Independent Contracts		
None		
Category (2) Personal Services		
Subcategory (a) Supervision		
Supervisor, 4.25 months @ $600.00/mo.	$2,550.00	
Subcategory (b) Technical Services		
None 2/		
Subcategory (c) Labor	11,120.00	13,670.00
Category (3) Operating Materials and Supplies 1/		5,665.00
Category (4) Operating Equipment		
Subcategory (a) Rental		
1-Eimco 12B air operated mucking machine, 4.25 months @ $275.00/mo.	1,168.75	
Subcategory (b) Purchases		
None		

Subcategory (c) Depreciation

1-Joy 820 c.f.m. compressor, 4.25 months @ $125.00/mo.	$ 531.25	
3-pneumatic rock drills with Jacklegs, 4.25 months @ $35.00/mo.	148.75	
1-35 H.P. geared hoist, 4.25 months @ $41.17/mo.	174.97	
1-27 cu. ft. self-dumping Kimberly type skip, 4.25 months @ $14.17/mo.	60.22	
1-One half ton battery locomotive and charger, 4.25 months @ $85.83/mo.	364.78	
8-20 cu. ft. roller bearing mine cars for main haulage level, 4.25 months @ $16.67/mo.	70.85	
4-16 cu. ft. mine cars for sub-level, 4.25 months @ $6.67/mo.	28.35	
Total Depreciation	$1,379.17	$ 2,547.92

Categories (5) and (6)

None

Category (7) Miscellaneous

50 samples assayed @ $5.00* each sample	250.00	
Taxes, Insurance, etc.	1,672.00	1,922.00
Estimated Total Cost of Stage II		$23,804.92*

SUMMARY

Estimated Total Cost of Stage I	$51,796.74	
Estimated Total Cost of Stage II	23,804.92	
Estimated Total Cost of the Project (rounded to)		$75,600.00
Government Participation @ 50%		$37,800.00

1/ The allowable costs of pipe, track (including fittings and accessories for each), ventilation tubing and hoist cable; the purchase price of a pump and ventilation fan; and the costs of Work Items 1 and 2 of Stage I are limited to 50% of the Operator's actual costs of such items. Therefore, it is agreed that the Government will not acquire any interest in this property pursuant to the provisions of Article 9.

2/ Technical services will be executed by the Supervisor.

ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS That I, W. L. DAVENPORT, of Breckenridge, Summit County, Colorado, for and in consideration of the sum of Ten ($10.00) Dollars and other good and valuable consideration to me in hand paid by HAROLD HORN and M. L. BURGER, the receipt whereof is hereby confessed and acknowledged, do by these presents, assign, transfer, and set over unto the said HAROLD HORN and M. L. BURGER doing business as HORN AND BURGER, a co-partnership, a certain indenture of lease, bearing date the 1st day of January, 1955 and recorded in Book 148 at Page 43 in the records in the office of the Clerk and Recorder of Summit County, Colorado, made by THE B & B MINES, INC., a Colorado corporation, to me, of those certain premises situate in the Bevin Mining District, in the County of Summit, State of Colorado, to-wit:

Siam Lode, U. S. Survey 5798
Chief Lode, U. S. Survey 5798
Diamond Dick Lode, U. S. Survey 5798
Prize Box Lode, U. S. Survey 13499
Havana Lode, U. S. Survey 12069
Mono Lode, U. S. Survey 12069
Wyoming Lode, U. S. Survey 19166
Czar Lode, U. S. Survey 15108
Merry Gold Lode, U. S. Survey 15108
X-10-U-8 Lode, U. S. Survey 186
X-10-U-8 Lode, U. S. Survey 7615A
Silver Head Lode, U. S. Survey 3126
Colorado Lode, U. S. Survey 2995
Little Lizzie Lode, U. S. Survey 3125

So much of the Wellington Lode, U. S. Survey 7343 as covers the fraction south of the Silver Head Lode, U. S. Survey 3126 and bounded by a southerly extension of the easterly end of the said Silver Head Lode to the northerly side of the above-mentioned X-10-U-8 No. 2.

So much of the Oro Lode, U. S. Survey 5798 as is necessary for operating that part which is the mouth of some of the workings and sufficient other ground in connection therewith for the convenient workings of the aforementioned premises.

E OF COLORADO } SS
OUNTY OF SUMMIT

I, Helen Knight
Clerk and Ex-Officio Recorder of Deeds, in and for the
aforesaid, do hereby certify that the foregoing is a
ull, correct and complete Copy
same appears of record in my office in Book 160
67
Witness my hand and Official Seal this 2nd
May A. D. 1958
Helen Knight
County Clerk and Recorder

By
Deputy

with all and singular the premises therein mentioned and described and the buildings thereon, together with the appurtenances.

TO HAVE AND TO HOLD the same unto the said HAROLD HORN and M. L. BURGER doing business as HORN AND BURGER, a co-partnership, their executors, administrators and assigns, from the 1st day of August, 1955 for and during all the remainder of the term of twelve years mentioned in the said indenture of lease. Subject, nevertheless, to the rents, covenants, conditions and provisions therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 2 day of ~~April~~ May, 1956.

W L Davenport (SEAL)

STATE OF COLORADO)
) ss.
County of ~~Summit~~ Denver)

The foregoing instrument was acknowledged before me this 2nd day of ~~April~~ May, 1956 by W. L. DAVENPORT.

Witness my hand and official seal.

My commission expires:

Notary Public

Notice is hereby received and accepted of the above and foregoing assignment of lease.

Consent is hereby given to said assignment subject to the provisions contained in said lease.

THE B & B MINES, INC.
Lessor

By Frank Hickey
President

ATTEST:

Catherine R. Owens
Secretary

STATE OF COLORADO }
COUNTY OF SUMMIT } ss.

I, Helen Knight
County Clerk and Ex-Officio Re
County aforesaid, do hereby c
true, full, correct and complete Cop

same appears of record in ice
Page 58
Witness my hand and Official Seal th
day of May A. D. 1
Helen K
County
By

Recorded

Recorded at 11:00 o'clock A.M. May 3, 1956
No.76795 Luna J. Ferguson Recorder

OFFICE OF THE SECRETARY OF STATE
RECEIVED MAY 8 1958
DATE INITIALS CODE

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, That W. L. DAVENPORT, of the City of Breckenridge, County of Summit and State of Colorado, party of the first part, in consideration of the sum of Ten ($10.00) Dollars and other good and valuable consideration to him in hand paid, at or before the ensealing or delivery of these presents by HAROLD HORN and M. L. BURGER doing business as HORN AND BURGER, a co-partnership, parties of the second part, the receipt whereof is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto the said parties of the second part, their executors, administrators and assigns all of his interest in the machinery, equipment, tools, supplies, rail, timber, and miscellaneous equipment of every nature whatsoever which heretofore was the property of W. L. DAVENPORT, and principally located or purchased to be used on the following mining property in the Bevin Mining District, County of Summit, described as follows:

Siam Lode, U. S. Survey 5798
Chief Lode, U. S. Survey 5798
Diamond Dick Lode, U. S. Survey 5798
Prize Box Lode, U. S. Survey 13499
Havana Lode, U. S. Survey 12069
Mono Lode, U. S. Survey 12069
Wyoming Lode, U. S. Survey 19166
Czar Lode, U. S. Survey 15108
Merry Gold Lode, U. S. Survey 15108
X-10-U-8 Lode, U. S. Survey 186
X-10-U-8 Lode, U. S. Survey 7615A
Silver Head Lode, U. S. Survey 3126
Colorado Lode, U. S. Survey 2995
Little Lizzie Lode, U. S. Survey 3125

So much of the Wellington Lode, U. S. Survey 7343 as covers the fraction south of the Silver Head Lode, U. S. Survey 3126 and bounded by a southerly extension of the easterly end of the said Silver Head Lode to the northerly side of the above-mentioned X-10-U-8 No. 2.

So much of the Oro Lode, U. S. Survey 5798 as is necessary for operating that part which is the mouth of some of the workings and sufficient other ground

in connection therewith for the convenient workings of the aforementioned premises.

excepting the following, which is not included:
1 International Diesel Motor - Motor No. UD 14A, Serial No. UDF 24756 and 1 Gardner-Denver Compressor - Model WBQ4011, Serial No. 143784.

TO HAVE AND TO HOLD the same unto the said parties of the second part, their executors, administrators and assigns forever. And the said party of the first part does for himself, his heirs, executors, and administrators, covenants and agrees to and with the said parties of the second part, their executors, administrators and assigns, to warrant and defend the sale of said property, goods and chattels to the extent of his interest therein, hereby made unto the said parties of the second part, their executors, administrators and assigns, against all and every person or persons whomsoever.

IN WITNESS WHEREOF, The said party of the first part has hereunto set his hand and seal this 2 day of ~~April~~ May, 1956.

W L Davenport (SEAL)

WITNESS:
Richard W Irving
John B. Irving Jr.

OFFICIAL STATE COPY
DMEA
RECEIVED MAY 8 1956

DATE	INITIALS	CODE

STATE OF COLORADO)
) ss.
County of ~~Summit~~ Denver)

The foregoing instrument was acknowledged before me this 2nd day of ~~April~~ May, 1956 by W. L. DAVENPORT.

Witness my hand and official seal.

My commission expires: August 10, 1959.

Marguerite L. Chamberlin
Notary Public

Return

NOTICE

Breckenridge, Colorado
~~April~~ May 2, 1956

TO: B & B Mines, Inc.
824 Equitable Building
Denver, Colorado

Dear Sirs:

You are hereby notified under the terms of that certain lease between B & B MINES, INC., as Lessor, and W. L. DAVENPORT, as Lessee, dated January 1, 1955, that said lease has been assigned by said Lessee to HAROLD HORN and M. L. BURGER doing business as HORN AND BURGER, a co-partnership, said assignees being the same persons who were formerly partners with said assignor as lessees under said lease. Copies of said Assignment are enclosed and you are respectfully requested to execute the consent thereto and return appropriate executed copies to HORN AND BURGER, Breckenridge, Colorado.

You are hereby further notified that under the terms of that certain Deed of Dissolution, an executed copy of which is enclosed for your records, HORN AND BURGER have become entitled to all excess credits in the fund created to secure the payment of taxes, as provied in the lease, that accrue after August 1, 1955, all credits accruing prior to August 1, 1955 shall be prorated as follows:

35% to Mr. W. L. Davenport
35% to Mr. Harold Horn
30% to Mr. M. L. Burger

You are hereby instructed to pay said credits, if any, accordingly.

Respectfully

W L Davenport
Harold Geo Horn
M L Burger

Filed for Recorded at 3:40 A.M. O'clock August 23,1955
Reception No. 76114 Recorder Zelda C Ashlock Deputy

Notice to employees

Effective August 1, 1955. - this tenative agreement.

That W. L. Davenport will turn his interest of the Wellington Lease over to Harold Horn and M. L. Burger and beginning August 1, 1955 that all expenses and wages will be borne by Harold Horn and M. L. Burger and said W. L. Davenport will not be responsible for any Expenses or wages, and will not be held liable.

W L Davenport

STATE OF NEBRASKA } ss

I, Zelda C. Rahlock Deputy

County Clerk and Buffalo Register of Deeds, in and for the County aforesaid do hereby certify that the foregoing is a true and complete

copy of record in my office in Book 148

91

Witness my hand and Official Seal this 23rd

day of August A. D. 1955

[illegible] Emmert

County Clerk and Recorder

By Zelda C. Rahlock

Deputy

Horn & Burger
Copy

N O T I C E

Breckenridge, Colorado
May 2, 1956

TO: The United States Smelting
and Refining Company
P. O. Box 1980
Salt Lake City, Utah

Dear Sirs:

You are hereby notified of the Assignment of the Mining Lease on the Wellington Mine at Breckenridge, Colorado, by the undersigned, W. L. DAVENPORT to the undersigned, HAROLD HORN and M. L. BURGER. A copy of the Assignment is enclosed herewith.

You are hereby instructed to pay all moneys due W. L. Davenport for any and all shipments from said W. L. DAVENPORT that are in transit or otherwise to the firm of HORN AND BURGER at Breckenridge, Colorado, but you shall still pay to The B & B Mines, Inc. the portions thereof due to that corporation.

Respectfully,

W L Davenport

Harold Geo. Horn

M L Burger

Harold Horn

APPROVED BY:

THE B & B MINES, INC.

By Frank E Hecker
President

Attest: Verlene W Young
Secretary

Recorded at 11:00 o'clock A.M.May 3,1956
No.76796 Luna J. Emyeart Recorder

Record

Original Filed with
DMEA
RECEIVED MAY 8 1956

DATE	INITIALS	CODE

NOTICE OF DISSOLUTION

Notice is hereby given that the partnership heretofore subsisting between W. L. DAVENPORT, HAROLD HORN, and ~~M. L. BURGER~~ heretofore on business as W. L. DAVENPORT, has been dissolved by mutual consent as and from the 1st day of August, 1955. All debts due to and owing by the said late firm will be received and paid respectively by HAROLD HORN and M. L. BURGER, who will carry on the said business in partnership under the style or firm of HORN AND BURGER.

Dated this 2 day of ~~April~~ May, 1956.

W L Davenport

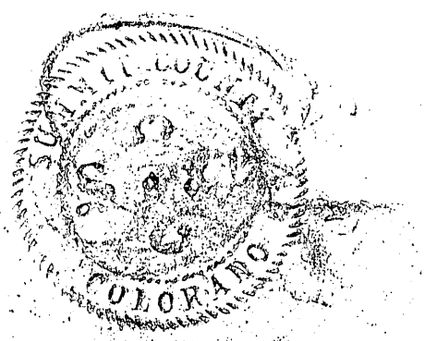
Harold Horn

M L Burger

State of Colorado)
)ss
County of Summit)

Subscribed and sworn to before me this 3 rd day of May A.D.1956 by W.L.Davenport,Harold Horn and ML.Burger.
Witness my hand and official seal.

Luna J. Emyeart.
County Clerk



7679b

Compared
and
Indexed

STATE OF COLORADO, }
County of Summit } ss.

I hereby certify that this instrument was filed for record in my office at 11 50 o'clock A. M. May 3, '56 and is duly recorded in Book 150 page No. 65

Lucas J. Enyeart Recorder

---------- Deputy

1 55 pd.

Record

Recorded at 11:00 o'clock A.M. May 3,1956
No.76794 Luna J. Earyeart Recorder

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1956
DATE | INITIALS | CODE

DEED OF DISSOLUTION OF PARTNERSHIP

This Indenture made the 2 day of ~~April~~ May, 1956 between W. L. DAVENPORT, hereinafter called the retiring ~~partner, of the~~ first part, and HAROLD HORN and M. L. BURGER, hereinafter called the continuing partners, of the second part,

WHEREAS, the parties hereto have in partnership carried on the business of mining under the firm and style of W. L. DAVENPORT, and it has been agreed that the said partnership shall be determined, and that the retiring partner should receive the amount due to him for his share in the said business, leasehold interests, machinery, equipment, supplies, and all other partnership property of any nature whatsoever, and should withdraw from the said business leaving the same to be carried on by the continuing partners for their own benefit or otherwise as they might think proper and under the firm, name and style of HORN AND BURGER.

AND WHEREAS, valuations and effects of the said business and mining operations have been made, and after deducting the outstanding debts and liabilities of the said partnership, a value of the retiring partner's interest has been mutually agreed to at the sum of Sixteen Thousand and no/100 ($16,000.00) Dollars.

NOW This Indenture Witnesseth as follows:

1. In pursuance of the said agreement and in consideration of the premises, the parties hereto dissolve as and from the 1st day of August, 1955, the partnership heretofore subsisting between them in the business aforesaid. And notice of such dissolution and the intended continuance of the said business by the continuing partners under the firm and style of HORN AND BURGER shall be forthwith advertised, the form of which notice has already been signed by the parties hereto.

2. The retiring partner hereby releases the continuing partners and each of them, and the continuing partners hereby respectively release the retiring partner from all actions, accounts, claims, and demands in relation to the said partnership hereby dissolved.

3. In consideration of the sum of Sixteen Thousand and no/100 ($16,000.00) Dollars to him paid by HAROLD HORN and M. L. BURGER, the receipt whereof is hereby acknowledged, and of the covenants and agreements on the part of the continuing partners herein contained, the retiring partner, W. L. DAVENPORT, hereby assigns, sells and releases unto HAROLD HORN and M. L. BURGER, the continuing partners, all his 35% part or share and all other, if any, of his respective share and interest of and in the said business and mining operation of the said partnership hereby dissolved, and the property, assets, credits, and effects thereof. To hold the same unto the continuing partners absolutely.

4. It is mutually agreed between the parties hereto that any excess in the fund to guarantee the payment of production tax in the hands of THE B & B MINES, INC. due the dissolved partnership or W. L. DAVENPORT under the provisions of that certain lease between THE B & B MINES, INC. and W. L. DAVENPORT, shall be paid by THE B & B MINES, INC. as follows:

Any excess accruing prior to August 1, 1955 to be paid 30% to M. L. BURGER, 35% to W. L. DAVENPORT, and 35% to HAROLD HORN.

Any excess accuring after August 1, 1955 shall be paid in full to HAROLD HORN and M. L. BURGER doing business as HORN AND BURGER.

That any monies or credits due for ore shipments in transit after August 1, 1955 due from the U. S. Smelting and Refining Company, P. O. Box 1980, Salt Lake City, Utah shall be the property of HAROLD HORN and M. L. BURGER doing business as HORN AND BURGER

irrespective of the name in which said shipments were made.

A separate letter to or a copy of this agreement delivered to THE B & B MINES, INC. or the U. S. SMELTING AND REFINING COMPANY shall be sufficient authority for them to respectively pay the parties hereto in accordance with this agreement.

W. L. DAVENPORT, the retiring partner, hereby agrees to facilitate the consent, if it is necessary, to the assignment of any leasehold interests held in his name for the benefit of the dissolved partnership or used in the partnership operation, specifically including the lease from THE B & B MINES, INC.

The continuing partners jointly and severally covenant with the retiring partner that they or one of them will duly pay and satisfy all debts and liabilities of the partnership hereby dissolved, except only such debts, if any, as may have been contracted by the retiring partner and have not been entered in the partnership accounts; and further, that they will at all times effectually indemnify and keep indemnified the retiring partner, his heirs, executors, and administrators, from the said debts and liabilities, and from all actions, proceedings, costs, claims, and demands, in respect thereof.

IN WITNESS WHEREOF The parties hereto have hereunto set their hands and seals the day and year first above written.

W L Davenport (SEAL)

Harold Horn (SEAL)

M L Burgin (SEAL)

STATE OF COLORADO)
) ss.
County of Summit)

The foregoing instrument was acknowledged before me this 3rd day of April, 1956 by W. L. DAVENPORT, HAROLD HORN, and M. L. BURGER.

Witness my hand and official seal.

~~My commission expires:~~

Luna J. Empcart
County Clerk ~~Notary Public~~

DMEA
RECEIVED MAY 8 1958
DATE | ENTRY | CODE

Compared
and
Initd
Date
16 7 94

Return
to Hum Bangr

Recorded at 1:40 o'clock P.M. May 10, 1956
Reception No. 76828 Lena J. Enyeart Recorder

DMEA
RECEIVED MAY 8 1956
CODE

AFFIDAVIT OF TRADE NAME

STATE OF COLORADO)
) ss.
County of Summit)

HAROLD G. HORN and M. L. BURGER both being duly sworn, each for himself, deposes and says:

1. The full Christian names and surnames and addresses of all the parties represented in the firm of HORN AND BURGER, a co-partnership, are as follows:

Harold G. Horn	Breckenridge, Colorado
Marvin L. Burger	Breckenridge, Colorado

Harold G. Horn
M L Burger

Subscribed and sworn to before me this 10th day of ~~April~~ May, 1956, by HAROLD G. HORN and M. L. BURGER.

Witness my hand and official seal.

~~My commission expires~~:

Zelda C. Ashlock Deputy
County Clerk. ~~Notary Public~~

26828

STATE OF COLORADO, }
County of Summit } ss.

I hereby certify that this instrument was filed for record in my office at 1:40 o'clock P. M. May 10-56 and is duly recorded in Book 150 page No. 72

Recorder

Julia C. Ashlock Deputy

1.40 pd.

Compared

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1958
DATE | INITIALS | CODE

PARTNERSHIP AGREEMENT

This Agreement made and entered into as of the 1st day of August, 1955 by and between HAROLD HORN and M. L. BURGER,

WITNESSETH, That the above named parties have associated themselves as partners under the firm name of "HORN AND BURGER" for the purposes and conditions herein recited:

1. The objects and purposes of said co-partnership shall be the carrying on of the business of the exploration for and the mining and extracting of minerals.

2. The principal place of business shall be Summit County, Colorado and such other places as the partners may from time to time determine upon.

3. HAROLD HORN has contributed 52½% of the capital and assets of the co-partnership and M. L. BURGER has contributed 47½% of the capital and assets of the co-partnership. The profits and losses of the partnership shall be shared and borne equally during the term of the partnership. At the dissolution of the partnership HAROLD HORN shall receive 52½% of the capital distribution and M. L. BURGER 47½% thereof.

4. The partnership shall continue until dissolved by mutual consent of the parties or by operation of law.

5. Both partners shall devote their time and attention to the business, it being understood that a certain amount of attention to public and private interests, not inconsistent with the interests of the partnership, and not occupying any considerable portion of business time, shall be allowed to each.

6. The books and accounts of the firm shall be accurately kept, and each and every transaction in the name of the firm shall appear therein, and they shall always be open to each partner or his legal representatives.

7. Neither partner shall make any endorsement, either individually or in the name of the firm, nor give any accomodation paper, nor in any way compromise the firm for his individual benefit, unless by full consent of the other partner.

8. If either partner shall die during the continuance of the said partnership, the survivor is hereby granted an option to purchase the share of the deceased partner in the partnership business within three months after the death of one partner at a price which shall be as nearly as may be the value of such share as it would be ascertained if the partnership was wound up by mutual consent.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this_____day of_____, 1956.

Harold Geo Harris (SEAL)

M L Berger (SEAL)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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224 New Customhouse
Denver 2, Colorado
April 18, 1958

Memorandum

To: Secretary to the Operating Committee

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

Subject: Application for DMEA aid, (Lead-Zinc) Harold George Horn and M. L. Burger (Wellington Mine) Summit County, Colorado

Enclosed are two copies of the subject application in the amount of $78,750.00.

Because of the approaching end of the fiscal year and contrary to the general instructions, we will distribute the four copies of this application as follows:

Two copies to you
One copy to the field examiners
One copy for our file

The subject property will be examined April 21, 1958.

We find this procedure is necessary to expedite processing of applications received during the next few weeks to enable us to make our reports available to you in time to prepare contracts on applications to be approved.

E. N. Harshman

E. N. Harshman

Form MF–103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

RECEIVED APR 21 1958 D.M.E.A.

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Horn & Burger
P. O. Box 248
Breckenridge, Colo.

DMEA
DEPARTMENT OF THE INTERIOR
APR 18 1958
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number	DMEA-4986
Date Received	4-21-58
Government Participation %	
Region	III
Division Code	500

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [X]
- Other (Specify) [ ]

State in which firm is organized: Colo.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Harold Geo. Horn	Breckenridge, Colo.	Partner
M. L. Burger	Breckenridge, Colo.	Partner

Mineral(s) for which you wish to explore: Zinc and Lead

Estimated Cost of Project: $ 78,750.00

LOCATION OF PROPERTY

Name	County	State
Wellington	Summit	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Revised, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals,* of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

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

april 18 1958
Dated

Harold Geo. Horn.
BY (Signature)

Partner.
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 25960

Horn & Burger
Breckenridge, Colo.

Item No. 1.

(a) The "Wellington" leasehold of Horn & Burger is located in the east one-half of section thirty-two and the west one-half of section thirty-three, Township six south, of Range seventy-seven west of the sixth Principal Meridian and consisting of patented claims as follows: (see Plate No. 1).

Lode Claim	U.S. Survey No.
Siam	5798
Chief	5798
Diamond Dick	5798
Prize Box	13499
Havana	12069
Mono	12069
Wyoming	19166
Czar	15108
Merry Gold	15108
X-10-U-S	186
X-10-U-S	7615A
Silver Head	3126
Colorado	2995
Little Lizzie	3125

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So much of the Wellington Lode, Survey No. 7343 as covers the fraction south of the Silver Head Lode, Survey No. 3126 and bounded by a southerly extension of the easterly end of said Silver Head Lode to the northerly side of the above mentioned X-10-U-S

So much of the Oro Lode, Survey No. 5798 as is necessary for operating that part which is the mouth of the tunnel of some of the workings, and sufficient other ground in connection therewith for the convenient working of the afor mentioned premises.

Horn & Burger
Breckenridge, Colo.

RECEIVED APR 21 1936

Item No. 1 Continued

(b) Known property names are as follows:

"Wellington Mine"
"Oro Mine"
"Wellington-Oro Mine"

(c) Interest in property is as "lessee". (copy enclosed")

(d) The property is unencumbered as far as is known.

Item No. 2.

(a) Mining on this property has been conducted for the past several years under the management of Horn & Burger, and formerly also with Mr. W. L. Davenport as a co-partner. Referring to the enclosed Plate No. 2, the extent and location of work accomplished thus far on the main haulage level and the first sub-level below the haulage level is shown. Much ore has been produced from the lowest level shown to the top of the ore shoots, in some cases a slope distance of three-hundred feet or more. In this area the ore bodies consist of steeply dipping branches off the Wellington main vein farther to the east and are probably bounded by the Bullhide fault on the west. The veins encountered thus far have been generally productive to the depth of the present winze level. (approximately eighty feet below the haulage level)

Production facilities are relatively complete for small mine operation, consisting in part of:

Electrically driven air compressors, complete with receivers, pipe lines, etc.
Air powered rock drills. (stopers, drifters and sinkers).
Battery powered tram locomotive, cars, trackage, etc.
Electrically powered shaft hoist, self dumping skip, etc.
Ore sorting plant, shop, office, and other necessary surface facilities.

(b) Interest in the operation is as explained above.

(c) Production and settlements are on separate sheets.

(d) Ore reserves above our present horizon are not yet determined but are not expected to be large.

(e) The minerals involved in this proposed exploration project are zinc and lead, with by-products of silver, gold and copper. The ore occurs in fissure type veins which are in monzonite porphyry.

Horn & Burger
Breckenridge, Colo

Item No. 2

(f) The area which we wish to explore at greater depth has produced a large quanity of lead-zinc ore above the lowest present winze development. In the process of drifting along the various veins considerable ore of good size and grade has been left in the bottom. The ore in the adjacent Wellington, Orthodox and Great Northern veins has persisted to a much greater depth than the lowest present working, indicating the likelihood of additional quantities of ore available with greater depth.

The sampling and assaying of ore in place has been practically non-existant since the ore is very easily evaluated by inspection and because of having a practically continuous check from the mill return sheets.

(g) "Geology and ore deposits of the Breckenridge Mining District, Colorado" by T.S. Lovering is quite thorough in it's handling of the Wellington geology.

Item No. 3.

(a) Mr. Harold G. Horn or Mr. H. L. Burger, both residing in Breckenridge, Colo.

(b) Shipping and supply point is Breckenridge, Colorado. Mine is located about two and one-half miles east on well maintained county road.

Item No. 4.

(a) The purpose of the proposed project (see Plates 2 & 3) is the exploration at depth of the five or more veins which have proven value. To facilitate this exploration it is proposed to deepen the present winze one-hundred-fifty feet and the driving of a x-cut in the direction of the Wellington main vein for a distance of approximately four-hundred-seventy-five feet. To properly explore the anticipated ore bodies opened by the x-cut, drifting to the extent of possibly ~~200~~ two-hundred feet on each of the more promising veins would be indicated.

Diamond drilling is not considered feasible due to the steepness of the veins, the erratic manner in which the ore lenses occur and the vuggy and open nature of the ore bodies.

The present shaft depth is eighty-one feet, being four by eight feet in the clear and divided into two compartments, and having a rock section of approximately six by ten feet. It is located North sixty-eight degrees fifty-eight minutes West-four hundred-seventy-and four tenths feet of the east ¼ corner of section thirty-two. It is proposed to continue it on downward an additional one-hundred-fifty feet plus fifteen feet of sump. Stationing off at this depth a x-cut in a southerly direction will enable the cutting of all known veins to the south. Size of the x-cut to be five by seven inside timber, where timber is required.

Horn & Burger
Breckenridge, Colo

Item No. 4.

(a) Continued
Direction and extent of drifting can best be determined after opening up the several known veins to be encountered, however a reasonable amount of drifting should be undertaken due to the spotty nature of the ore shoots. Our experience with the ore deposits of the Wellington suggests a minimum of two-hundred feet of drifting on each vein showing sufficient promise.

(b) Access road not required.

(c) Work could well be underway within sixty days after approval and should be completed within twelve months. Anticipated average rate of sinking is one and one-half feet per shift, x-cutting five feet per shift and drifting and timbering where required, four feet per shift. Some phases being carried out simultaneously.

Item No.5.

Proposed work is to be under the direction supervision of Mr.Horn and Mr. Burger, both of whom have had many years of operation experience at the Wellington Mine and elsewhere.

Item No.6.

(a) None

(b) Schedule enclosed

(c) Schedule enclosed

(d) Schedule enclosed

(e) Schedule enclosed

(f) Schedule enclosed

(g) Schedule enclosed

Item No. 7.

(a) Horn & Burger are prepared to furnish their share of the cost of the proposed project in accordance with regulations on Government participation.

(b) Our fifty per cent share of the costs is to be by providing money and equipment owned by us.

Horn & Burger
Breckenridge, Colo
Eng. (Item No. 6-b)

Exploration Shaft- sinking personnel:

No.	Class	Rate	Per Shift	Per Foot *
1	Supervisor	$ 600.00 per mo.	$ 23.08	$ 15.39
2	Shaftmen	3.17 per hr.	54.94	36.63
1	Timberman	2.42 per hr.	20.97	13.98
1	Hoistman	2.27 per hr.	19.67	13.11
1	Trammer	2.27 per hr.	19.67	13.11
1	Mech & Elect.	2.50 per hr.	21.67	14.45
			$ 160.00	$ 106.67

*Based on an average of one and one-half feet per shift.

Exploration x-cut- personnel:

No.	Class	Rate	Per Shift	Per Foot*
1	Supervisor	$ 600.00 per mo.	$ 23.08	$ 4.62
1	Miner	2.42 per hr.	20.97	4.19
1	Mucking mch opr	2.42 per hr.	20.97	4.19
2	Trammers	2.27 per hr.	39.34	7.87
1	Track and pipe man	2.27 per hr.	19.67	3.93
1	Mech & Elect.	2.50 per hr.	21.67	4.33
			$ 145.70	$ 29.13

*Based on an average of five feet per shift.

Exploration drifts-- personnel:

No.	Class	Rate	Per Shift	Per Foot*
1	Supervisor	$ 600.00 per mo.	$ 23.08	$ 5.77
1	Miner	2.42 per hr.	20.97	5.24
1	Mucking mch opr.	2.42 per hr.	20.97	5.24
2	Trammers	2.27 per hr.	39.34	9.84
1	Track & pipe	2.27 per hr.	19.67	4.92
1	Mech & Elect.	2.50 per hr.	21.67	5.42
			$ 145.70	$ 36.43

*Based on an average of four feet per shift.

All the required technicians and employees are available.

Costs are high
Are many men

Horn & Burger
Breckenridge, Colo
Enc. (Item No. 6-e)

Operating Materials and supplies:

Electric Power

Compressor (air)---	150 H.P.	
Pumps (water)------	37.5	
Hoists(shaft)------	35	
Locomotive--------	5	
Miscellaneous------	5	
	232.5 H.P. est. cost per mo.	$ 465.00
Fuel (propane for heating) --		18.00
Power and fuel cost per month (26 shifts)--		$ 483.00
per shift------		18.58

Rock drill supplies

Drill steel and drill bits----------	$ 0.85 per ft.

Explosives and blasting supplies

Gelatin dyamite ----------	4.38 per ft.
Blasting caps ----------	1.58 per ft.
Blasting wire ----------	0.22 per ft.
Safety blasting switches ----------	0.18 per ft.
Loading sticks, etc. ----------	0.10 per ft.
	6.46 ?

Mucking tools and supplies --- including tool dressing

Shovels, round and square point----	
Drift picks ----------	
Scaling bars ----------	0.40 per ft.
Miscellaneous small hand tools etc.-----	0.20 per ft.
Fixed cost------	$ 7.91 per ft.

Shaft Materials and Supplies

Pipe lines

Air (compressed)	2in. ----------	$ 0.50 per ft.
Water (drilling)	½ in. ----------	0.18 per ft.
Pump (column)	2 in. ----------	0.50 per ft.
Ventilation	6 in. ----------	1.61 per ft.
Timber-cribbing, stulls, wedges, etc---		6.03 per ft.
Ladders ----------		0.40 per ft. ← OK
Guides ----------		0.42 per ft.
Hardware-- bolts, washers, lag-screws, etc-		0.11 per ft.
~~At rate of 1 ½ feet per shift---~~		$ 9.75 per ft.

At rate of 1 ½ feet per shift-

Labor------	$ 106.67 per ft. ?
Power-----	12.38 per ft.
Fixed cost--	7.91 per ft.
Total-------	$ 126.96 per ft.
	9.75 forgotten ?
	136.71

Horn & Burger,
Breckenridge, Colo
Eng. (Item No. 6-e)

Operating Materials and supplies, continued--

Cross-cuts and drifts

Pipe lines		
Air (compressed) -	2 in.	$ 0.50 per ft.
Water (drilling)	½ in.	0.18 per ft
Vent line	6 in.	1.61 per ft.
Trackage		
Rails	12 lbs. per yd.	0.64 per ft.
Hardware--fish plates, bolts, spikes, etc.-		0.14 per ft.
Cross-ties		0.16 per ft.
Mucking machine rental @ $150.00 per mo., average--		0.64 per ft.
	Materials----	3.87 per ft.

Cross-cutting at the rate of five feet per shift-

~~Labor--~~	~~36.~~
Labor ----	$ 29.13 per ft.
Fixed cost --	7.91 per ft.
Materials-	3.87 per ft.
Power ----	3.72 per ft.
Total ---	$ 44.63 per ft.

Drifting at the rate of four feet per shift--

Labor --	$ 36.43 per ft.
Fixed costs-	7.91 per ft.
Materials-	3.87 per ft.
Power --	4.65 per ft.
Total --	$ 52.86 per ft.

By combining the x-cutting and drifting operations, possible as soon as the x-cut has passed the first vein to be encountered, costs will be reduced about twenty percent, resulting as follows:

Cross-out --	$ 35.07 per ft.
Drift -	42.29 per ft.

Drift
136.71
9.59
146.30
8.23
$154.53

XC
35.07
Timber?
2.62
37.69
2.64

Dr
42.29
Timber?
3.27
45.56
2.64

Horn & Burger
Breckenridge, Colo
Enc. (Item No. 6-d)

Operating Equipment

Equipment to be provided bt applicant:

Joy two-stage liquid-cooled eight-hundred-twenty cu. ft. per min. displacement air compressor, direct connected to one-hundred-fifty H.P. synchronous motor-with all controls, etc. Value-- $ 7,500.00

(3) Atlas-Diesel pneumatic rock drills, jack-leg mounted for drifting and x-cutting and hand held for sinking Value each $700.00 Value --- 2,100.00

Colorado Iron Works geared shaft hoist, rope pull 33,000 Lbs. at 350 ft. per min. powered with 35 H.P. slip-ring motor with drum controller. Value--- $ 2,470.00

Self-dumping "Kimberly" type skip, 27 cu. ft. capacity with hood and safety dogs. Value--- $ 850.00

Atlas type J 1 ½ ton battery locomotive and charging equipment. Value--- $ 5,150.00 —?

(8) C.S. Card Iron Works 20 cu. ft. roller bearing tram cars- each $125.00 Value--- $ 1,000.00 —?

(8) Mixed-makes 16 cu. ft. roller bearing tram cars each $ 100.00 Value--- $ 800.00

(250) feet standard 4 in. pipe to service following de-watering pump, @ $ 1.56 per ft. Value--- $ 390.00

Equipment to be purchased:

"Reda" type 3J400 Submergible Pump delivering 500 GPM 180 ft. head, with electric cable and starter-Quotation $ 2,021.72 ?

Equipment to be rented:

Mucking machine to be rented: Value per month. $ 275.00 ?

19760.±
329.33/mo.
2.67±/ft.

Accounting omitted

Don O Burton
Breckenridge, Colo.
Eno. (Item No. 6-c)

Initial rehabilitation and repairs

Shaft hoist

(1) Replace motor and intermediate shaft pinions, Colorado Gear Company quotation— $ 98.00

(2) Install auxiliary brake as required by Colorado Bureau of Mines.— $ 150.00 ?

(3) Install additional length of wire rope, 600 feet 5/8 in. 6x19 plow steel— $ 55.00

Labor on above— $ 75.00

Air Compressor

(1) Extend depth of sealant pump 275 feet Pipe, rod and labor — $ 187.50

Item No. 6-f

Set installation of de-watering pump

Electric powerline 600 ft.
Pump column
Materials— $ 65.00
Labor— $ 150.00

Initial installation shaft:
Build and install cross-head and latch
Build and install safety door
Build and install bucket dumping mechanism
Materials $ 65.00
Labor $ 150.00

Horn & Burger
Breckenridge, Colo.
Inc. (Item No. 6-g)

Miscellaneous:

Anticipated Maintenance Expense:

Compressor, coolant pump, elct. switching gear etc.	$ 0.06 per ft
Rock drill repair and parts	0.45 " "
Hoist and motor repair and parts	0.05 " "
Locomotive- battery, wheels and controller	0.16 " "
Tram cars	0.12 " "
Lubricating oil (all equipment)	0.13 " "
	$ 0.97 " "

Payroll costs:

Shafts		
Colorado Workman's Compensation	9%	$ 3.99 per ft
Unemployment Compensation		3.20 " "
Social Security		2.40 " "
Cross-cut		
Colorado Workman's Compensation	9%	1.09 " "
Unemployment Compensation		0.87 " "
Social Security		0.66 " "
Drift		
Colorado Workman's Compensation	9%	1.36 " "
Unemployment Compensation		1.09 " "
Social Security		0.82 " "

Horn & Burger
Breckenridge, Colo.

Wellington Mine production from 1923

Concentrates produced (U. S. Bureau of Mines)

Year	Gold oz.	Silver oz.	Copper lbs.	Lead lbs.	Zinc lbs.
1923	814	53,705	--------	3,000,800	9,061,002
1924	----	--------	--------	---------	---------
1925	412	39,104	53,000	2,913,000	3,548,022
1926	419	29,281	--------	2,662,886	4,666,173
1927	86	8,071	--------	500,494	2,749,113
1928	408	30,517	41,650	1,544,785	4,946,901
1929	118	9,889	19,852	628,872	2,380,754
1948	54	3,220	369	198,714	374,256
1949	142	7,410	5,588	485,599	792,404
1950	268	10,740	1,142	688,479	1,019,212
1951	273	8,279	--------	497,118	846,283
1952	246	15,015	--------	1,046,389	1,489,228
1953	475	33,211	34,257	4,242,578	2,859,053
1954	320	31,041	38,035	2,072,246	2,812,039
1955	75	14,067	15,623	935,548	1,402,278
1956	346	19,859	33,568	1,143,400	1,789,958

The following calculated from settlement sheets:

1957	152	10,309	3,609	529,256	756,080

529,256 | 756,080 | 1.43

INT.-DUP. SEC., WASH., D.C. M30733

TO Mr. Rubin

Sol.

ON LOAN. MUST BE RETURNED TO INTERIOR LIBRARY.

DATE DUE 4/28/58

This is charged to you. It must not be transferred to another person or taken from the building.

Reverse slip in returning to the library.

MINING LEASE

THIS INDENTURE, Made in duplicate, effective January 1, 1955, by and between THE B & B MINES, INC., a Colorado corporation, hereinafter called First Party, and W. L. DAVENPORT, of Summit County, Colorado, hereinafter called Second Party.

WHEREAS, first party has leased for some years to second party a portion of the old Wellington Mine properties in Summit County, Colorado, and through the years said original lease has been extended and amended, and the parties have recently agreed on adding additional properties owned by first party, to said lease, at second party's request, which would ordinarily cause another amendment, and

WHEREAS, it is the desire of all parties to continue the relationship heretofore continuing for some years, but to have the entire agreement embodied in one written mining lease.

NOW, THEREFORE, WITNESSETH:

That the said first party for and in consideration of one dollar ($1.00) paid by second party to first party, the receipt of which is hereby acknowledged, and the rentals, royalties, covenants, hereinafter expressed, to be paid, kept and performed by said second party, has leased, let and demised, and by these presence does lease, let and demise for lode mining purposes only, for a term commencing on the effective date hereof and expiring on the 31st day of December, 1966, at 12:00 o'clock noon, the following described premises situated, lying and being in the Bevin Mining District, in the County of Summit, State of Colorado, to-wit:

Siam Lode, U. S. Survey 5798
Chief Lode, U. S. Survey 5798
Diamond Dick Lode, U. S. Survey 5798
Prize Box Lode, U. S. Survey 13499

Havana Lode, U. S. Survey 12069
Mono Lode, U. S. Survey 12069
Wyoming Lode, U. S. Survey 19166
Czar Lode, U. S. Survey 15108
Merry Gold Lode, U. S. Survey 15108
X-10-U-8 Lode, U. S. Survey 186
X-10-U-8 Lode, U. S. Survey 7615A
Silver Head Lode, U. S. Survey 3126
Colorado Lode, U. S. Survey 2995
Little Lissie Lode, U. S. Survey 3125

So much of the Wellington Lode, U.S. Survey 7343 as covers the fraction south of the Silver Head Lode, U. S. Survey 3126 and bounded by a southerly extension of the easterly end of the said Silver Head Lode to the northerly side of the above-mentioned X-10-U-8 No. 2.

So much of the Oro Lode, U. S. Survey 5798 as is necessary for operating that part which is the mouth of some of the workings and sufficient other ground in connection therewith for the convenient workings of the aforementioned premises.

TO HAVE AND TO HOLD, the same for the term and for the purposes aforesaid, only, unless this lease is terminated under any of the provisions herein contained, with full power to sell, assign, transfer or convey said lease in its entirety at any time upon written notice to first party; provided, however, that the assignee so named will have no power to sell, assign, transfer or convey said lease in its entirety to anyone other than the original lessee without the written consent of the lessor being first had and obtained, and provided further that the privilege herein granted to lessee to sell, assign or transfer may be exercised by lessee at any time during the term of the lease without limitation, and provided further that neither said original lessee or any assignee of any lessee hereunder may sublet the whole or any part of the leased premises without the written consent of the lessor first had and obtained.

And the second party for and in consideration of the leasing of said premises, covenants and agrees with the first party to commence work on said premises on or before

January 1, 1955, and thereafter to work the same continuously in a thorough and workmanlike manner, employing at least four men underground and working at least eighty shifts in each and every calendar month, to keep such portions thereof that are being worked by second party securely timbered and drained and clear of loose rock and rubbish, to keep accurate accounts and to render monthly statements to said first party, its agent or attorney, showing the amount and character of work done and to pay to first party, its agent or attorney, as rental of the property, royalties upon all ore and material of any and all kinds and descriptions taken and sold from the demised premises as follows:

5% of the net value up to $5.00 per ton;
7.5% of the net value of over $5.00 per ton and up to the net value of $10.00 per ton;
10% of the net value of over $10.00 per ton up to the net value of $15.00 per ton;
12.5% of the net value of over $15.00 per ton up to the net value of $20.00 per ton;
15% of the net value of over $20.00 per ton up to the net value of $25.00 per ton;
17.5% of the net value of over $25.00 per ton up to the net value of $30.00 per ton;
20% of the net value of over $30.00 per ton up to the net value of $35.00 per ton;
22.5% of the net value of over $35.00 per ton.

Products saleable to the United States Mint, a 20% royalty of the amount paid therefor.

And it is expressly understood and agreed by and between the parties hereto that the said first party reserves the property and right of propertyin and to all ores and concentrates produced from said premises during the term hereof, and that all settlements for said royalties shall be made upon the assayed value of the minerals in the dry ton of 2000 pounds of said ores, after deducting from the gross value of said ores and concentrates the actual cost of transportation by the most direct route and lowest charge and treatment charges, and the smelter, mill, sampling works or ore buyer

purchasing any such ores or concentrates shall retain the amount of the royalty and tax fund, herein stated, and shall pay the same to the first party at the time of each settlement for the ore or concentrates purchased.

It is further understood and agreed, by and between the parties hereto, that a fund to apply to the payment of taxes, will be set up in the hands of first party, by deducting from the net amount received for said products after royalty deductions, of two percent (2%) thereof. The amount so deducted to be paid to first party, at the same time and in the same manner as the royalty payments are made. Said fund will be used to fulfill the obligation of second party, which is hereby agreed to by second party, to pay any and all taxes, assessed upon the above-described parcels of land or premises, the improvements thereon, and the ores mined and shipped therefrom by the second party beginning with the taxes for the taxable year 1955, which will become due and payable on January 1, 1956, and thereafter including all taxes assessed during the year 1966 and payable January 1, 1967, and it is further understood and agreed that in case these tax deductions are in excess of the requirements to pay the taxes, the excess will be repaid by first party to second party. Likewise, in case the amount paid to first party is not sufficient to pay the taxes, the second party will, on or before said tax is due and payable, pay to first party an amount sufficient to make up the required amount.

And the second party furthermore covenants and agrees that the said first party, its agent or attorney, shall have right at any or all times to enter upon and descend into any and all parts of said premises, to inspect the same, make surveys thereof, and/or to take samples therefrom, and the said second party shall render to the representative of the first party all the assistance in his power in so doing;

and the second party furthermore covenants and agrees to occupy and hold all side veins, spurs, feeders, cross-lodes, parallel lodes, or mineral deposits of any kind, which may be discovered by the second party, or by any person working under him, in any manner by working within or from the aforesaid premises, as the property of the first party and as part of the premises demised, and to not allow any person not in privity with the parties hereto to take or hold possession of said premises, or any part thereof, under any pretense whatever.

All bills and expenses incurred by the second party, or those in privity with him, shall be promptly paid by second party, and by said prompt payment said second party shall prevent the filing of any and all liens of miners, mechanics or materialmen against said demised premises, and if by reason of the failure of second party to pay such bills or expenses, any lien or liens shall be filed against said premises, or if the second party shall become insolvent or bankrupt or make an assignment for the benefit of creditors, or if any part of the payroll, or other indebtedness incurred in connection with the operations of the second party shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the first party may forthwith pay off and discharge the same, and the said second party hereby agrees to pay to said first party any and all sums so advanced or paid to clear said premises from liens which may be filed as aforesaid, and the said first party may also at its election declare a forfeiture of this lease as hereinafter provided.

Said second party agrees to repair and replace all old timber upon the demised premises wherever it becomes necessary, wherever he may work thereon, and to well and sufficiently timber said mine and mining premises wherever proper and necessary in accordance with good and safe mining practices, where he may work thereon; to at all times keep

the drifts, shafts, tunnels and all other workings on the demised premises thoroughly drained and clear of loose rock and rubbish, wherever he may work thereon; to stow no waste underground without the written consent of the first party, and to properly care for all dumps and tailings, and prevent their accumulation upon any part of the demised premises remaining unworked, except as herein otherwise stated; to do no underhand stoping below the bottom of any working level or winze; to do no stoping or breaking of ore within twenty (20) feet of any working shaft; provided, however, that if ore occurs in a newly constructed shaft the said ore may be removed on the strike or in the vein if an additional bulkhead is erected not less than twenty (20) feet therefrom; to make all shafts at least four (4) feet by eight (8) feet in the clear, and all drifts and tunnels at least seven (7) feet high by five (5) feet wide in the clear, and all winses and raises at least four (4) feet by seven (7) feet in the clear; to keep true and accurate record showing all ore taken from said premises, and from which part thereof, the disposition thereof, the amount received therefrom, and a record of all assays of ore taken from said premises, together with complete maps of all development as the work progresses, and said account, records and maps shall be open to the inspection of the first party, or its agents, at all times during ordinary business hours, and the first party shall have the privilege of making extracts therefrom or copies thereof.

And second party further covenants and agrees that he will at all times during the term hereof keep conspicuously posted upon said premises, and at a place or places required by law, a notice, substantially as follows:

"NOTICE IS HEREBY GIVEN by the undersigned owner that it has given a lease to W. L. Davenport, of Summit County, Colorado, on the following described premises, situated, lying and being in the Davis Mining District, in the County of Summit, State of Colorado, to-wit:

(Said Notice shall include herein the identical description of the premises herein demised as appears on the first and second pages of this instrument.)

NOTICE IS ALSO HEREBY GIVEN that the undersigned owner, or the interest of said owner in said property leased as aforesaid will not be responsible or held liable for any claim or claims for performing labor or furnishing skill, materials, supplies, machinery or other fixtures, or for damage on account of the operation, working, preservation, prospecting or development of said property, or on account of the erection, construction, alteration, removal or repair of any structure or other improvements on said property by or for the said lessee, or by or for any other person or persons, and that the said property or the interest of said owner in said property will not be subject to any claim or claims of lien therefor.

Dated this day of ,1955.

THE B & B MINES, INC.

By_____
Richard Downing
Secretary and Treasurer
Owner and Lessor."

Provided, however, that this lease is made upon this express condition that this lease shall not take or remain in effect or give the second party any rights whatever, either with respect to possession or conduct of mining operations upon the premises herein described, until and unless the lessee shall first and continue to comply in all respects with the Workmen's Compensation Laws of the State of Colorado, as therein provided, and until second party shall first and continue to insure his liability under said law as thereby provided, and if in that or in any other respect second party shall fail to comply with the requirements of said law, that then and in that event, and thereupon and immediately upon the occurrence of such failure, this lease and all rights of the lessee hereunder shall automatically and without notice immediately end, and from then and thereafter said second party shall become and remain a trespasser upon the said demised premises so long as he so occupies the same and without right whatsoever thereto.

The second party agrees to cause or permit no timber standing on the premises hereby leased to be cut or injured in any way for any purpose; to cause or permit no buildings or structures of any kind to be erected or to remain upon said premises except such as are necessary for the actual working of the mine, or for hoisting, sorting or shipping of ores extracted therefrom, except insofar as authorized in writing by the first party, its agent or attorney, and to keep all buildings, machinery and improvements upon the leased premises in repair, and at the expiration, cancellation or forfeiture of this lease to return the same in as good condition as they are at the present time, ordinary wear and tear alone excepted.

The second party agrees to hold as the property of the first party all cross and parallel lodes, spurs or mineral deposits of every kind and nature that may be uncovered, disclosed or discovered on or within the demised premises by the second party, or by any person employed by, through or under the second party, or by any person in privity with such second party, with the privilege to the second party of working the same as part and parcel of the demised premises.

It is specifically understood and agreed that first party hereby reserves the right to use the Wellington cross-cut tunnel and the incline therefrom for the operation of property not included in this lease.

In addition to the properties hereinabove leased first party grants to second party the following additional rights and privileges: (1) the right to remove and sell the mine dumps as crude ore or concentrates as are on the demised premises and are now the property of first party; (2) the right to select an area upon the demised premises not to exceed five acres, upon which to erect a beneficiating

plant by the second party, the exact location to be approved by first party; (3) the right to use any and all buildings on the demised premises with the exception of the old Wellington mill building and the midway building, to materially alter and change the interior thereof without injury thereto, and the privilege to erect such buildings as may be required by mining operations on the premises upon the approval of first party; (4) the privilege to use any of the areas herein granted as a dumping ground for waste material, provided the dumps do not obstruct further mining operations of any sort, the exact area to be approved by first party; (5) the right to use any available water rights owned by first party which may be used by second party for his mining operations only, the right of second party to construct and maintain on first party's premises for his own use only, roads that do not interfer in any way with other operations, ditches for the conveyance of water, openings for the conveyance of air or water and electric transmission lines.

Second party, in addition to his actual mining operations, agrees at all times to do and perform a reasonable amount of development work.

In the event the second party fails or refuses to do any act required of him hereunder, or does any act not in compliance with the terms hereof, (other than failure to comply with the Workmen's Compensation Laws and the insurance provisions thereof) first party shall have the right and privilege to declare this lease forfeited by giving second party thirty (30) days' written notice of its intention so to do; provided, however, that second party may remedy any such matter or matters complained of within said 30-day period, and in any such event said notice shall have no force and effect, but if said matter or matters are not remedied during said period, then said lease shall terminate and become null and void and be of no further force and effect at the expiration of said 30-day period; and provided further that nothing herein shall relieve the second party of any obligation that may be due and owing by him to the first

party at the effective date of such forfeiture notice; and, provided, further, that any failure or neglect of first party in declaring any forfeiture shall not operate as a bar to a later or continuing ground for forfeiture or notice thereof. In the event that this lease becomes forfeited as aforesaid, or at the expiration of the term hereof, the second party covenants and agrees that it shall be lawful for said first party, its agent or attorney, to declare said term ended, and with or without process of law to enter upon and take possession of said premises, and in any such case said second party agrees to surrender, yield and deliver to said first party, quiet and peaceable possession of said premises in good condition, and that time shall be the essence hereof, and that all covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and lawful assigns of the respective parties hereto.

That title and the right to property in and to all machinery and equipment placed upon or used upon or in connection with the demised premises by the second party, exclusive of property of the first party now upon, or that may hereafter be loaned by first party to second party, shall be and remain in second party, and he shall have the right to remove the same at any and all times, provided, however, that in the event of a surrender or cancellation hereof for any cause, said machinery and equipment shall be removed from said premises by the second party within thirty (30) days therefrom, otherwise the same shall become the property of first party. The termination, forfeiture or cancellation of this lease or the surrender or the abandonment of the leased premises by the second party shall not relieve the second party from any obligation to the first party, arising from the provisions of the lease, incurred while said lease was in force and effect.

It is understood and agreed that by the acceptance hereof the parties hereto mutually release each other from any and all previous lease agreements covering a part or all of the herein demised premises.

It is mutually understood and agreed that upon adjustment of taxes as provided for in the indenture of December 13, 1949, between the same parties, and upon receipt of royalties of all ores shipped to the effective date of this lease, that all earlier and previous writings between the parties concerning or affecting the Siam Lode, U. S. Survey No. 5798, and other properties herein described, shall become null and void and have no further force and effect and that from and after January 1, 1955, except as herein expressly set forth the sole and only agreement between the parties concerning said property shall be the agreement contained herein.

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

THE B & B MI[illegible] INC.

By /s/ Frank L. Hockey
[illegible]

/s/ Richard [illegible]
First Party

/s/ W. L. Davenport
W. L. Davenport
Second Party and Lessee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 19 1958

DATE	INITIALS	CODE
12/19		220
12/22		215
12/23		500

December 16, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA-4986 (Lead-Zinc) Contract No. Idm-E1219, Harold George Horn and M. L. Burger (Wellington mine) Summit County, Colorado

Enclosed are the Government's and Audit's copies of the "Rescission of Exploration Project Contract," which were forwarded by your letter of November 18, 1958, for signature by the Operator.

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

J. W. Townsend

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 15 1958

DATE	INITIALS	CODE
12/15	C	220
12/15	[illegible]	800
12/15	[illegible]	500

224 New Customhouse
Denver 2, Colorado
December 12, 1958

CERTIFIED MAIL

Messrs. Harold George Horn and
M. L. Burger, Partners
Horn & Burger
P. O. Box 248
Breckenridge, Colorado

Re: Docket No. DMEA 4986 (Lead-Zinc)
Contract No. Idm-E1219
Harold George Horn & M.L. Burger
(Wellington mine)
Summit County, Colorado

Gentlemen:

Reference is made to our letters of November 21, 1958, and December 4, 1958, regarding the Government's, Audit, Finance Office and Field Team copies of a proposed "Recission of Exploration Project Contract" which were forwarded to you for signature of both partners, and prompt return to this office. To date the signed copies of the agreement have not been received.

Please sign and return all copies of the agreement to this office not later than December 19, 1958; otherwise the Government will take such action as is necessary to protect its interests in the matter.

Very truly yours,

Original signed H. M. Townsend
for J. W. TOWNSEND

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

JDC:ltm

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 9 1958

DATE	INITIALS	CODE
12/9	C	220
12/9	[illegible]	800
12/9	[illegible]	500

224 New Customhouse
Denver 2, Colorado
December 4, 1958

Messrs. Harold George Horn and
M. L. Burger, Partners
Horn & Burger
P. O. Box 248
Breckenridge, Colorado

Re: Docket No. DMEA 4986 (Lead-Zinc)
Contract Idm-E1219
Harold George Horn and M. L. Burger
(Wellington mine)
Summit County, Colorado

Gentlemen:

Reference is made to our letter of November 21, 1958, whereby we forwarded the Government's, Audit, Finance Office, and Field Team copies of a proposed Rescission Agreement to be signed by both partners and all copies promptly returned to this office. To date the signed copies of the agreement have not been received.

Please sign all copies of the agreement as indicated and return them to this office by return mail, upon receipt of which the 'Operator's copy' will be forwarded to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

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

OFFICIAL FILE COPY
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
11-24	C	220
11/24	KMJ	800
~~11-25~~	~~KEC~~	~~500~~
	J.	

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 21, 1958

Messrs. Harold George Horn and
M. L. Burger, Partners
Horn & Burger
P. O. Box 248
Breckenridge, Colorado

Re: Docket No. DMEA-4986 (Lead-Zinc)
Contract No. Idm-M1219,
Harold George Horn & M. L. Burger
Wellington Mine
Summit County, Colorado

Gentlemen:

Reference is made to your letter of October 30, 1958, wherein you request a sixty day extension of the date presently affixed on or before which work under the contract is to be commenced.

Your request has been carefully considered and we regret that it will not be possible to grant a further delay in starting the contract work. Therefore, enclosed are the Government's Audit, Finance Office and Field Team copies of a proposed agreement for the Rescission of Exploration Project Contract.

It will be appreciated if all copies of the proposed Rescission Agreement be signed by both partners, as indicated, and all copies promptly returned to this office, upon receipt of which the Operator's copy will be forwarded to you.

Rescinding of Contract Idm-M1219 will in no way prejudice an application for Government assistance under the program of the Office of Minerals Exploration, the successor Agency to DMEA, should you at a later date be in a position to finance the Operator's portion of the cost of performing the work.

Very truly yours,

Enclosures

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer
OME Field Team, Region III

JWT/ff

cc: Chmn. Op. Comm (2)
Harshman
Belser, OME/DFC } w/ copy of Chairman's letter of Nov. 18, 1958
Corres. File, Region III
Cooper
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/12	Klugescheid	500
	Dreamer	500
11-18	Chandler	800
11/18	GCS.	130
"	Johnson	110
		HB
		100
11/19	C	225
		500

500

NOV 18 1958

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

Re: Docket No. DMEA-4986 (Lead-Zinc)
Harold George Horn & M. L. Burger
Wellington Mine
Summit County, Colorado
Contract No. Idm-E1219

Dear Mr. Townsend:

We have received your memorandum, dated November 5, 1958, and the request of the Operator, dated October 30, 1958, for a further extension of 60 days for the starting date of the cited contract.

This request has been carefully considered, and we regret that it will not be possible to grant the further delay. The contract was made with the understanding that the Operator had the necessary funds to commence the work and this unfortunately is not the case.

We are enclosing the original and four copies of a "Recission of Exploration Project Contract" which has been signed by the Acting Director, for the Government. We are also enclosing two extra copies of the recission for the use of the Field Team.

Please present the recission agreement to the Operator for approval and signature and, when completed, distribute the copies in the usual manner.

With the signing of the agreement, the Operator will always be at liberty, in the future, to again apply for a loan from OME when the funds for doing the work become available. A further extension would not give any assurance that the work would really commence.

Sincerely yours,

George C. Selfridge (esf)
ACTING Chairman, Operating Committee
WPKlugescheid/er 11-12-58
Copy to: Docket
Dir. Read.File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures
APPROVED:

Richard H. Motel
Member, Bureau of Mines

N. E. Nelson (esf)
Member, Geological Survey

8623

OFFICIAL FILE COPY

Date	Surname	Code
	Klugescheid	

500

November 12, 1958

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Division of Base Metals

Subject: Preparation of a RECISSION OF EXPLORATION PROJECT CONTRACT for Docket No. DMEA-4986, Harold George Horn and M. L. Burger, Wellington Mine, Summit County, Colorado, Lead-Zinc, Contract No. Idm-E1219.

Will you kindly prepare a recission agreement for the cited contract. The effective date of the agreement will be October 30, 1958. This is the date given in Amendment No. 1.

W. R. Griswold

WPKlugescheid/er
Copy to: Docket
Dir Read File
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

November 5, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 7 1958

DATE		
11/7	C	220
		365
11/7	Dly.	500

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4986 (Lead & Zinc) Contract No. Idm-E1219, Horn & Burger Partners, (Wellington Mine) Summit County, Colorado

Enclosed are the original and one copy of the Operator's letter, dated October 30, 1958, requesting a sixty day further extension of the date fixed on or before which operations under the contract are to be commenced.

A sixty day extension of the starting date was granted by Amendment No. 1, concerning which you are referred to your teletype of August 29, 1958.

We still consider that the project has merit, and on that basis would favor the additional time extension requested; however, information has come to us that the Operator is attempting to dispose of its property rights because of inability to obtain financial backing with which to perform the work provided for in the contract. Since the Operator claimed to be in a position to finance its portion of the cost of the work, it seems that default is indicated and that any further extension of the starting date would; therefore, be a matter of OME policy.

It appears to us, since work has not been started, that should the Operator dispose of its interests in the property, that any new concern should be required to operate under provisions of the OME program which would preclude assignment of the contract as is.

The matter is forwarded for your consideration and appropriate action, with the recommendation that should you consider the sixty day extension allowable, that provisions be incorporated in the amendment you would prepare, to the effect that the contract be automatically rescinded if work is not started by the date fixed therefore.

When you have reviewed the matter, we will appreciate advice by teletype as to your decision so that the Operator can be informed accordingly.

J. W. Townsend

J. W. Townsend

Enclosure

October 30, 1958

U.S. Dept. of Interior
D.M.E.A.

Docket No. D.M.E.A. 4986 (lead & zinc)
Contract Idm-E1219
Horn & Burger
(Wellington Mine)
Summit County, Colorado

Dear Sir,

This letter is being written in regards to asking for another extension on our D.M.E.A. Contract loan, number above. We would like to have our D.M.E.A . Contract loan extended for 60 days or until January 2, 1959, if at all possible.

The reason for this request is that the 60 days we had was not enough time to raise the other neccessary monies.

Sincerely,
Harold Geo. Horn (Partner)
Horn & Burger
Breckenridge, Colorado

OME
DEPARTMENT OF THE INTERIOR
NOV 5 - 1958
SECTION [I]
DENVER, COLORADO

Docket Copy

September 16, 1958

Memorandum

To: Hazel Berry, Operating Committee

From: Irene Z. Mainster, Division of Base Metals

Subject: Clearance for Amendment No. 1

Docket No. IMEA-4986
Contract No. Idm-E1219
Harold George Horn and M. L. Burger

Mr. Klugescheid has reviewed and approved the above amendment, dated September 2, 1958, and has indicated that no further review by Legal is necessary.

Irene Z. Mainster

Irene Z. Mainster

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
September 10 1958

CENTRAL FILE COPY
DMEA
RECEIVED SEP 15

DATE	INITIALS	CODE
9-15	C	220
9/15	2/3	130
9-16	[illegible]	500

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4986 (Lead-Zinc), Contract No. Idm-E1219, Harold George Horn and M. L. Burger (Wellington mine), Summit County, Colorado

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract No. Idm-E1219, which was prepared in accordance with instructions contained in your letter of August 29, 1958 to extend the starting date from August 30, 1958 to October 30, 1958.

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

E. N. Harshman

E. N. Harshman

Enclosures

224 New Customhouse
Denver 2, Colorado
Sept. 3, 1958

9-8 C 220
9/8 800
~~9/8 Klag 500~~

Mr. Harold Geo. Horn, Partner
Horn & Burger
P. O. Box 248
Breckenridge, Colorado

Re: Docket No. DMEA 4986 (DMEA-Zinc)
Contract Idm-E1219
Harold George Horn & M. L. Burger
(Wellington mine)
Summit County, Colorado

Dear Mr. Horn:

In reference to your letter of August 19, 1958, and consistent with advice to you when you recently telephoned this office, enclosed are the Operator's, Government's, Audit, Finance Office, and Field Team copies of Amendment No. 1 to Contract Idm-E1219, which has been prepared to provide for a 60 day extension of the starting date.

In regard to the requested extension of the completion date, as the date presently fixed for the completion of the work is January 30, 1960, we see no reason for extending the completion date at this time. You may resubmit your request for extension at a later date if it appears that the work cannot be completed by the date presently provided.

If the amendment is satisfactory, all copies are to be signed by both partners as indicated, and all copies promptly returned to this office. Upon receipt of which, and after signature by a representative of the Government, the "Operator's Copy" will be returned to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman) w/copy of relative
Salsbury, DMEA/BFC) letter and teletype
Corres.file, Reg.) of 8/29/58 from Chmn.
III) Op. Comm.
Cooper
Chron

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Mr. ~~[illegible], Room [illegible]~~		
2. ~~DMEA Operating Committee~~		
3.		
4.		
5.		
FROM: George C. Selfridge		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: DMEA-4986. For Legal review.

Propriety of extension in view of DMEA program being liquidated and new program change requiring interest payments.

FROM SOLICITOR

AUG 28 1958

FOR SIGNATURE

RECEIVED

AUG 28 1958

ASSOC. SOLICITOR
MINERAL RESOURCES

INT.-DUP. SEC., WASH., D.C.

M25803

Legal review.
Propriety of extension in view of DMEA program being liquidated and new program change requiring interest payments
DMEA - 4986

8-28

Mr. Selfridge:
Legally there is no objection to granting the extensions if, properly justified.
Suggest you check with [illegible] 8/28/58
& let prospective go ahead.
Letter to General Counsel of Office of Committee Chairman Letter to Gen. Counsel
DMEA-4986

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/26	Klugescheid	500
8/26	ECS	130
	Long	140
	Vernon	140
8/29	App'd. Sci. Off	110
"		100
9/2	C	520
		500

AUG 29 1958

DEPT. OF THE INTERIOR

DMEA
14X4401(01) Revolving Fund
Defense Production Act,
Interior (Transfer to Office of
Secy.)

T E L E T Y P E

J. W. TOWNSEND
ALTERNATE ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION 3
224 NEW COURTHOUSE BUILDING
DENVER, COLORADO

REFERENCE AUGUST 20, DOCKET NO. DMEA 4986, HORN & BURGER, CONTRACT IDM-E 1219. AS STATED IN LETTER WHICH FOLLOWS, SUGGEST LIMITING TIME EXTENSION TO SIXTY DAYS.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (2/2)

WPKlugescheid/izm 8-26-58

cc: Admr.'s Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Confirmation Copy

8623

Form 7
(6)

OFFICIAL FILE COPY

Date	Surname	Code
8/25	Klugescheid	500
8/26	[illegible]	130
8/29	[illegible]	110
	[illegible]	100
	Long	140
	Vernon	142
9/2	App'd. Sol. Off.	220
		500

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

Re: Docket No. DMEA-4986 (Lead-Zinc)
Harold George Horn & M. L. Burger
Wellington Mine
Summit County, Colorado

AUG 26 1958

FOR SIGNATURE

Dear Mr. Townsend:

We are enclosing copies of a letter we have recently received from Horn & Burger requesting an extension of time for commencing the work on the cited contract.

There was only one copy of this letter sent to us and we would like to have your reaction to this request. From your letter to the Operator, dated August 13, 1958, we know that you have been in contact with the partners concerning this matter.

Should you deem it advisable to postpone the date of the commencement of the work for a reasonable period, it is within your delegated authority to make an amendment to this effect.

The reasons for postponing the beginning of work on the contract should be clearly set forth by the partners and should be convincingly supported, as you mentioned in your letter to them.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosure
APPROVED:

N. E. Nelson (NEN)
Member, Bureau of Mines

P. F. Yopes (PFY)
Member, Geological Survey

WPKlugescheid/izm 8-25-58
cc: Docket
Admr.'s Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

P.S. It is suggested that the time extension, if granted, be limited to sixty days.
Please disregard last paragraph.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
August 20, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 26 1958

DATE		CODE
8/26	C	220
		130
		500

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4986 (Lead-Zinc), Contract No. Idm-E1219, Horn & Bürger (Wellington mine), Summit County, Colorado

Enclosed are the original and one copy of the Operator's letter of August 19, 1958, requesting a ninety-day extension of the starting and completion dates under the contract.

It is recommended that the requested extensions be granted by preparation of a suitable amendment. Please teletype advice as to your decision in the matter.

J. W. Townsend

Enclosures

DMEA
DEPARTMENT OF THE INTERIOR

August 19, 1958

AUG 20 1958
REGION III
DENVER, COLORADO

U.S. Dept. of Interior
D.M.E.A.
Washington D.C.

Docket No. DMEA 4986 (lead&Zinc)
Contract Edm-E1219
Horn & Burger
(Wellington Mine)
Summit County, Colorado

Dear Sir,

In regards to a letter we sent to you on Aug. 14, 1958, asking for an extension of the D.M.E.A. Contract Loan, number above, we did not send the required number of copies or give a specific reason why we would like to have an extension. So we are submitting this letter inplace of the Aug. 14th letter, with the neccessary original and five (5) copies and the specific reason.

We would like to have a 90 day extension on our starting date and also a 90 day extension on the final date, the reason is that the U.S. Smelting & Refining Co. were going to help finance our exploration loan and due to the drop in and uncertain metal prices, they have refused to loan us the money at the present time, so they informed us a few days ago. So in that event we have to make other arrangements.

Also if we start at a later date it will be more beneficial, as the water drops to a lower level and we have less water to contend with during the winter months, so the pumping cost would be less. The winter snows do not interfer with our working operations during the winter months.

Sincerely,
Harold Geo. Horn.
Horn & Burger
Breckenridge, Colorado

August 14, 1958

U. S. Dept. of Interior
D.M.E.A.
Dear Sir,

In regards to D.M.E.A. Contract No. ldm-E1219. Docket No. D.M.E.A. 4986- (Lead & Zinc), as the way things stand at the present time, we are short of time in getting prepared to start our operation at the Wellington Mine by August 30, 1958.

We would appreciate an extension of 60 or 90 days on this D.M.E.A . Contract.

Thanking you

Sincerely,

Harold Geo. Horn - Partner

Horn & Burger
Breckenridge, Colo
Box 248

ORIGINAL FILE COPY
DMEA
RECEIVED 18 1958
DATE CODE

8/18	H. G.	225
		130
		500

DMEA
1958
CODE
8/15 H.G. 225
5/15 800
500

284 New Customhouse
Denver 2, Colorado
August 13, 1958

Mr. Harold George Horn
Horn & Burger
P. O. Box 248
Breckenridge, Colorado

Re: Docket No. DMEA 4986 (Lead-Zinc)
Contract Ida-X1219
Horn & Burger
(Wellington mine)
Summit County, Colorado

Dear Mr. Horn:

On August 5, 1958, you informed a DMEA field representative that you may be unable to start work under the subject contract on or before August 30, 1958, the date fixed in Article 3 of the Contract form.

If the work cannot be started by the above date and if you plan to start at a later date, you should immediately submit to this office for consideration by the Government, the original and five copies of a request for an amendment to the contract to provide for extension of the starting date from August 30, 1958, to a specific date in the future on or before which you will be able to commence work under the contract.

In order to obtain favorable consideration by the Government, the request must be strongly and convincingly supported as to the reasons why the work could not be started on or before the date originally specified in the contract.

Very truly yours,
Original sig.
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman) w/copy of relative
DMEA/DFC (Salsbury)) memo of 8/7/58 by
Corres.file,Reg.III) M. H. Salsbury
Cooper
Chron

DMEA
DEPARTMENT OF THE INTERIOR

AUG 8 - 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 7, 1958

Memorandum

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

From: M. H. Salsbury

Subject: Docket No. DMEA 4986 (Lead-zinc) Contract Idm-K1219, Horn and Burger (Wellington mine) Summit County, Colo.

The operators of the subject project were contacted on August 5, 1958 by a DMEA inspector while in the area on other business.

Project work has not been started. The contract provides that work is to be started on or before August 30, 1958. The operators state that they have encountered financial difficulties, prospective backer having withdrawn. At the present time they are doubtful about being able to start operations by August 30, 1958. They were advised by the DMEA inspector that, if an extension of the starting date is to be requested, the request should be made as quickly as possible so that it could be referred to the DMEA Washington office for action. They were also advised that an extension would not necessarily be granted.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

MHS/mw
cc: 6
Idm-K1219
chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
June 27, 1958

DMEA
RECEIVED JUN 30 1958

DATE		
6/30	C	220
6/30		215
6/30		500

Memofandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4986 (Lead-Zinc), Contract No. Idm-E1219, Horn & Burger (Wellington mine), Summit County, Colorado

Enclosed are the Government's and Audit copies of executed contract No. Idm-E1219, which was forwarded by your letter of June 23, 1958 for signature by the Operators.

Also enclosed are two copies of a letter from this office, dated June 27, 1958, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, instructions relative to reporting on work performed under the contract, and procedures to be followed in communicating with this office in all matters pertaining to the contract.

The contract, dated June 23, 1958, provides for exploration work estimated to cost $75,600.00, toward which the Government will contribute 50 percent, or not in excess of $37,800.00.

Copies of the contract have been distributed to the Finance Office and others concerned in Region III.

J. W. Townsend

J. W. Townsend

Enclosures

W.C.

Original Copy

224 New Customhouse
Denver 2, Colorado

JUN 27 1958

Messrs. Harold George Horn
and M. L. Burger, Partners
Horn & Burger
P. O. Box 248
Breckenridge, Colorado

Re: Docket No. DMEA 4986 (Lead-Zinc)
Contract No. Idm-E1219
Horn & Burger
(Wellington mine)
Summit County, Colorado

Gentlemen:

Enclosed is the "Operator's Copy" of Exploration Project Contract No. Idm-E1219, Docket No. DMEA 4986.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch, showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be sent you each month on receipt of your report for the prior month.

For your information, and in reply to many questions that have been asked, after Forms NF-104 and NF-104A are received, an engineer will check progress on the project and review your accounts, after which the report forms will be forwarded to this office for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

The contract is prepared on form NF-200, and as outlined in Exhibit "A" attached to the contract, the estimated allowable costs are broken down into categories which conform to the numbered "Categories" in Article 6 of the contract form and also conform to the numbered item for reporting on Form NF-104. Please refer to Article 6 of the contract form, which may be further qualified by special notations in Exhibit "A", for information as to which unit costs and extended total amounts are "allowable maximums" to which the Government will contribute its share as provided for in the contract. For further information relative to documentation of costs, please refer to instructions on the reverse side of Form NF-104. Also, please refer to the instructions on the reverse side of Form NF-104A regarding preparation of that form.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are <u>not</u> to be incorporated in your narrative report accompanying monthly progress report Forms NF-104 and NF-104A.

The location of the work to be performed under Stage I is indicated on the map, "Figure 2," attached to the contract. Should conditions encountered necessitate any appreciable change in the location or direction of any of the work, approval of this office for the change must be obtained prior to performance of the work. Otherwise, the work may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, or sufficiently so to permit evaluation of results of the work, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in duplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising results of the work.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

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

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

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
ERDA Field Team, Region III

Enclosures

JWT:prl

cc: Chem. Op. Comm. (2)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
ERDA/DPC(Salsbury)
Corres. file
Townsend
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/23	Klugescheid	500
	Frame	500
6/23	Talbut	800
6/23	[illegible]	130
"	Johnson	110
"	Townsend	100
6/24	[illegible]	220
		500

500

B

JUN 23 1958

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

Re: Docket No. DMEA-4986 (Lead-Zinc)
Harold George Horn & M. L. Burger
Wellington Mine
Summit County, Colorado

Dear Mr. Townsend:

With reference to your memorandum of May 16, 1958, we are enclosing the original and four copies of a proposed long-form contract for the cited project, signed by the Administrator, for the Government. It consists of the form (MF-200), Annex I (one page), Consent to Lien and Subordination Agreement (two pages), Exhibit "A" (eight pages), and one map. We are also enclosing two extra copies of Annex I, Exhibit "A", and the map for the use of the Field Team.

The costs have been revised to some extent and due to lack of time available, we did not take the matter up with your office.

If the proposed contract meets with your approval, kindly present it to the Applicant for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the contract is not satisfactory, and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

In order to become effective, the contract must be signed prior to midnight of June 30, 1958. If the contract is mailed to the Applicant, it must be signed and post marked by midnight of June 30, 1958.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SLB)

Enclosures
APPROVED:

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

Thor H. Kiilsgaard (SLB)
Member, Geological Survey

WPKlugescheid/er 6/23/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

Memorandum for the Files

From: W. P. Klugescheid

Subject: Changes in costs from those submitted by the examining team, Docket No. DMEA-4986, Horn & Burger, Wellington Mine, Summit County, Colorado.

Sinking of Winze

Assuming a 5-day week with overtime paid for the sixth day. To allow for the sixth day's overtime we are allowing 8.67 hours work time per day. Assume 2 feet of advance per day or 165/2:: 83 days.

Labor

2--shaftmen @ $2.50 per hour for 8.67 hrs.	$ 43.33
1--Timberman @ $2.40/hr. ditto	20.80
1--Hoistman, Mechanic, Electrician @ $2.50/hr.	21.67
1--Trammer @ $2.27/hr.	19.67
	$105.47/day

Total Cost of 83 shifts :: 83 x 105.47 :: $ 8,754.01

Supervision and Technical Services

1--Supervisor 3.2 months @ $600.00/month $ 1,920.00

Labor and Supervision

Labor	$ 8,754.01
Supervision	1,920.00
	$10,674.01

Operating Materials and Supplies

Timber, cribbing, bearers, stulls and wedges (equivalent to 14,000 bd.ft. @ $70.00/M)	$ 990.00
Ladders @ $0.20/ft. or $2.40 per ladder	33.00
Guides	66.00
Hardware	18.15
Total Timber (cost per ft. $6.71)	$ 1,107.15

Explosives

Assume a 24 hole round and about 6 sticks per hole. :: 144 sticks or 1.3 to 1.4 cases per round. $12.50 per case of 50#.

165'/5 :: 33 rounds. then 33 x 1.3 x 12.50	:: say	$ 500.00
Electric Blasting Caps		165.00
Blasting Wire		16.50
Tamping Sticks		3.30
2 Safety Switches		29.70
		$ 714.50

Say $ 715.00 or $ 4.33/ft.

Pipe

2"-air line--165' @ $0.50/ft.	:: $ 82.50	@ 50% salvage	$ 41.25
?--water line--165' @ $0.18/ft.	29.70	ditto	14.85
2" pump column--165' @ $0.50/ft	82.50	ditto	41.25
10" ventilation pipe--165' @ $1.61/ft.	265.65	ditto	132.82
250'--5/8" Hoist Cable @ $0.38/ft.	95.00	ditto	47.50
Total (cost per foot with salvage $1.68/ft.)			$ 277.67

Drill Steel

165' @ $0.80 per foot	$ 132.00
Shovels etc.	99.00
Total	$ 231.00

Electric Power

228 x 746 :: 170,000 watts. 1,360 @ $0.03 :: $ 40.80/day.
170 KW x 8 :: 1,360 K.W.Hrs. at full load assuming 228 H. P.

$ 465/26 :: $ 17.88/day
17.88/40.80 :: 44% full load for 8 hours.

$ 465.00/month x 3.2 months ::	$1,488.00
Lubricants	16.50
Cost of Electric Power (cost per foot $9.12)	$ 1,504.50

Operating Equipment

Compressor	3.2 months @ $ 125.00/month	$ 400.00
2 Rock Drills	3.2 months @ $ 23.33/month	74.66
1 Hoist	3.2 months @ $ 41.17/month	131.74
1 Skip	3.2 months @ $ 14.17/month	45.34
1 Battery Loco.	3.2 months @ $ 85.83/month	274.66
8 Mine Cars	3.2 months @ $ 16.67/month	53.34
Total Equipment Depreciation		$ 979.74

Purchase of 1 pump :: $ 2,021.72 & 1 fan :: $ 300.00
2,321.72 @ 50% salvage @: $ 1,160.86

Repairs to Equipment $ 138.60

Taxes Etc.

Colorado Workman's Compensation	$10,674 x 0.03743	::	$ 399.52
Unemployment Compensation	10,674 x 0.03	::	320.22
Social Security	10,674 x 0.0225	::	240.16
Total			$ 959.90

Summary for 165 foot depth of shaft.

Labor and Supervision	$ 10,674.01
Operating Materials & Supplies	
Explosives	715.00
Timber etc.	1,107.15
Pipe, Cable and Vent. Pipe	277.67
Drill Steel and Tools	231.00
Power	1,504.50
Equipment Depreciation	979.74
Equipment Purchased	1,160.86
Equipment Repairs	138.60
Taxes etc.	959.90
Total Cost	$ 17,748.43
Cost per foot	$ 107.57

Cost of Item 1, Stage I of contract
Initial Rehabilitation and Repairs $690.50 @ 50% salvage $ 345.00

Cost of Item 2, Stage I of contract
New Buildings, Fixtures & Install. $165.00 @ 50% salvage $ 83.00

Cost of Crosscutting

350' assumed @ 5' advance per day, 6 days a week, single shift. Work would be completed in 70 working days. The total cost includes such timber work as may be necessary which is not expected to be very much.

Labor and Supervision

Labor

1 miner @ $2.42/hour and 8.67 hours per day to include overtime on the sixth day	$ 20.97
1 Mucking machine operator @ $2.42/hr.	20.97
2 Trammers @ $2.27/hr.	39.34
1 Hoistman, Mechanic, Electrician @ $2.50/hr.	21.67
Total Labor Cost per day.	$ 102.95
$ 102.95 for 70 days	$ 7,206.50

Supervision and Technical

1 Supervisor 2.7 months @ $600.00/month	$ 1,620.00
Total Labor and Supervision	$ 8,826.50

Operating Materials & Supplies

Assume an 18 hole round @ 6 sticks per hole :: 108 sticks/round or 1--50# case per round. For work will need 70 cases of explosive.

Explosive 70 cases @ $12.50 each	$ 875.00
Electric Blasting Caps	350.00
Blasting Wire	35.00
Tamping Sticks	7.00
Total	$ 1,267.00

Cost per foot for Explosives $ 3.62

Pipe

2" air line--350' @ $0.50/ft.	$ 175.00	@ 50% salvage	$ 87.50
? water line--350' @ $0.18/ft.	63.00	ditto	31.50
10" ventilation pipe @ $1.00/ft.	350.00	ditto	175.00
			$ 294.00

Track

2,800#--12# rail @ $0.08:: $224.00 @ 50% salvage	$ 112.00
Bolts etc @ 22% of rail cost 49.00 Ditto	24.50
Track Ties @ full value @ $0.32 each - 2' spacing	56.00
(329.00 / 350 :: $ 0.94/foot)	$ 192.50

Drill Steel

assumed as $0.85/foot	$ 297.50

Miscellaneous Tools	$ 210.00

Power

$ 465.00/month for 2.7 months	$ 1,255.50
Lubricants	35.00
Total Power	$ 1,290.50

Equipment Depreciation

Compressor--$ 125.00/month for 2.7 months	$ 337.50
3-Rock drills and Jacklegs @ $ 35.00/months for 2.7mos.	94.50
1-self-dumping skip--2.7 months @ $ 14.17/month	38.25
Hoist--2.7 months @ $ 41.17/month	111.15
Battery Locomotive--2.7 months @ $ 85.83/month	231.74
8--mine cars--Haulage Level--2.7 months @ $ 16.67/month	45.00
4--16 cu.ft. cars--Sub-level--2.7 months @ $ 6.67/month	18.00
Total Depreciation	$ 876.14

Equipment Rental

1--Mucking Machine--2.7 months @ $ 275.00/month	$ 742.50

Miscellaneous--Repairs to Equipment	$ 294.00

Taxes, Insurance, etc.

Colorado Workman's Compensation	$ 8,826.50 x 0.03743	$ 330.38
Unemployment Compensation	$ 8,826.50 x 0.03 ::	264.79
Social Security	$ 8,826.50 x 0.0225 ::	198.60
		$ 793.77

SUMMARY --- CROSSCUTTING

Labor and Supervision	$ 8,826.50
Operating Materials and Supplies	
Explosives	1,267.00
Pipe	294.00
Track	192.50
Drill Steel	297.50
Tools	210.00
Power	1,290.50
Equipment Depreciation	876.14
Equipment Rental	742.50
Repairs to Equipment	294.00
Taxes, Insurance, etc.	793.77
Total Cost of Crosscutting	$ 15,084.41

15,084.41 / 350' :: $ 43.10/ft. ?

Cost of Drifting

500 feet of drifting in Stage I and we will assume an advance of 6 feet per shift and one shift a day. 500/6 :: 83 days.

Labor

1--miner @ $ 2.42/hr. x 8.67 hrs.	$ 20.97
1--mucking machine Operator @ $2.42 x 8.67	20.97
? 2--Trammers @ $ 2.27 x 2 x 8.67	39.34
1--Hoistman, Mechanic, Elect.--2.50 x 8.67	21.67
	$ 102.95
Total Labor Cost--$ 102.95 x 83 days	$ 8,544.85

Supervision and Technical

1 Supervisor 3.2 months @ $600.00/month	$ 1,920.00
Total Labor and Supervision	$10,464.85

Operating Materials and Supplies

Explosives

	Dynamite	$ 1,500.00
	Blasting Caps	50.00
	Fuse	120.00
	Tamping Sticks etc.	50.00
500' @ $3.44/foot.	Total	$ 1,720.00

Pipe

2"-airline--500' @ $0.50/ft.	::	$ 250.00 @ 50% salvage	$ 125.00
? water line--500' @ $0.18/ft.	::	90.00 ditto	45.00
10" Ventilation Pipe--500' @ $1.00/ft.		500.00 ditto	250.00
Total Pipe			$ 420.00

Track

4,000#--12# rail @ $0.08/lb.	::	$ 320.00 @ 50% salvage	$ 160.00
Bolts etc.		70.00 ditto	35.00
Ties--250 @ $ 0.32 each		no salvage	80.00
Total Track			$ 275.00

Drill Steel

500' @ $ 0.85/foot driving	$ 425.00
Small Tools	100.00
	$ 525.00

Power

$ 465.00/month for 3.2 months	$ 1,488.00
Lubricants	45.00
Total Power	$ 1,533.00

Equipment Depreciation

Compressor--3.2 months @ $ 125.00/month	$ 400.00
3-rock drills & jacklegs-3.2 mos. @ $35.00/mo.	112.00
1- Hoist--3.2 months @ $41.17/month	131.74
1--Skip--3.2 months @ $ 14.17/month	45.34
1-battery Loco.--3.2 months @ $ 85.83/month	274.65
8-20 cu.ft. mine cars--3.2 months @ $ 16.67/month	53.34
8-16 cu.ft. mine cars--3.2 months @ $ 13.33/month	42.66
Total Depreciation	$ 1059.73
Correction-deduct 3.2 months @ $ 6.67/month	21.34
Corrected Total	$ 1,038.39

Equipment Rental

1--mucking machine--3.2 months @ $ 275.00/month	$ 880.00

Equipment Repairs $ 360.00

Payroll Taxes etc.

Colorado Workman's Compensation--$ 10,464.85 x 0.03743 ::	$ 391.70
Unemployment Compensation--$ 10,464.85 x 0.03 ::	313.94
Social Security -- $ 10,464.85 x 0.0225 ::	235.46
Total Taxes etc.	$ 941.10

SUMMARY DRIFTING

Labor and Supervision	$ 10,464.85
Operating Materials and Supplies	
Explosives	1,720.00
Pipe	420.00
Track	275.00
Drill Steel--Small Tools	525.00
Power	1,533.00
Equipment Depreciation	1,059.73
Equipment Rental	880.00
Equipment Repairs	360.00
Payroll Taxes etc.	941.10
Total Cost of Drifting	$ 18,178.68
Less Correction	21.34
Corrected Total	$ 18,157.34

$ 18,157.34 / 500 :: $ 36.32/foot. Cost of Drifting.

Samples

50 samples @ $ 5.00 each $ 250.00

RECALCULATION OF DRIFTING AND CROSSCUTTING--STAGE I.

Calculated time for the work was 3.2 plus 2.7 months or 5.9 months. We will use 6 months in the calculation. Difference is very small.

Labor and Supervision

Labor

Crosscutting	$ 7,206.50
Drifting	8,544.85
Total for 850'	$15,751.35
Say	$15,750.00

Supervision

1 Supervisor 6 months @ $600.00/month	$ 3,600.00

Operating Materials and Supplies

Crosscutting	$ 3,551.50
Drifting	4,473.00
Total for 850'	$ 8,024.50
Say	$ 8,025.00

Equipment Rental

1-Eimco 12B air operated mucking machine 6 months @ $ 275.00/month	$ 1,650.00

Equipment Depreciation

1-Joy 820 c.f.m. compressor-6 months @ $ 125.00/month$	750.00		
3-Rock drills with Jacklegs-6 months @ $35.00/month	210.00		
1-35 H.P. geared Hoist--6 months @ $ 41.17/month	247.00	really	.02
1-27 cu.ft. Kimberly Skip--6 months @ $ 14.17/month	85.00	"	.02
1-One half tons Loco and charger-6 mos.@ $85.83/month	515.00	"	514.98
8-20 cu.ft. roller bearing mine cars for main haulage level--6 months @ $ 16.67/month	100.00	"	.02
4-16 cu.ft. mine cars for the sub-level 6 months @ $ 6.67/month	40.00	"	.02
Total Depreciation	$ 1,947.00	really	.06

Taxes, Insurance, etc.

Equipment Repairs--Crosscutting	$ 294.00	Taxes etc. Crosscutting	$ 793.77
Drifting	360.00	Drifting	941.10
Totals	$ 654.00		$1,740.26

SUMMARY--AVERAGE COST OF DRIFTING AND CROSSCUTTING

Labor	$ 15,750.00
Supervision	3,600.00
Operating Materials & Supplies	8,025.00
Equipment Rental	1,650.00
Equipment Depreciation	1,947.00
Equipment Repairs	654.00
Taxes, etc.	1,740.00
Total Cost of Drifting and Crosscutt.	$ 33,366.00

33,366 / 850 :: $ 39.25/foot.

COST OF DRIFTING AND/OR CROSSCUTTING--STAGE II.

Classification	Cost of 850 Feet Drift. & Crosscut.	Cost/foot	Cost of 600 Feet Drift. & Crosscut.
Supervision	$ 3,600.00	$ 4.235	$ 2,541.00
Labor	15,750.00	18.529	11,117.40
Equipment Rental	1,650.00	1.941	1,164.60
Equipment Deprec.	1,947.00	2.291	1,374.60
Equipment Repairs	654.00	0.769	461.40
Materials & Supplies	8,025.00	9.441	5,664.60
Taxes etc.	1,740.00	2.047	1,228.20
Totals	$ 33,366.00	$ 39.253	$ 23,551.80

DETAILS

Supervision

1 Supervisor 4.25 months @ $ 600.00/month :: $ 2,550.00

Labor $ 11,120.00

Operating Materials and Supplies $ 5,665.00

Equipment Rental

1-Eimco 12B mucking machine-4.25 months @ $275/month $ 1,168.75

Equipment Depreciation

1-Compressor--4.25 months @ $ 125.00/month	$ 531.25
3-Rock drills -4.25 months @ $ 35.00/month	148.75
1-Hoist--4.25 months @ $ 41.17/month	174.97
1-Kimberly type skip-4.a5 months @ $ 14.17/month	60.22
1-Battery locomotive-4.25 months @ $ 85.83/month	364.78
8-Roller bearing cars-4.25 months @ $ 16.67/month	70.85
4-Mine cars--4.25 months @ $ 6.67/month	28.35
Total Depreciation	$ 1,379.17

Taxes, Insurance, Repairs, etc.	$ 1,672.00

SUMMARY OF STAGE II.

Supervision	$ 2,550.00
Labor	11,120.00
Operating Materials & Supplies	5,665.00
Equipment Rental	1,168.75
Equipment Depreciation	1,379.17
Taxes, Insurance, Repairs, etc.	1,672.00
Cost of Drifting and Crosscutting--Stage II	$ 23,554.92
50 samples to be assayed @ $ 5.00/each	250.00
Total Cost of Stage II.	$ 23,804.92

DMEA Form 7
(12-56)

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Date	Surname	Code
	Klugechard	

June 16, 1958

Memorandum

To: Associate Solicitor, Division of Minerals Resources

From: Director, Division of Base Metals

Subject: Preparation of Contract for Docket No. DMEA-4986, Harold George Horn and M. L. Burger, Wellington Mine, Summit County, Colorado.

Will you kindly prepare a long-form contract for the cited project. A draft of the contract, Annex I, Annex II, Exhibit "A", and copies of Consent to Lien and Subordination Agreement, and the map are attached to this memorandum.

W. R. Griswold

W. R. Griswold

8623

Chairman, DMEA

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6/13	N. G.	225
6/13	Klug	500

DN 235 BUR MINES 6-3-58 8-47

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT 5-28-58, DOCKET DMEA 4986 - HAROLD G HORN AND M L BURGER
BOTTOMING OF ORE CONSIDERABLY BELOW PRESENT LEVEL MENTI~~ONED IN~~
~~EX~~AMINATION REPORT REFE
EXAMINATION REPORT REFERRED TO MAIN VEIN. VEINS TO BE EXPLORED THIS
PROJECT ARE SPLITS FROM MAIN VEIN AND MAY BOTTOM AT SHALL~~OWER DEPTHS.~~
WE RECOGNIZE DEVELOPMENT ASPECTS OF RECOMMENDED PROJECT, BUT APPLICANT
CANNOT FINANCE MORE EXTENSIVE SINKING.

NO ORE REMAINS ABOVE SUB-LEVEL. SUB-LEVEL PRODUCTION ABOUT 40,000 TONS,
AVERAGING ABOUT 7 PERCENT LEAD, 13 PERCENT ZINC, 1/2 PERCENT COPPER,
1/2 OUNCE SILVER, 0.1 OUNCE GOLD, ORE SHOOTS 50-200 FEET STRIKE LENGTH,
MINED 200-300 FEET ON DIP AND ARE STILL PRESENT IN FLOOR OF SUB-LEVEL.

NO PRODUCTION NOW OR ANTICIPATED DURING PERIOD OF EXPLORATION.

J W TOWNSEND

Denver, Colo.

JUN 3 12 45 PM '58
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

000 - tons

140
.8
112.0

Pb.
112
.125
560
224
112
$14.000/ton

260
.8
208.0
200#/ton.

Zn
200
.1
$20.00/ton

10
.24
2.40
.8
1.920

Cu
$1.90/ton

.5
.8
$0.40/ton

35
.1
$3.50/ton.

Pb.	$14.00
Zn	20.00
Cu	1.90
Ag.	0.40
Au.	3.50
	$39.80
	40,000
	$1,592,000.0

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

DMEA
RECEIVED 3 1958

6 3 C 220
500

June 2, 1958

Re: DMEA 4986; Lead-Zinc
$83,546
Horn & Burger
Partnership
Wellington Mine
Summit County, Colo.

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM

Subject: Review of field examiners report

A field examination has been made of the Wellington mine area in response to an application by the Horn & Burger partnership for assistance to explore the downdip extensions of a vein system sub-parallel to the Wellington vein.

The examiners conclude the geologic probability of a significant ore strike warrants a program of deepening the winze 165 feet below the first sub-level, crosscutting 350 feet S 25 E to intersect the Wellington vein system, and drifting 500 feet on the vein structures. A second stage of the project would provide for an additional 600 feet of crosscutting and drifting contingent upon the success of Stage I work.

The field examiners state their conclusions and recommendations are based on geologic probability, but they have not transmitted evidence for their conclusions. The report contains an excellent general geology section that gives a general evaluation of the district, but no specific information to justify this specific project.

I recommend the report be returned to the field with a request for specific information.

O. M. Bishop

O. M. Bishop

Copy to Division of Minerals
Branch of Base
Metals (2)
Mr. Lamb
Mr. Kiilsgaard
FILES

DMEA Form 7
(12-56)

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Date	Surname	Code
5/28	Klugescheid	500
	[illegible]	500
5/28	[illegible]	130
5/28	Lamb	130
5/28	Kiilsgaard	130
"	Johnson	110
"	Matthews	100
5/29	[illegible]	220
		500

MAY 28 1958

WPKlugescheid/er Rm 4444, Ext. 2690

DMEA - Division of Base Metals

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

TELETYPE

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Date:

To: Mr. S. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, Denver, Colorado

Re Docket DMEA-4986, Harold G. Horn and M. L. Burger. If ore bottoms considerably below proposed exploration level, why only 150 feet of effective sinking which places project in development classification?

Ore grade data from Sub-level very indefinite; not an average. Give ore produced and possible reserve with grade remaining on first sub-level, approximate length of ore shoots.

Would production and project work be carried on during the same shift, thus having labor costs overlapping? Give present daily production.

WPKlugescheid/er 5/28/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Confirmation Copy
Chron.

George C. Selfridge
Chairman, Operating Committee

8623

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5/27 | H.G. | 220
5/27 | | 500

IN REPLY REFER TO:

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

Memorandum

May 23, 1958

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4986 (lead, zinc, copper), H. G. Horn and M. L. Burger, Wellington mine, Summit County, Colorado.

The examining team conclude that there is a good geologic probability of finding significant lead-zinc-copper ore bodies in the Wellington mine. Over the past 70 years the Wellington mine has produced thousands of tons of lead, zinc, copper, gold, and silver metal.

The proposed exploration level is believed to be well above any bottoming of the ore, as was noted in some of the old stopes. The proposed project would seek for ore below old workings and in vein splits from major veins.

The examiners recommend approval of a two-stage exploration project consisting of winzing, crosscutting, and drifting. I agree with the advice of the examining team.

W. P. Williams

W. P. Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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5/21	2B	130
~~[illegible]~~	~~[illegible]~~	~~[illegible]~~

224 New Customhouse
Denver 2, Colorado
May 16, 1958

Memorandum

To: Secretary to the Operating Committee

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

Subject: Docket No. DMEA 4986 (Lead-Zinc-Copper) Harold G. Horn and Marvin L. Burger (Wellington mine) Summit County, Colorado - Joint Report of Examination

Enclosed are the original and two copies of the Joint Report of Examination on the subject property by C. M. Harrer, USBM, and Robert U. King, USGS.

The examining team concludes that there is a good geologic probability that the known veins as exposed on the No. 2 Wellington level and the first sublevel will continue downward beyond the proposed exploration level. They also believe there is a good chance of finding significant lead-zinc-copper ore bodies in the Spur, Orthodox, and Main (Oro-Siam) veins and in vein splits from these major veins at the depth to be explored.

They recommend a two-stage exploration program consisting of winzing, crosscutting, and drifting estimated to cost $83,546.49, Government participation $41,773.25. We concur in this recommendation.

If favorable consideration is given the proposed work program, it is recommended that the contract be prepared on the Short Form, MF-200A. However, if the contract must be prepared on the Long Form, MF-200, it is recommended that the reduced cost of initial rehabilitation and repairs and equipment purchases be used and recitation incorporated in the contract waiving the Government's interest therein.

Also enclosed are ~~eight~~ 15 extra copies of Figure 2 for use in the contract.

E. N. Harshman

E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE
5-21-58
(date)

FOR GOVERNMENT USE ONLY

5/21	2/6	130
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UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY EXAMINING TEAM
REGION III

DMEA
DEPARTMENT OF THE INTERIOR
MAY 15 1958
REGION III
DENVER, COLORADO

DMEA 4986

Harold G. Horn and Marvin L. Burger

Wellington mine

Summit County, Colorado

TRANSMITTED
MAY 16 1958

Lead-zinc-copper

Joint Geologic and Engineering Report

by

Robert U. King, Geologist
Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

May 14, 1958

Reviewed by
DMEA OPERATING COMMITTEE
5-21-58
(date)

CONTENTS

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History and production	3
Ownership	4
Present status	6
Exploration and development	6
Mining equipment and other facilities	7
Geology and ore deposits	8
Applicants' proposed exploration program	10
Recommended exploration	11
Cost estimates	12
Conclusions and recommendations	27

ILLUSTRATIONS

Figure		Follows page
1.	Location map, Wellington mine (Horn and Burger lease), Summit County, Colo.	2
2.	Claim and exploration map, Wellington mine (Horn and Burger lease), Summit County, Colo.	27
3.	Composite geologic plan of part of the newer workings of the Wellington mine (Horn and Burger lease), Summit County, Colo.	27
4.	Vertical section through winze and proposed exploration crosscut, Wellington mine (Horn and Burger lease), Summit County, Colo.	27

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DMEA 4986

HAROLD G. HORN AND MARVIN L. BURGER
WELLINGTON MINE
SUMMIT COUNTY, COLORADO

INTRODUCTION AND SUMMARY

Harold G. Horn and Marvin L. Burger, a partnership, P. O. Box 248, Breckenridge, Colorado, requested Defense Minerals Exploration Administration assistance on April 18, 1958, to explore their lease on the Wellington-Oro mine for lead and zinc. They propose an exploration program of winzing, crosscutting, and drifting estimated to cost $78,750.00.

During the period 1887-1957, production from the Wellington mine was over 27,000 tons of lead, 93,000 tons of zinc, 100 tons of copper, 9,000 ounces of gold, and 940,000 ounces of silver.

Most of the output of the mine has come from primary ore in fissure veins that contain pyrite, sphalerite, and galena, and minor amounts of copper-, gold-, and silver-bearing minerals.

The applicants were contacted at Breckenridge and the property was examined April 21, 1958.

It is concluded that there is a good geologic probability of finding significant lead-zinc-copper ore bodies in the Wellington mine through the proposed exploration.

The following two-stage exploration program is recommended for approval: Stage I will comprise 165 feet of winze, 350 feet of crosscut, and 500 feet of drifts at a cost of $58,506.49; Stage II will consist of

600 feet of drifts and/or crosscuts at a cost of $25,040.00. Total cost of the recommended exploration program is estimated to cost $83,546.49. Government participation at 50 percent would be $41,773.25.

ACKNOWLEDGMENTS

The applicants, Harold G. Horn and Marvin L. Burger, cooperated fully and furnished information, maps, and records in their possession. Geological Survey Professional Papers 75, 176, and 223 on the Breckenridge district and the Front Range, Colorado, were freely consulted.

LOCATION AND PHYSICAL FEATURES

The applicants lease a group of 16 claims comprising the Wellington and Oro mines in the E 1/2 sec. 32, and the W 1/2 sec. 33, T. 6 S., R. 77 W., Sixth principal meridian, Summit County, Colorado (figs. 1 and 2). The claims are 2 miles east of Breckenridge in French Gulch on county road 298, in the Breckenridge (Bevin) mining district, at about 10,000 feet altitude. The terrain is rugged and is subject to considerable snowfall which, however, does not seriously hinder year around operation of the mine. Electric power is available at the mine to operate major equipment. Smelter facilities are located at Leadville, Colorado, and Salt Lake City, Utah. At present shipments are made to the United States Smelting Refining and Mining Company's mill and smelter at Midvale, Utah. Labor and supplies are obtained locally and in Denver.

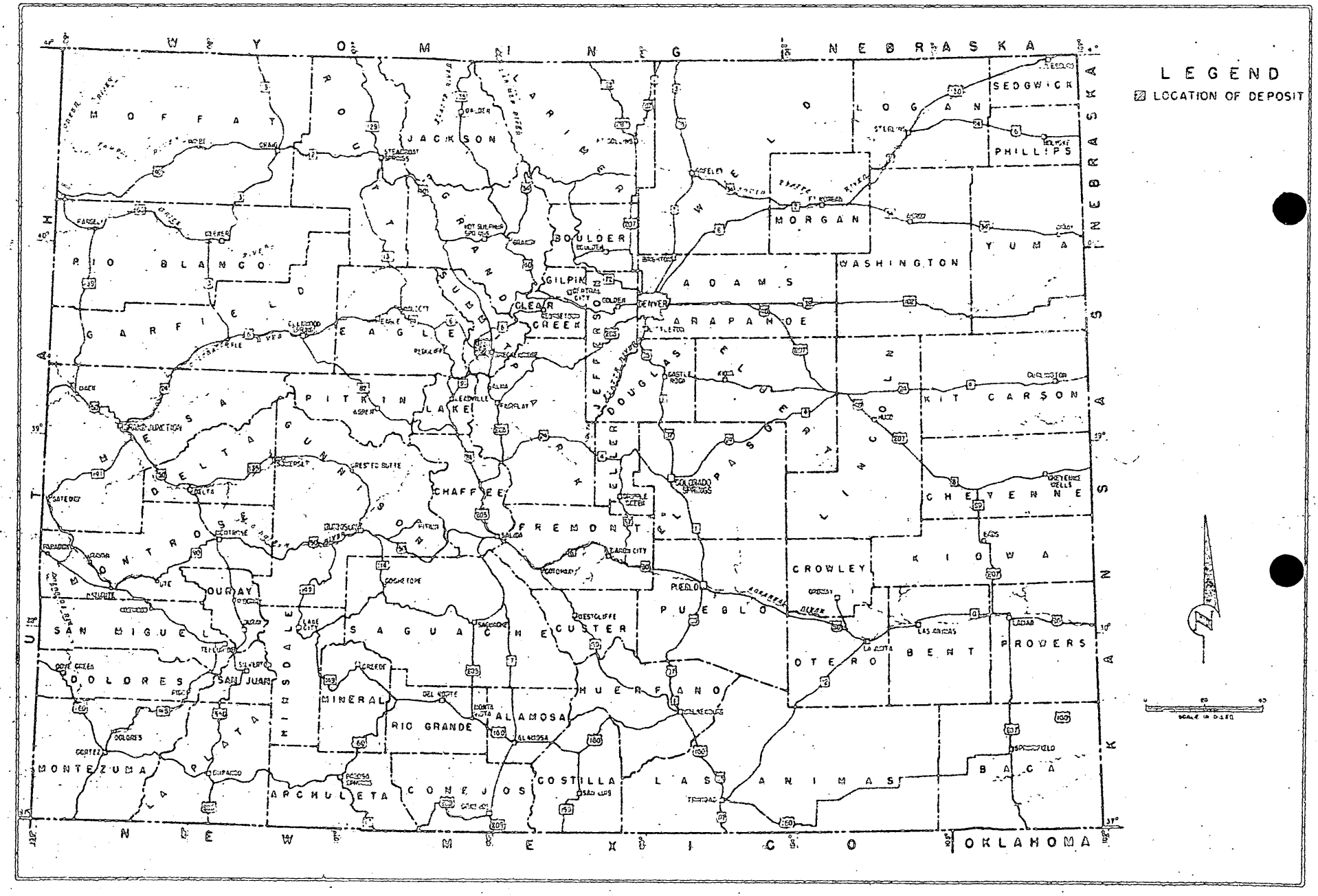

FIGURE 1 - LOCATION MAP, WELLINGTON MINE (HORN AND BURGER LEASE), SUMMIT COUNTY, COLO. DMEA _____

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DATE	INITIALS	CODE

HISTORY AND PRODUCTION

The present Wellington mine property is a combination of the Oro and Wellington properties and others. The Oro mine became productive in 1887 and the Wellington shortly thereafter. The Wellington and Oro mines were consolidated in 1902 by the Colorado and Wyoming Development Co., and later became the property of the Wellington Mines Co. (1907). The property is now owned by the B & B Mines, Inc., a Colorado Corporation. W. L. Davenport and Harold L. Horn leased the property during 1948-50. During 1950-55 the property was leased by Davenport, Horn, and Marvin L. Burger. Since 1955 the property has been operated by Horn and Burger as lessees.

During the period 1887 through 1957, the property has a recorded production of 827,301 tons of ore which produced 27,336 tons of lead, 92,999 tons of zinc, 101 tons of copper, 9,314 ounces gold, and 941,744 ounces silver.

Several shipments of ore from the winze first sub-level, totaling about 350 tons, were selected to determine the quality of the ore in the lowest workings. They contained 1 to 15 percent lead, 12 to 17 percent zinc, 0 to 0.4 percent copper, with 0.02 to 0.05 ounce gold and 2.35 to 4.35 ounces silver a ton.

OWNERSHIP

The consolidated Wellington-Oro properties are owned by the B & B Mines, Inc., a Colorado corporation, 824 Equitable Bldg., Denver. Frank E. Hickey is president and Richard Downing is secretary-treasurer.

The last lease was drawn between the B & B Mines, Inc., and W. L. Davenport on January 1, 1955, and is recorded in Book 149, page 43, of the Summit County courthouse at Breckenridge, Colorado. The leased property was operated by the partnership of W. L. Davenport (35%) Harold G. Horn (35%), and Marvin L. Burger (30%). Mr. Davenport retired from active participation due to age.

On May 2, 1956, a Deed of Dissolution of Partnership between W. L. Davenport, retiring partner, and Harold G. Horn and Marvin L. Burger, continuing partners, was notarized and recorded in Book 150, pages 59-62. In addition, a Notice of Dissolution of Partnership dated May 2, 1956, was recorded by Davenport, Horn, and Burger in Book 150, page 65.

An Assignment of Lease from W. L. Davenport to Horn and Burger, a copartnership, was recorded in Book 148, page 43.

A Notice to the B & B Mines, Inc., of the assignment of Davenport's interest in the lease to Horn and Burger, dated May 2, 1956, is notarized and recorded in Book 150, page 56.

Acknowledgment and acceptance of the above assignment of lease and consent to the assignment subject to the provisions contained in the lease is recorded over the signature of Frank B. Hickey as president of the B & B Mines, Inc., in Book 150, page 58, dated May 2, 1956.

An"Affidavit of Trade Name," Harold G. Horn and Marvin L. Burger, dated May 10, 1956, is recorded in Book 150, page 72.

A Bill of Sale by W. L. Davenport to Horn and Burger for his interest in all machinery, equipment, tools, supplies, rail, timber and miscellaneous equipment, dated May 2, 1956, is recorded in Book 150, pages 63 to 64.

A signed Partnership Agreement, dated August 1, 1955, gives Harold G. Horn 52-1/2 percent interest and Marvin L. Burger 47-1/2 percent interest in the lease. This document was verified by the examiners.

The applicants, Horn and Burger, are now in sole and complete possession of the Wellington leasehold (fig. 2), which comprises the following patented lode claims:

Name	U. S. Survey No.	Name	U. S. Survey No.
Siam	5798	Merry Gold	15108
Chief	5798	X-10-U-8	186
Diamond Dick	5798	X-10-U-8	7615A
Prize Box	13499	Silver Head	3126
Havana	12069	Colorado	2995
Mono	12069	Little Lizzie	3125
Wyoming	19166		
Czar	15108		

Included in the lease is so much of the Wellington lode, Survey No. 7343, as covers the fraction south of the Silver Head lode, Survey No. 3126, and bounded by a southerly extension of the easterly end of the Silver Head lode to the northerly side of the X-10-U-8 claim. Included also is so much of the Oro lode, Survey No. 5798, as is necessary for operating that part which is the mouth of the tunnel of some of the workings, and sufficient other ground in connection therewith for the convenient working of the aforementioned premises.

The property is known variously as the Wellington mine, Oro mine, and Wellington-Oro mine.

PRESENT STATUS

Exploration and development

The consolidated Wellington-Oro mine is developed through several shafts and levels. Total extent of the underground workings, according to Lovering (1950), amounted to about 12 miles. Recent developments, including that done by the applicants, have amounted to an additional 2 miles of drifts, crosscuts, and winzes. The most recent work accomplished by the applicant consisted of a centrally located winze from which crosscuts and drifts were turned. This level, about 80 feet below the No. 2 Wellington (Mill) level, is known as the first sublevel and is the source of current production.

Mining equipment and other facilities

Surface installation consists of a Trailer office and shops housing all equipment and the Mill level portal. Principal equipment owned by the applicants is as follows:

1 -	Joy, two-stage, liquid cooled, 820 c.f.m. air compressor driven by a 150 H.P. synchronous electric motor, with all controls. Present value	$ 7,500.00
3 -	Atlas Diesel (Copco Pacific) pneumatic rock drills, Jackleg mounted. Present value	2,100.00
1 -	Colorado Iron Works geared, second motion, hoist driven by a 35 H.P. slip-ring electric motor with drum controller. Rope pull is 33,000 lbs. at 350 ft. per minute. Present value	2,470.00
1 -	Self dumping, Kimberly type skip of 27 cu. ft. capacity, with bonnet and safety dogs. Present value	850.00
1 -	Atlas, type J1, one-half-ton, battery locomotive and charging equipment. Present value	5,150.00
8 -	C. S. Card Iron Wks., 20-cu. ft., roller bearing mine cars. Present value	1,000.00
8 -	Mixed makes, 16 cu. ft., roller bearing mine cars. Present value	800.00
250 -	feet of standard 4-inch iron pipe. Present value	390.00
	Miscellaneous small tools	

The applicants are well equipped with major equipment and tools necessary for small scale mining.

GEOLOGY AND ORE DEPOSITS

The country rocks of the Wellington mine consist of Cretaceous sedimentary rocks that have been intruded by Tertiary monzonite porphyry. The sedimentary rocks include, from older to younger, the Morrison formation, Dakota quartzite, Benton shale, the Niobrara formation, and Pierre shale. The porphyry is part of a large intrusive mass that underlies much of the northern and eastern part of the Breckenridge district. This intrusive porphyry has been the host rock for most of the productive veins in the district.

Major structural features include two north-northeasterly-trending pre-mineral faults, which virtually bound the productive area on the east and west. The easterly fault, known as the Great Northern-J, is normal with the west side down thrown. The westerly fault, also normal, but with the east side down thrown, is known as the Bullhide fault. Displacement, essentially in the vertical direction is as much as 800 feet. The Bullhide fault has been encountered in the newer workings (figs. 3 and 4) by long hole probing. It strikes about N 25° E and dips 55 to 60° east.

Displacement along these two faults has given rise to the graben in which the major part of the Wellington mine workings have been driven. Other faults of smaller displacements have been encountered in the newer workings in the area of proposed exploration, but have not materially adversely affected mining and exploration.

The ore deposits of the Wellington mine consist of fissure veins that extend diagonally (northeast to east) across the graben between the two major faults. Most of the ore has been found in the graben although some ore has been mined along the Great Northern-J fault and in the upthrown block to the east. The upper workings are almost wholly in monzonite porphyry, but in lower levels especially those that extend eastward and northeastward, sedimentary rocks are exposed.

Eight sub-parallel branching veins have been encountered in the newer workings on the No. 2 Wellington or Mill level, in the area immediately west of the main Wellington-Oro mine workings (figs. 3 and 4). Two of these veins (Nos. 3 and 4) have been followed eastward and were found to be continuations of the Orthodox and Spur veins which had been very productive in the past. The four most easterly of the veins have been mined intermittently on the No. 2 and 1st sub-level over strike lengths ranging from 500 to 1,200 feet, and from 200 to 500 feet along the dip.

The ores from which most of the Wellington production has come are mixtures of pyrite, sphalerite, and galena in various proportions with small amounts of copper-, silver-, and gold-bearing minerals. Gangue minerals are siderite, barite, carbonates, and altered wall rock.

Texture of the ore ranges from a vuggy aggregate of coarse crystalline galena with finer pyrite and sphalerite to a massive banded mixture in which brown sphalerite is predominant. Vein widths range from about 1 foot to as much as 14 feet in the widest stopes. Tenor of the ore

currently being exploited in the newer workings including the 1st sub-level, is indicated from smelter returns to be about 20 percent combined Pb-Zn. Zinc commonly is from 1-1/2 to 2 times as abundant as lead. The ore also contains about 0.5 percent copper, 0.1 oz. Au per ton and from 1 to 2 oz. Ag per ton.

Although a general zoning change from high lead in the upper and near surface workings, through high zinc at intermediate levels, to massive pyrite in the lowest levels has been observed to occur over slope distances of 700 to 900 feet, the proposed exploration level (9,770 feet) is believed to be well above any such likely bottoming of ore as noted in old Wellington stopes (9,560 feet).

APPLICANTS' PROPOSED EXPLORATION PROGRAM

Horn and Burger propose to explore their lease for lead-zinc ore from a centrally located winze (fig. 2) by winzing, crosscutting, and drifting. They propose to deepen the winze 165 feet, the bottom 15 feet of which would be used as a sump. They propose to crosscut 475 feet in the direction of the Wellington vein, on a level 150 feet below the present winze bottom. They propose to explore five or more veins, expected to be opened by the crosscut, by about 200 feet of drifting on each of the more promising of the veins. The cost of this proposed exploration was estimated at $78,750.00.

RECOMMENDED EXPLORATION

The following two-stage exploration program is recommended by the examining team for approval.

Stage I

(a) Sink the present winze (fig. 2) 165 feet vertically and establish an exploration level 150 feet below its present bottom; the remaining 15 feet will serve as a sump for water and to spot the skip. The winze would have a 6- by 10-foot rock section and a 4- by 8-foot clear section. It would be fully timbered and two-compartment.

(b) Crosscut on the exploration level a maximum of 350 feet on an approximate S. 25°E. bearing towards the Wellington main vein. The crosscut would be large enough to accomodate the mucking machine, with a minimum 5- by 7-foot cross section.

(c) Drift along the more favorable vein structures cut by the crosscut, an aggregate maximum of 500 feet. The drifts would be large enough to accomodate the mucking machine, with a minimum 5- by 7-foot cross section.

Stage II

Continue drifting and/or crosscutting on the more favorable vein structures encountered in the crosscut an additional aggregate maximum of 600 feet. This stage is dependent upon reexamination and evaluation of the results of Stage I and should require prior Government approval.

This stage of the program should be considered as very flexible and subject to any changes necessary to explore most efficiently after evaluation.

Mutual agreement was reached on the above revised exploration program during a conference with Harold G. Horn, of the applicant partnership, on April 25, 1958.

COST ESTIMATES

Winze:

Cost of driving 165 feet of winze to be completed in 83 working days, single shift, 6 days weekly. Wage rates are those paid by Denver Water Board contractors and are comparable to those paid at Climax, and include time and one-half for Saturday. The winze will be vertical and 2-compartment with a rock section of 6 x 10 feet and 4 x 8 feet in the clear. The winze will be cribbed with 3- x 8-inch timbers and will have three 6- x 8-inch bearers every 15 feet. Hoisting compartment will contain guides to accomodate the 27 cu. ft. combination Kimberly type skip and man lift. Cost will include any station timbering required.

83) 165 / 2 days / 166

1. Independent Contracts:

None

2. Labor and Supervision:

Labor cost per shift

2 Shaftmen @ $2.50 an hour	$ 43.33	
1 Timberman @ $2.40 an hour	20.80	
1 Hoistman @ $2.27 an hour	19.67	
1 Trammer @ $2.27 an hour	19.67	
1 Mechanic and electrician @ $2.50/hr.	21.67	
	$125.14	
Total cost of 83 shifts		$10,386.62

@ 8.67 hrs/shift assuming the 6 hrs shift was paid as overtime or 52 hrs/week. 6/52 = 8.666 hrs/shift

21.67 x 83 = 1,798.61 less

Supervision and Technical Services

1 Supervisor to also survey and handle accounts @ $600 a month, 3.2 months	1,920.00
Total Labor, Supervision and Technical Services	12,306.62

3. Operating Materials and Supplies:

Timber, cribbing, bearers, stulls, and wedges @ $6.00/ft.	990.00
Ladders @ $0.20/ft or $2.40 per ladder ?	33.00
Guides	66.00
Hardware--bolts, washers, lag screws, nails, etc.	18.15
Explosives--gelatin dynamite, 45%	660.00
Electric blasting caps	165.00
Electric blasting wire	16.50
Tamping sticks, etc.	3.30
2 safety blasting switches	29.70

13,000 bd.ft. @ $75.00/M = $980.00 OK

lows $6.71/ft. timber cost.

$874.50 / 165 = $5.30/ft.

3. Operating Materials and Supplies (continued)

Pipe

2-inch compressed air line 165' @ $0.50/ft.	$ 82.50	41.25
1/2-inch water line 165' @ $0.18/ft.	29.70	14.85
2-inch pump column pipe 165' @ $0.50/ft.	82.50	41.25
10-inch ventilation pipe, wire reinforced and plastic coated to exhaust and blow	265.65	165' @ $1.61/foot, 132.82

Cable

250 ft. of 5/8 in. 6 x 19 plow steel hoist cable @ $0.38/foot,	95.00	47.50
		$277.67

Drill steel

Copco Pacific, swedish Coromant drill steel	132.00	} $0.80/foot.
Shovels, picks, scaling bars, axes, and miscellaneous hand tools and shop supplies	99.00	

Electric Power

227.5 H.P. x 746 Watts = 169,715 Watts or ~~169.72~~ 170 KW/hr. x 8 = 1360 KW.Hrs. @ $0.03 = ~~$40.80~~/day full load.

465/26 = $17.88/day.

17.88 / 40.80 = 44% Full load.

Compressor (150 H.P.) Hoist (35 H.P.), Locomotive (5 H.P.), Pumps (37.5 H.P.)		
Miscellaneous--drill sharpeners, grinders Light chargers, shop equipment, etc. (5 H.P.)		
Total of 227.5 H.P. at $465.00 a month 3.2 months	1,488.00	
Lubricants, all kinds	16.50	
Total cost Operating Materials & Supplies		$ 4,272.50
		3,994.83

4. Operating Equipment:

Depreciation (3.2 months)

1 Joy 820 c.f.m. compressor. Present value $7,500.00 ($7,500 / 60 = $125 a month)	$ 400.00
2 Atlas Diesel rock drills (Copco Pac.) Present value $1,400.00 ($1,400 / 60 = $23.33 a month)	74.66
1 Colorado Iron Wks geared hoist and 35 H.P. motor. 3300 lbs rope pull at 350 ft per min. Present value $2,470.00 ($2,470 / 60 = $41.17 a month)	131.74
1 - 27 cu. ft. self dumping, Kimberly type skip with bonnet and safety dogs. Present value $850.00 ($850 / 60 = $14.17 a month)	45.34
1 Atlas type J1, one-half ton battery locomotive and charger. Present value $5,150.00 ($5,150 / 60 = $85.83 a month)	274.66
8 C.S. Card Iron Wks. 20 cu. ft. roller bearing mine cars. Present value $1,000.00 ($1,000 / 60 = $16.67 a month)	53.34
Total Depreciation	$ 979.74

Purchase 1/

Already Reduced 50%

1 Reda type 3J 400 Submersible pump delivering 500 G.P.M., under 180 ft. head, with electric cable and starter $2,021.72 (Quotation). For mine drainage. by pumping out of No. 3 shaft. ?

1 - 10-inch, electric ventilation fan approximate cost $300.00 ?

Total Equipment Purchases 1,160.86 1/

5. Initial Rehabilitation and Repairs:[1]

Replace motor and intermediate shaft pinions on hoist. Quot. Collrado Gear Co. to install auxiliary brake. (Requested by Colo. Bur. of Mines) Quot. $98.00

Install auxiliary brake as required by Colo. Bur. Mines. Quot. $185.00

Extend compressor coolant pump piping 175 feet down Oro shaft $197.50 ?

Install Reda pump (For mine drainage)

Power wiring, 600 ft.

Pump column

Materials	$85.00
Labor	125.00
Total	210.00

Build and install cross head and latch, Safety door, and bucket dumping arrangement.

Materials	$ 65.00
Labor	100.00
Total	165.00

Total Rehabilitation and Repairs @ 50% = $ 427.75 [1]

6. New Buildings, Improvements, etc.

None

1/ To eliminate the necessity of liquidating the Government's interests in Initial Rehabilitation and Repairs and Equipment Purchase costs, the total estimated costs of such are reduced 50 percent and only that portion included as an allowable cost of the project.

7. Miscellaneous:

Repairs to equipment		
Compressor, coolant pump, electrical apparatus	$ 9.90	
Rock drills	74.25	
Hoist and motor	8.25	
Locomotive and charger, etc.	26.40	
Mine cars and miscellaneous equip.	19.80	
Sampling and analyses		
None		
Payroll Taxes		
Colorado Workman's Compensation, $3.743/$100	460.61	
Unemployment Compensation, 3% of all wages	369.20	
Social Security 2-1/4% of payroll	276.90	
Total Miscellaneous		$ 1,245.31
Total cost of 165 feet of winze		20,392.78
Total cost per foot of winze	$123.59 without rehab	20,115.11 ~~$121.91~~ 19,135.37 ~~$115.97~~

20,115.11
1,798.61
18,316.50

19,135.37
1,798.61
17,336.76
105.07

Crosscut:

Cost of driving 350 feet of crosscut from the winze, 150 feet below its present bottom. To be completed in 70 working days, single shift, 6 days a week. Wages are those paid by the Denver Water Board contractors and are comparable to those paid at Climax. The crosscut will be large enough to accomodate a mechanical mucker and of minimum 5 by 7-foot cross section. Cost will include necessary timbering which is believed to require only a few sets of timber.

1. Independent Contracts:

None

2. Labor and Supervision:

Labor cost per shift

1 miner @ $2.42 an hour × 8.67 hrs.	$ 20.97
1 mucking machine operator @ 2.42/hour	20.97
2 trammers @ $2.27 an hour; one on new winze sublevel and one on haulage level	39.34
1 hoistman @ $2.27 an hour	19.67
1 mechanic-electrician @ $2.50 an hour	21.67
	$1122.62

8.67 hrs/shift to make up for time and a half on the 6th day. .67×6 = 4.02 hrs.

21.67 × 70 = 1,516.90

70 days 26.7 Mo

Cost of 70 shifts $ 8,583.40

Supervision and Technical Services

1 Supervisor to also survey and handle accounts and sample @ $600/mo. 2.7 Mo.	1,620.00
Total Labor, Supervision and Technical Services	$10,203.40

3. Operating Materials and Supplies:

Timber - none

Explosives

Gelatin dynamite 45%	$1,050.00
Electric blasting caps	350.00
Electric blasting wire	35.00
Tamping sticks, etc.	7.00

1,442/350 = $4.12/shot

3. Operating Materials and Supplies (continued)

		Reduced 50%
Pipe		
2-inch compressed air line 350' @ $.50/ft.	$ 175.00	87.50
1/2-inch water line 350' @ $0.18/ft	63.00	31.50
10-inch ventilation pipe 350' @ 1.50/ft	350.00	175.00
Rail		
12-lb. mine rail 2800# @ $0.08	224.00	112.00
Rail hardware--fish plates, bolts, spikes, etc. @ 22% of rail cost	49.00	24.50
Cross ties 150 ties @ $0.32/each on 2' spacing	56.00	
Drill steel		
Copco Pacific, swedish (Coromant) drill steel	297.50 $0.85/ft.	
Miscellaneous tools--shovels, picks, bars, small tools, etc.	210.00	
Electric power		
Compressor (150 H.P.), Hoist (35 H.P.),		
Locomotive (5 H.P.) Pumps (37.5 H.P.)		
Miscellaneous, drill sharpeners, grinders,		
Light charger, shop equipment, etc. (5 H.P.)		
Total of 227.5 H.P. @ $465.00 a month, 2.7 months	1,255.50	
Lubricants of all kinds	35.00	
Total Operating Materials and Supplies	$ 4,157.00	
	Reduced 3,726.50	

3 | 700
234 yds
12
2800#

4. Operating Equipment:

Depreciation - 2.7 months

1 Joy 820 cfm compressor Present value $7,500.00 ($\frac{\$7,500}{60}$ = $125.00 a month)	$ 337.50
3 Atlas Diesel pneumatic rock drills with Jacklegs. (Copco Pacific) Present value $2,100.00 ($\frac{\$2,100}{60}$ = $35.00 a month)	94.50
1 Colorado Iron Wks. geared hoist and 35 H.P. motor. 3,300 lbs. rope pull at 350 ft. per min. Present value $2,470.00 ($\frac{\$2,470}{60}$ = $41.17 a month)	111.15
1 - 27 cu. ft. self dumping, Kimberly type skip with bonnet and safety dogs. Present value $850.00 ($\frac{\$850}{60}$ = $14.17. a month)	38.25
1 Atlas type J1, one-half ton battery locomotive and charger. Present value is $5,150.00 ($\frac{\$5,150}{60}$ = $85.83 a month)	231.74
8 C. S. Card Iron Wks., 20 cu. ft. roller bearing mine cars for main haulage level. Present value $1,000.00 ($\frac{\$1,000}{60}$ = $16.67 a month)	45.00
4 mixed makes, 16 cu. ft. mine cars, roller bearing. Present value $400.00 ($\frac{\$400}{60}$ = $6.67 a month)	18.00

4. Operating Equipment (continued)

Purchase

None

Rental

1 Eimco 12 B air operated mucking machine @ $275 a month - 2.7 mos. (Western Machy Co. quot.)	$ 742.50	
Total Operating Equipment		$ 1,618.64

5. Initial Rehabilitation and Repairs:

None

6. New Buildings, Improvements, etc.:

None

7. Miscellaneous:

Repairs to equipment

Compressor	21.00
Rock drills	157.50
Hoist and motor	17.50
Locomotive and charger	56.00
Mine cars and miscellaneous equipment including shop	42.00

Sampling and analyses

Sampling of veins cut in crosscut is included under drifting.

7. Miscellaneous (continued)

Payroll Taxes

Colorado Workman's Compensation $3.743/$100	$ 381.90	
Unemployment Compensation, 3% of all wages	306.10	
Social Security, 2-1/4% of payroll	229.58	
Total Miscellaneous	917.58	$ 1,211.58

Total cost of driving 350 feet of crosscut (Stage I) $17,190.62

Cost per foot of crosscut, not including assays $49.12

49.55

16,760.12

47.89

Drifts:

Cost of driving 500 feet of drift under Stage I and 600 feet of drift under Stage II. Drifting will be along veins encountered in the crosscut on the exploration winze level. Advance is estimated at 6 feet a shift, 6 days a week. Stage I would be completed in about 83 working days, single shift. Stage II would be completed in 100 working days, single shift. Wages are those paid by Denver Water Board contractors and are comparable to those paid at Climax. The drifts will be large enough to accommodate a mechanical mucker and of minimum 5 x 7-foot cross section. Costs will include any miscellaneous timbering required where water courses or ravelly ground are encountered.

16,760.12
1,516.90
15,243.22

1. Independent Contracts:

None

2. Labor and Supervision

Labor cost per shift

1 miner @ $2.42 an hour	$ 20.97	
1 mucking machine operator @ $2.42 an hour	20.97	
2 trammers @ $2.27 an hour, one on winze level and one haulage level	39.34	
1 hoistman @ $2.27 an hour	19.67	
1 mechanic-electrician @ $2.50/hr.	$ 21.67	
	$122.62	
83 shifts		$10,177.46

Supervision and Technical Services

1 supervisor to also survey and handle accounts and sample. @ $600 a month. 3.2 months	1,920.00
Total Labor, Supervision and Technical Services	$12,097.46

3. Operating Materials and Supplies:

Timber - none

Explosives

Gelatin dynamite, 45%	$1,500.00
Blasting caps	50.00
Fuse	120.00
Tamping sticks, spitters, etc.	50.00

$1720.00 / 500 = $3.44/ft.

3. Operating Materials and Supplies (continued)

Reduced 50%

Pipe

2-inch compressed air line @ $0.50/ft	$250.00	125.00
1/2-inch water line @ $0.18/ft.	90.00	45.00
10-inch ventilation line @ $1.00/ft.	500.00	250.00

Rail

12-lb. mine rail 4,000 ft @ $0.08/lb.	320.00	160.00
Rail hardware--fish plates, batts, spikes, etc.	70.00	35.00
Cross ties 250 @ $0.32 ea	80.00	

3 1000 / 333 / 12 / 3996

Drill steel

Copco Pacific swedish (Coromant steel)	425.00	$0.85/ft
Miscellaneous small tools	100.00	
Electric Power (same as for crosscutting)		
227.5 H.P. @ $465.00 a month (3.2 mos.	1,488.00	
Lubricants of all kinds	45.00	
Total Operating Materials and Supplies		$ 5,088.00

4. Operating Equipment:

Depreciation - 3.2 months

1 Joy 820 cfm compressor Present value $7,500 ($7,500 / 60 = $125 a month)	400.00
3 Atlas Diesel pneumatic rock drills with Jacklegs (Copco Pacific) ($2,100 / 60 = $35.00 a month)	112.00

4. Operating Equipment (Continued)

Depreciation (continued)

1 Colorado Iron Wks geared hoist and 35 H.P. motor. 3,300 lbs rope pull @ 350 ft. per min. Present value $2,470.00 ($\frac{\$2,470}{60}$ = $41.17 a month) $ 131.74

1 - 27 cu. ft. self dumping, Kimberly type skip with bonnet and safety dogs. Present value $850.00 ($\frac{850}{60}$ = $14.17 a month) 45.34

1 Atlas type J1, one-half ton battery locomotive and charger. Present value $5,150.00. ($\frac{\$5,150}{60}$ = $85.83 a month) 274.65

8 C.S. Card Iron Wks., 20 cu. ft. roller bearing mine cars for main haulage level. Present value $1,000 ($\frac{\$1,000}{60}$ = $16.67 a month) 53.34 ?

8 mixed make, 16 cu. ft. roller bearing mine cars for sublevel. Present value $800. ($\frac{\$800}{60}$ = $13.33 a month) 42.66 ?

Purchase

None

Rental

1 Eimco 12-B air operated mucking machine @ $275.00 a month. 3.2 mos. 880.00

Total Operating Equipment $ 1,939.73

5. Initial Rehabilitation and Repairs:

None

6. New Buildings, Improvements, etc.:

None

7. Miscellaneous:

Repairs to equipment		
Compressor	$ 25.00	
Rock drills	200.00 ?	
Hoist and motor	20.00	
Locomotive and charger	65.00	
Mine cars and miscellaneous equipment including shop	50.00	
Payroll Taxes		
Colorado Workman's Compensation ($3.743/$100)	452.79	
Unemployment Compens., 3% of wages	362.92	
Social Security, 2-1/4% of wages	272.19	
Total Miscellaneous		$ 1,447.90

20573.09
17198.61
18,994.08
31.55

Total cost per foot for drifting, not including assays $41.15

Cost of driving 500 feet of drift (Stage I)	$20,573.09
Cost of 50 samples to be assayed for lead-zinc-copper-gold-silver @ $7.00 each (Stage I)	350.00
Total cost of Stage I drifting	$20,923.09
Cost of driving 600 feet of drift and/or crosscut (Stage II)	24,690.00
Cost of 50 samples to be assayed for lead-zinc-copper-gold-silver @ $7.00 each (Stage II)	350.00
Total cost Stage II	$25,040.00

Recapitulation

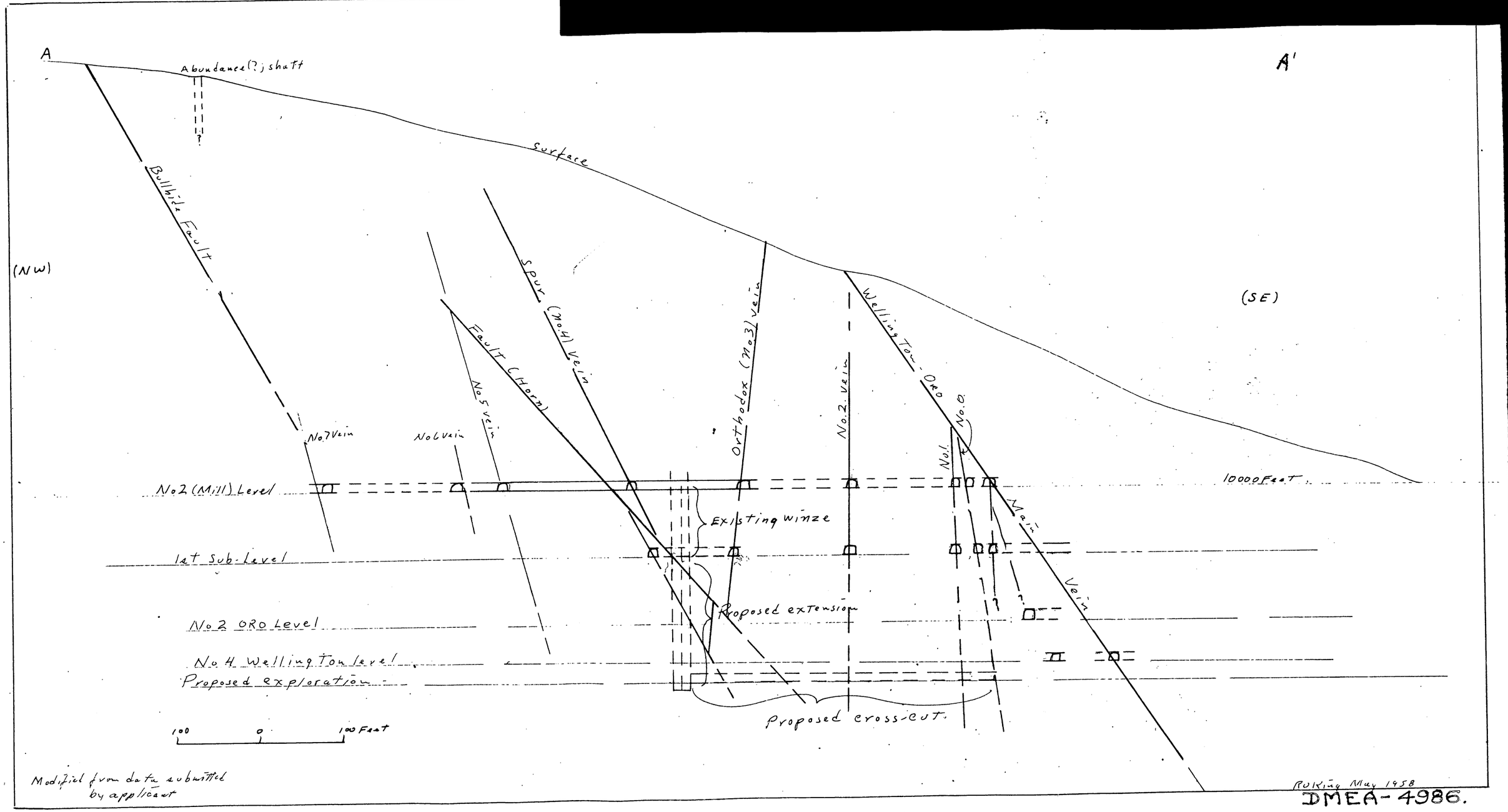
Costs assigned to 165 feet of Winze (Stage I)	$20,392.78
Costs assigned to 350 feet of Crosscut (Stage I)	17,190.62
Costs assigned to 500 feet of drift (Stage I)	20,923.09
Total cost of Stage I	$58,506.49
Total cost of Stage II	25,040.00
Total cost of project	$83,546.49
DMEA participation of 50 percent is	$41,773.25

CONCLUSIONS AND RECOMMENDATIONS

The examining team concludes that (1) there is a good geologic probability that the known veins as exposed on the No. 2 Wellington (Mill) level and the 1st sublevel will continue downward beyond the proposed exploration level, and (2) that there is a good chance of finding significant lead-zinc-copper ore bodies in the Spur, Orthodox, and Main (Oro-Siam) veins and in vein splits from these major veins at the depth to be explored.

We recommend a two-stage exploration program consisting of winzing, crosscutting, and drifting estimated to cost $83,546.49. Government participation at 50 percent would amount to $41,773.25.

U.S. Department of Interior
Geological Survey



Modified from data submitted by applicant

Rolking May 1958

DMEA-4986.

Figure 4 - Vertical Section through Winze and Proposed crosscut, Wellington Mine; (Horn and Burger Lease) Summit County, Colorado.

DTIC FILE COPY
BMEA
RECEIVED MAY 19 1958
DATE | INITIALS | CODE

October 30, 1958

U.S. Dept. of Interior
D.M.E.A.

Docket No. D.M.E.A. 4986 (lead & zinc)
Contract Loan-1139
Horn & Burger
(Wellington Mine)
Summit County, Colorado

Dear Sir,

This letter is being written in regards to making for another extension on our D.M.E.A. Contract loan, number above. We would like to have our D.M.E.A. Contract loan extended for 60 days up until January 2, 1959, if at all possible.

The reason for this request is that the 60 days we had was not enough time to raise the other necessary monies.

Sincerely,

Harold Leo Horn (Partner)

Horn & Burger
Breckenridge, Colorado

OME
DEPARTMENT OF THE INTERIOR
NOV 5 - 1958
REGION III
DENVER COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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RECEIVED MAY 14 1958

DATE	INITIALS	CODE
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224 New Customhouse
Denver 2, Colorado
May 12, 1958

Memorandum

To: Chairman, Operating Committee

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

Subject: Docket No. DMEA 4986 (Lead-Zinc) Harold George Horn and M. L. Burger (Wellington Mine) Summit County, Colorado

Enclosed are the original and four copies of Consent to Lien and Subordination Agreements executed by the B & B Mines, Inc.

E. N. Harshman

E. N. Harshman

P. S. The Approval Report on this docket is being typed and will be forwarded you in the immediate future.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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224 New Customhouse
Denver 2, Colorado
May 5, 1958

Memorandum

To: Chairman, Operating Committee

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

Subject: Docket No. DMEA 4986 (Lead-Zinc) Harold George Horn and M. L. Burger (Wellington Mine) Summit County, Colorado

This has further reference to Item No. 2 in your letter of April 28, 1958, on the subject docket.

Enclosed is one copy each of the following which the Applicants have requested to be returned to them.

1. Assignment of Lease from W. L. Davenport to Harold Horn and M. L. Burger, and consent to this assignment by the B & B Mines, Inc., recorded in Book 150, Page 58.

2. Bill of sale from W. L. Davenport to Harold Horn and M. L. Burger of machinery, tools, equipment, etc., recorded in Book 150, Page 63.

3. Copy of a letter to B & B Mines, Inc. signed by W. L. Davenport, Herold Geo. Horn and M. L. Burger.

4. Notice effective August 1, 1955, that W. L. Davenport will turn his interests of the Wellington Lease over to Harold Horn and M. L. Burger, recorded in Book 148, Page 91.

5. Notice to U. S. Smelting and Refining Company notifying them of the assignment of the mining lease on the Wellington Mine from W. L. Davenport to Harold Horn and M. L. Burger.

6. Notice of Dissolution of partnership from W. L. Davenport to Harold Horn and M. L. Burger, recorded in Book 150, Page 65.

7. Deed of Dissolution of partnership between W. L. Davenport, the retiring partner, and Harold Horn and M. L. Burger, recorded in Book 150, Page 59.

8. Affidavit of trade name of Harold G. Horn and Marvin L. Burger in the firm of Horn and Burger, recorded in Book 150, Page 72.

9. Partnership agreement between Harold Horn and M. L. Burger dated August 1, 1955.

Consents to Lien and Subordination Agreements have been forwarded the Applicants to be executed by B & B Mines, Inc. In view of the attached legal documents, Mr. John Conway of the Regional Solicitor's Office advises that a Consent to Lien and Subordination Agreement would not be required from W. L. Davenport.

E. N. Harshman

E. N. Harshman

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958
DATE CODE
5-6 220

224 New Customhouse
Denver 2, Colorado
April 30, 1958

Mr. H. C. Horn
Breckenridge,
Colorado

Re: Docket No. DMEA 4986 (Lead-Zinc) (Wellington Mine)
Summit County, Colorado

Dear Mr. Horn:

Enclosed are the original and five copies of Consent to Lien and Subordination Agreements to be signed by the proper officials of B & B Mines, Inc. One of the copies may be retained by B & B Mines, Inc., but the original and four signed and executed copies should be returned to this office so that we may continue to process your application.

The copy of the mining lease submitted with your application was made to W. L. Davenport. Please furnish this office one true copy of each instrument transferring this lease from W. L. Davenport to Horn and Burger.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

cc: M. L. Burger

HMC:dp

cc: Sec. Op. Comm. (2)
Harshman
DMEA/DFC
Docket
Chron.

OFFICE SECRETARY
DMEA
RECEIVED BY
5/8 C 226
5/8 Clerg 502

224 New Customhouse
Denver 2, Colorado
May 5, 1958

Memorandum

To: E. N. Harshman w/enclosures 2-5
DMEA/DFC w/enclosures 1-5

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

Subject: Docket No. DMEA 4986 (Lead-Zinc) Harold George Horn and M. L. Burger (Wellington Mine) Summit County, Colorado

Enclosed are the following for your information:

1. One copy of the subject application.

2. Memorandum of Review of the application by O. M. Bishop, USBM.

3. Memorandum of Review of the application by T. H. Kiilsgaard, USGS.

4. Copy of a letter from the Chairman, Operating Committee dated April 28, 1958.

5. Routing Control sheet.

This property was examined April 21, 1958.

Original signed by
E. N. HARSHMAN

E. N. Harshman

HMC:dp

cc: Sec. Op. Comm. (2)
Docket
Chron.

224 New Customhouse
Denver 2, Colorado
May 5, 1958

Memorandum

To: E. N. Harshman w/enclosures 2-5
DMEA/DPC w/enclosures 1-5

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

Subject: Docket No. DMEA 4986 (Lead-Zinc) Harold George Horn and M. L. Burger (Wellington Mine) Summit County, Colorado

Enclosed are the following for your information:

1. One copy of the subject application.

2. Memorandum of Review of the application by O. M. Bishop, USBM.

3. Memorandum of Review of the application by T. H. Kiilsgaard, USGS.

4. Copy of a letter from the Chairman, Operating Committee dated April 28, 1958.

5. Routing Control sheet.

This property was examined April 21, 1958.

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

NMC:dp

cc: Sec. Op. Comm. (2)
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/25	Klugeschied	500
	[illegible]	500
4/28	GCS	130
"	Johnson	110
"	Rottenberg	100 HB
		220
		500

APR 28 1958 500

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4966 (Lead-Zinc)
Harold George Horn & M. L. Burger
Wellington Mine
Summit County, Colorado

Dear Mr. Harshman:

The cited application for exploration assistance is being referred to your office for a field examination and recommendations. From the note on your letter of transmittal of the application, we assume that the examination has probably already been made.

If the project is favorably considered by the Field Team, the following points should be taken into consideration:

1. The Lease seems to be in order but, there is no Assignment of the lease by W. L. Davenport to the partners Horn and Burger.

2. Consents to Lien and Subordination Agreements will be required from The B & B Mines, Inc., and also from W. L. Davenport.

3. The maps do not show the approximate locations and directions of the exploration work. There is a showing of the work on the vertical section A-A' but there is nothing shown on the plan.

4. The total approximate footage of the work to be done is also missing.

5. The costs for the shaft sinking seem very high and should be approximately sixty per cent of those given as the complete totals, including machinery depreciation, insurance, etc., etc. ?

8623

6. No timbering has been allowed for the drifting and cross-cutting.

7. No allowances have been made for assaying.

8. It would seem as though they have offered too many mine cars for this work.

9. Be sure that all equipment which would be salvageable is written off in the costs at approximately 50% of the cost.

10. The totals of all their costs, as given, are far from the total costs.

11. The project as outlined seems to be fairly well thought out but it is somewhat vague.

We will have to move rapidly with the report of examination so as to leave sufficient time to prepare a contract, should the project be considered favorably.

Copies of memoranda, dated April 23, 1958, by O. M. Bishop, Bureau of Mines, and T. H. Kiilsgaard, Geological Survey, respectively, relating to the project are enclosed for your information. We are also enclosing one copy of the application for the use of the Field Team. This is the only copy which we have available as only two were received.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

WPKlugescheid/er 4/25/58

Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures

APPROVED:

JAMES PAONE (JB)

Member, Bureau of Mines

Thor H. Kiilsgaard (JB)

Member, Geological Survey

DMEA Form 7
(12-56)

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Date	Surname	Code
4/25	Klugescheid	500
	[illegible]	500
4/28	Paone	130
4/28	Selbridge	130
4/28	[illegible]	130
"	Johnson	110
"	[illegible]	100 LB
4/28	[illegible]	220
		500

APR 28 1958

Mr. Harold George Horn, Partner
Horn & Burger
Post Office Box 248
Breckenridge, Colorado

Re: Docket No. DMEA-4986 (Lead-Zinc)
Harold George Horn and M. L. Burger
Wellington Mine
Summit County, Colorado

Dear Mr. Horn:

Your application for Government assistance to explore the cited property has been reviewed by the Division of Base Metals of the Defense Minerals Exploration Administration and has been referred to:

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

The Regional Office has probably already communicated its plans for making an examination of the property to you. Any assistance that you may give the members of the Field Team during the examination and any further information that you can give them, which they may require, will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WPKlugescheid/er 4/25/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

DMEA

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

4/25 Wtly 50

April 23, 1958

Re: DMEA 4986; Lead-Zinc;
$78,750
Horn & Burger Partnership
Wellington Mine
Summit Co., Colorado

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM

Subject: Review of reference application dated April 18 and received Washington office April 21, 1958.

H. G. Horn and M. L. Burger request DMEA assistance in a project to explore the downdip extension of a vein system parallel to the Wellington vein. They propose deepening the winze 150 feet and crosscutting southeastward to intersect veins numbered zero to four. Drifting is anticipated on all structures that show promising indications.

Though there is inadequate detail on which to judge, it appears the applicants have a justifiable project, and I therefore recommend an investigation by the Field Team.

O. M. Bishop

O. M. Bishop

cc: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Callaway
F I L E S

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
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DATE | INITIALS | CODE
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Memorandum

April 23, 1958

To: W. R. Griswold, Defense Minerals Exploration Administration

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of application, DMEA Docket 4986, (lead-zinc), Wellington mine, Summit County, Colorado.

The applicant proposes an exploration program consisting of 150 feet of winzing, 450 feet of crosscutting, and an indefinite footage of drifting to explore the downward projection of several veins in the Wellington mine. I have not searched the literature and thus have no information on this mine, although I note that it is described by T. S. Lovering of the U. S. Geological Survey. This report is in Professional Paper 176, published in 1934. I also note that much of the production from the mine has been since 1948; thus I am sure that Lovering's information is not up to date.

I note that the Executive Officer has scheduled a field examination on this property on April 21. This action has been taken to insure the preparation of a field report by late May. I suggest that we wait until this report is received and evaluated before rendering any decision on this application.

T. H. Kiilsgaard

T. H. Kiilsgaard

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

April 22, 1958

Mr. Harold George Horn
P. O. Box 248
Breckenridge, Colorado

Subject: DMEA-4986

Dear Mr. Horn:

Your application for exploration assistance, dated April 18, 1958 submitted to our office at Denver, Colorado has been assigned Docket Number DMEA-4986 and referred to the Base Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region III.

Please Return to Base Metals
DMEA

We can't permit too much greater deviation in the Burlington, Orthodox & Great Northern accts.

165			
81			
246			
		1956	
		cu	pb
		33,568	1,143,400
		0.24	0.115
		$8,056.32	$131,491.00
cu	ag		
396	19,859		
35	0.90		
$12,110.00	$17,873.10		

gn			
1,789,958			
0.10			
$178,995.80			
		1957	
152	309	3,609	529,256
35	10,	0.24	0.115
$5,320.00	$9,278.10	$866.16	$60,864.44

		1956.	1957.
gn	cu.	$ 12,110.00	$ 5,320.00
756,080	ag.	17,873.10	9,278.10
0.10	Cu.	8,056.32	866.16
75,608.00	Pb.	131,491.00	60,864.44
	gn.	178,995.80	75,608.00
Total.		$ 348,526.22	$151,936.70
Royalty. by 0.05		$17,426.31	$7,596.87

Pb

27,000
2000
54,000,000
0.115
$6,210,000.00

Zn

93,000
2000
186,000,000
0.10
$18,600,000.00

Cu

100
2000
200,000
.24
$48,000.00

Au

9,000
35
$315,000.00

Ag

940,000
.90
$846,000.00

Au	$ 315,000.00
Ag	846,000.00
Cu	48,000.00
Pb	6,210,000.00
Zn	18,600,000.00

Total at present prices, $26,019,000.00

Tons Ore 827,300 26,019,000 $31.45/ton

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Mr. Clay Branch of Central Services	RUN / STOP	RUN / STOP
Personnel Operations Room 6217	RUN / STOP	RUN / STOP
Mr. Hankins Defense Minerals Exploration Adm.	RUN / STOP	RUN / STOP
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3. Write clearly.

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	RUN	Director, Bureau of Land Management. Department of the Interior Washington 25, D.C.	RUN
	STOP		STOP 43
	RUN	Room 5546	RUN
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Mr. J. R. O'Shaughnessy Rm 4025	RUN	~~Mary Hart~~ ~~GSA Bldg. Rm 2235~~	RUN
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Plate 1

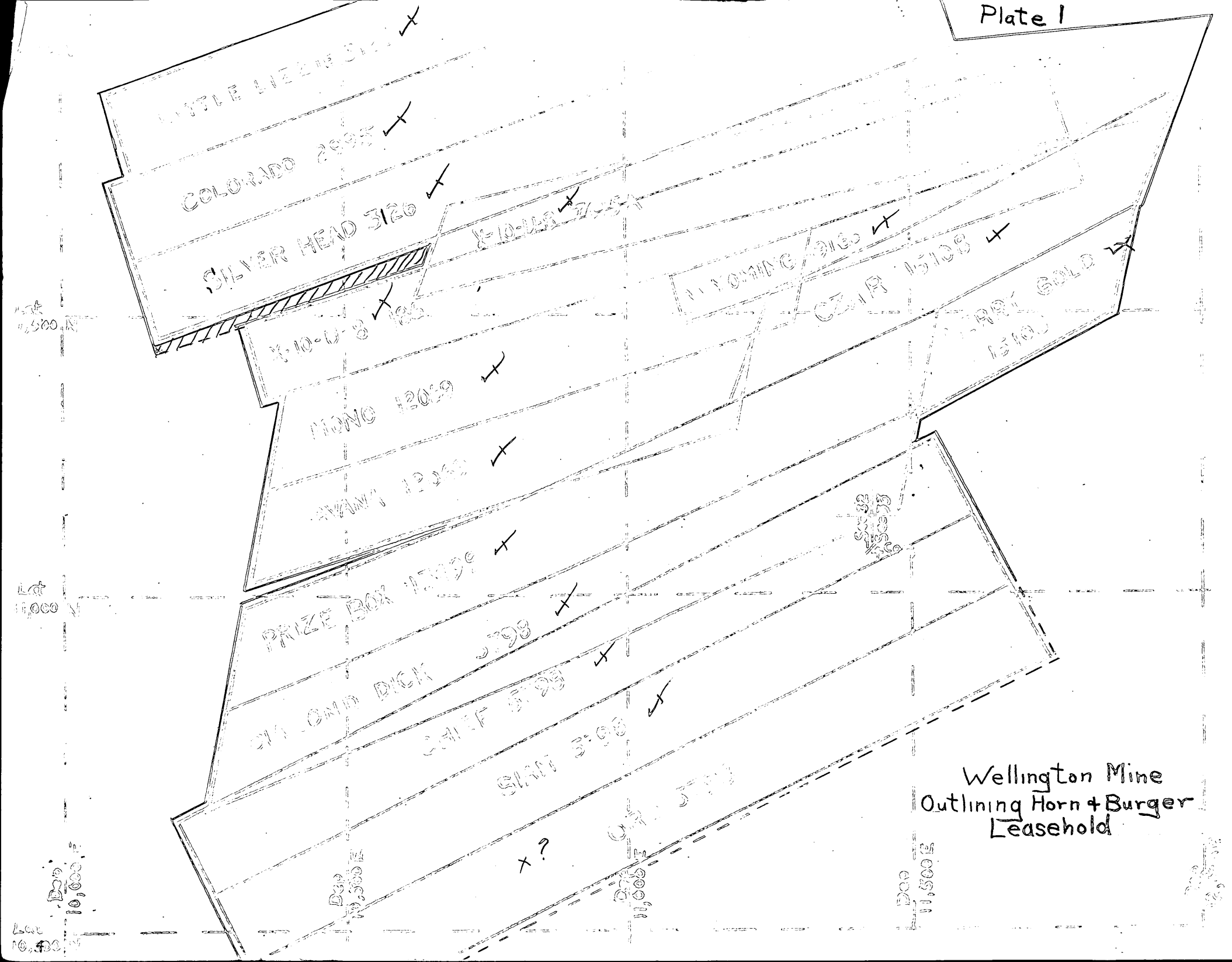
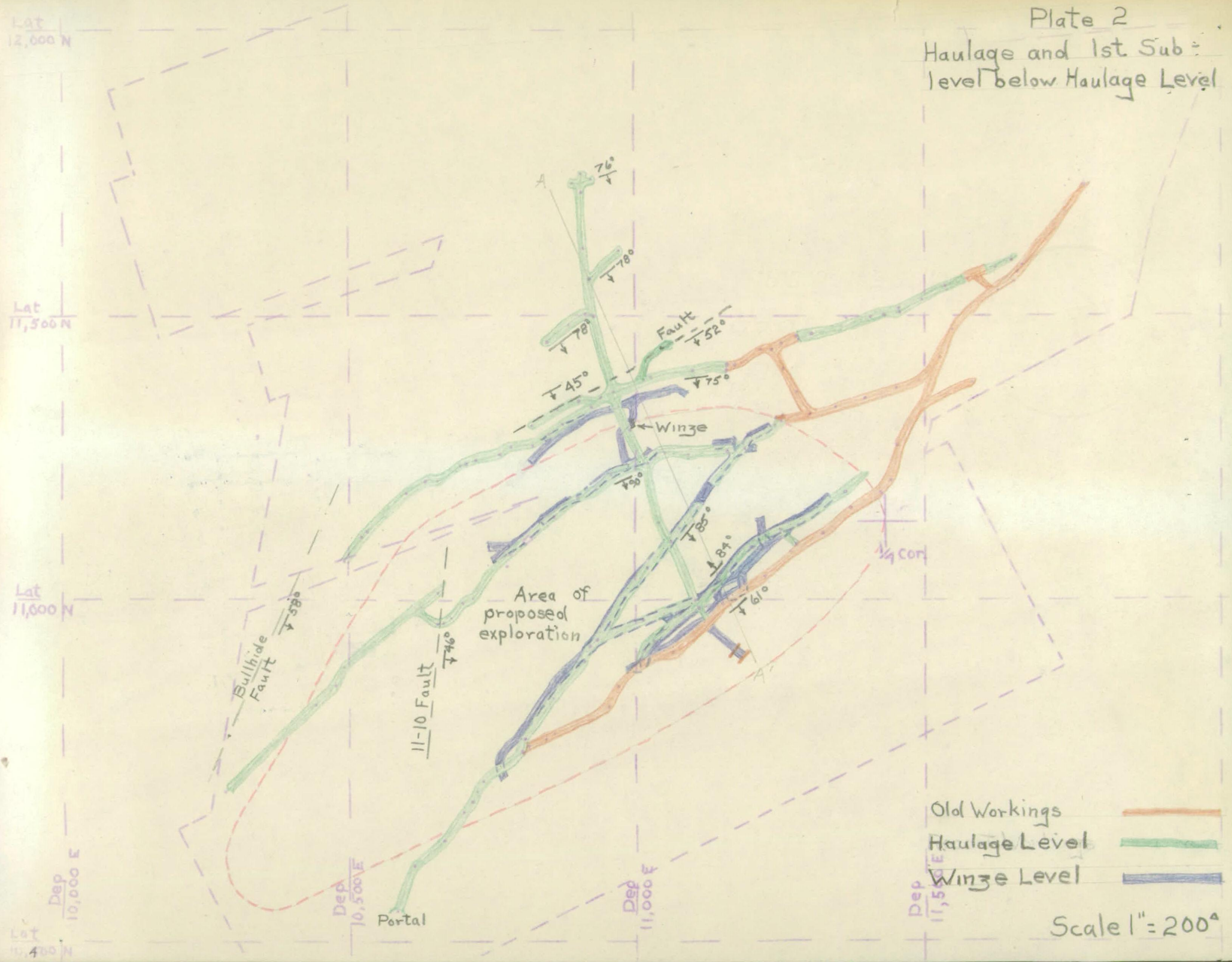

COLORADO
SILVER HEAD
MONO
PRIZE BOX
DIAMOND DICK
CHIEF
SINT
Wellington Mine
Outlining Horn + Burger
Leasehold

Plate 2

Haulage and 1st Sub-level below Haulage Level



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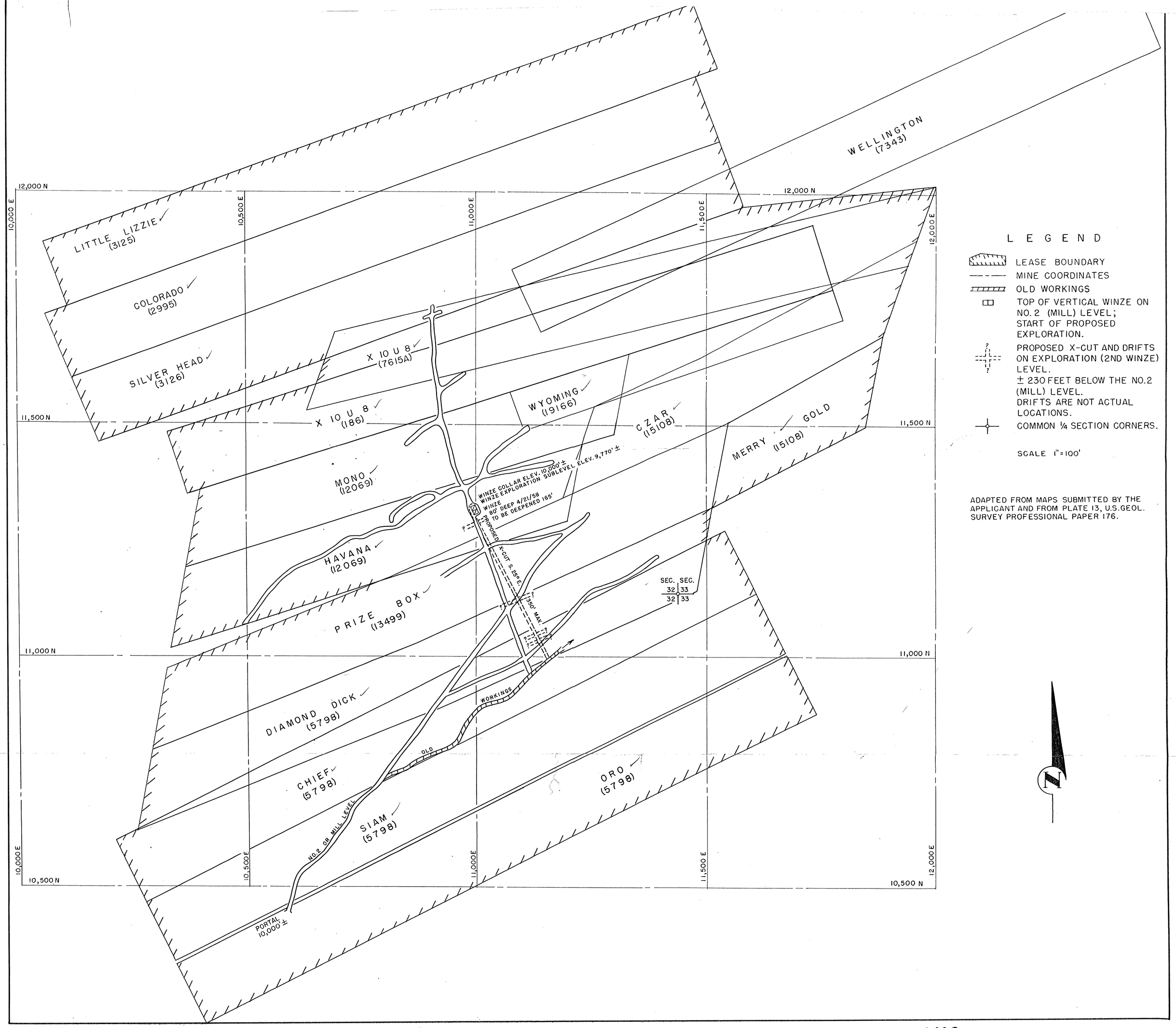

FIGURE 2 – CLAIM AND LOCATION MAP, WELLINGTON MINE (HORN AND BURGER LEASE), SUMMIT COUNTY, COLO. DMEA 4986

U.S. Department of Interior
Geological Survey

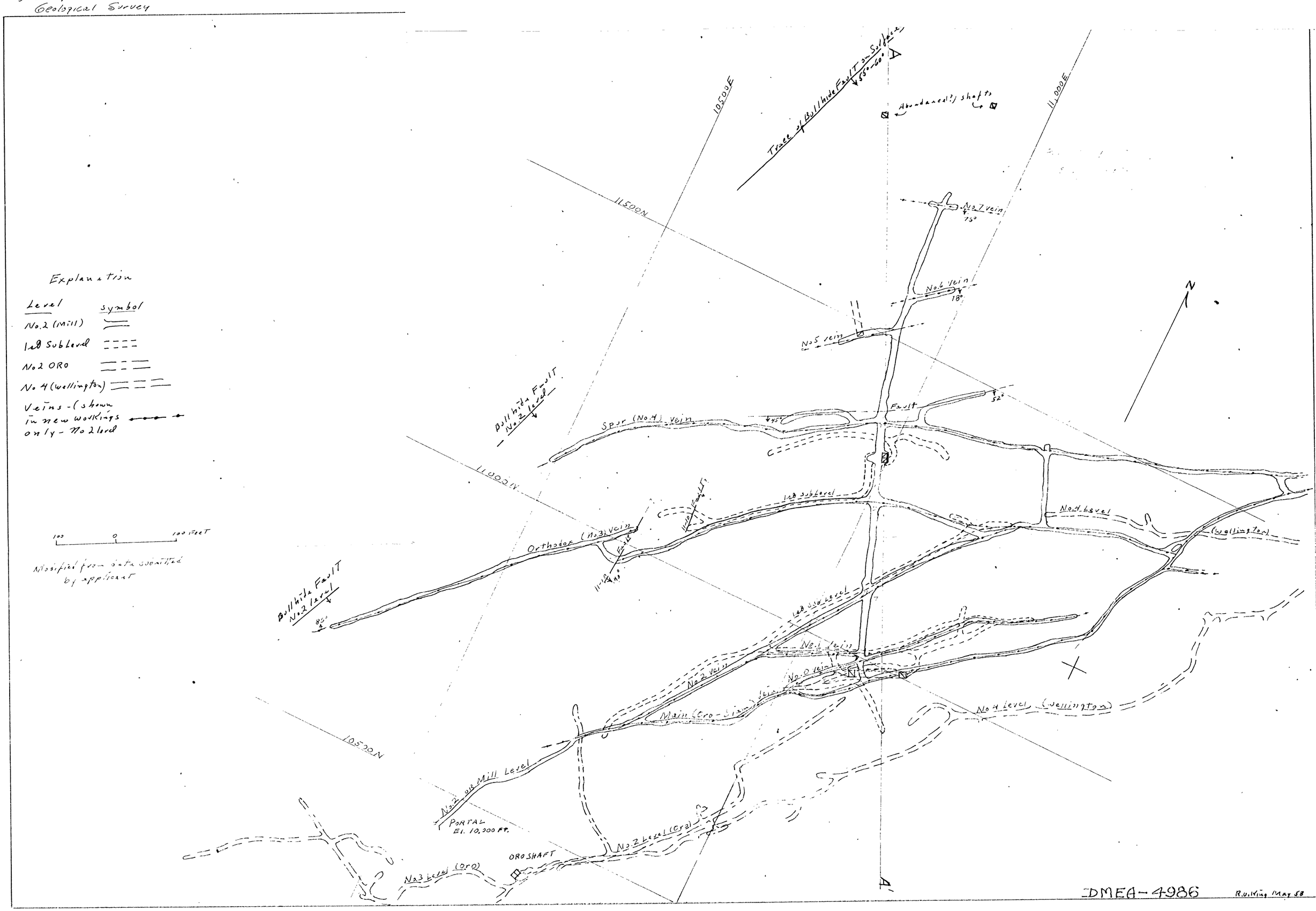

Figure 3 - Composite Geologic Plan of part of the Newer Workings of the Wellington Mine. (Horn and Burger Lease) Summit County. Colorado.

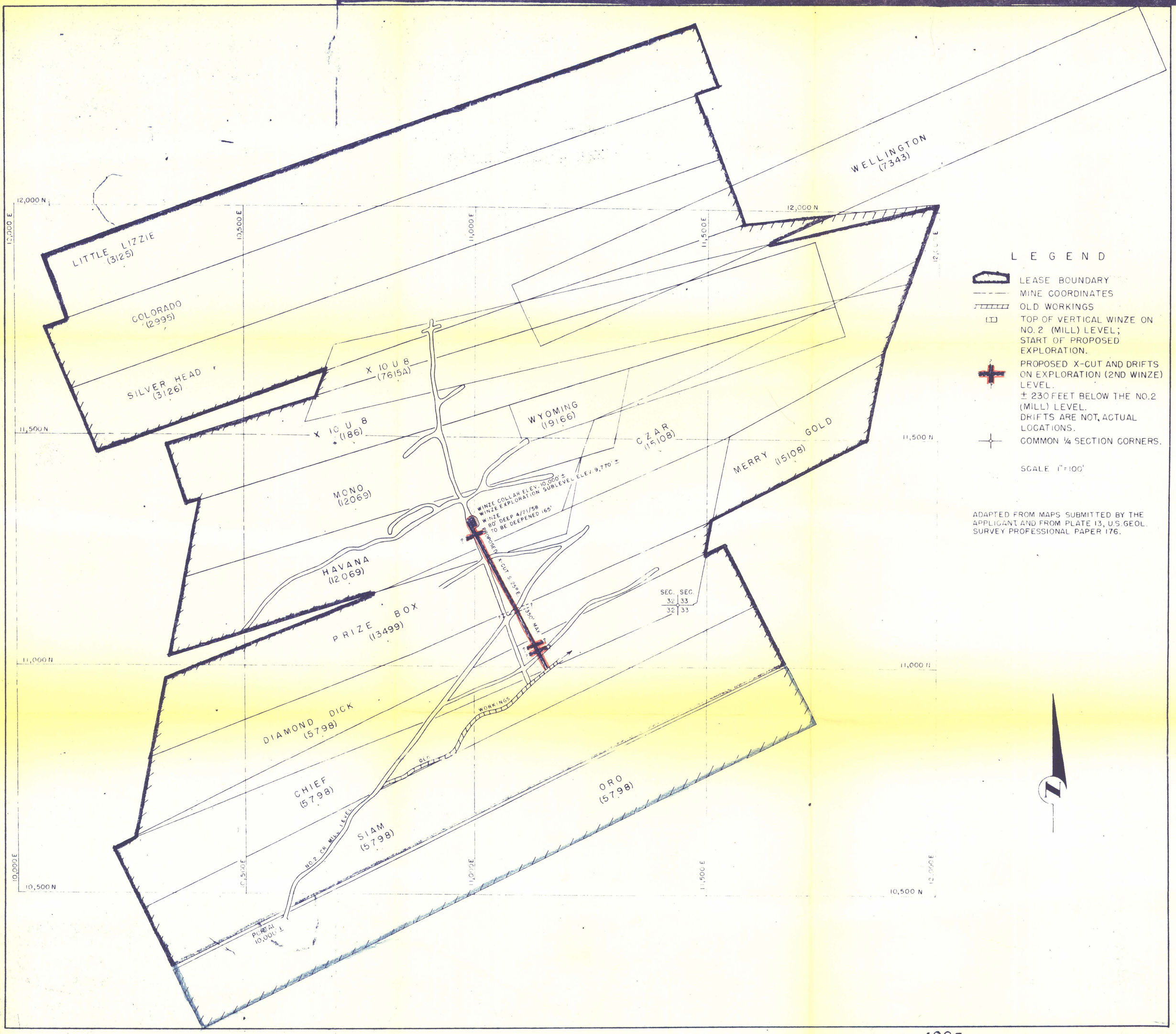

FIGURE 2 – CLAIM AND LOCATION MAP, WELLINGTON MINE (HORN AND BURGER LEASE), SUMMIT COUNTY, COLO. DMEA 4986.

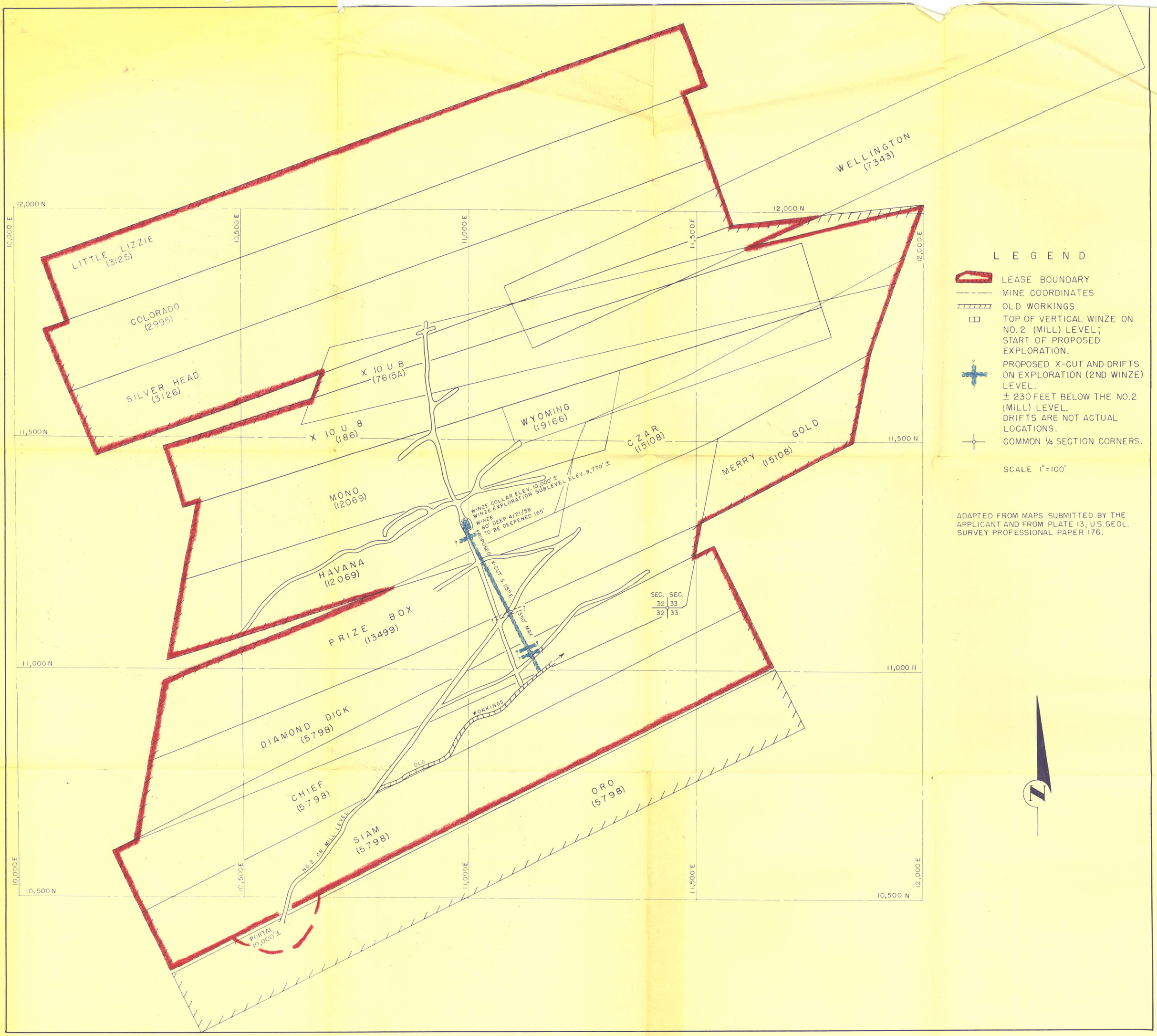

FIGURE 2 – CLAIM AND LOCATION MAP, WELLINGTON MINE (HORN AND BURGER LEASE), SUMMIT COUNTY, COLO. DMEA 4986.