MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2138 Docket No. MME- 6170

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] 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
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and 1-12-62 annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Pocket folder 1-A-Engineer's Report

Right Side

- [x] Project Summary (final)
- [x] Work Completed Analysis (final)

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

- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) **November 1961**
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

52615

MME Form 7
(10-58)

NOV 1 1963

OFFICIAL FILE COPY

Date	Surname	Code
10/25	Murphy	500
10/25	on leave	500
10/31	Talbut	800
	Selfridge	130
		110
		100
11/4	cal	220
		500

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Gentlemen:

Pursuant to Article 6 of the contract, as amended, referred to above, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from January 12, 1962, to January 12, 1972; or until the sum of $3,588.50 is fully repaid with interest, at the rate of 6¼ percent per annum, whichever occurs first. The payment of royalties is secured by a Performance Bond M-7 043 759, dated June 27, 1962, with Firemen's Fund Insurance Company, 3223 W. Sixth Street, Los Angeles, California, as corporate surety.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region III, Building 20, Denver Federal Center, Denver, Colorado, ZIP Code 80225. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

43683

The Field Officer should be promptly notified upon the commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

Dated this 1st of November, 1963

THE UNITED STATES OF AMERICA

(signed) FRANK E. JOHNSON

ACTING Director, Office of Minerals Exploration

FMMurphy/mm
10/25/63
cc: Fireman's Fund Insurance Company
Div. of Contract Administration and Audit
Fiscal Section
Region III
Director's Reading File
F. E. Johnson
Review Committee
Docket
Code 500

NME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/27/72		130
		220

AIRMAIL

JAN 27 1972

Mr. L. O. Bunde
P. O. Box 1236
Arlington, Texas 76010

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Bunde:

By the terms of the subject Exploration Contract, as amended, and the Certification of Possible Production, dated November 1, 1963, all minerals mined or produced from January 12, 1962, to January 12, 1972, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

For your information, we enclose a copy of a letter to the Fireman's Fund Insurance Company regarding Performance Bond No. M-7 043 759, executed June 27, 1962, attached to the contract, which you signed as Secretary-Treasurer of Bimetallist Mining Company, Inc.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region III

Branch of Budget and Finance
Mr. Kirkemo
130

GAult/a 1-27-72

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

pertaining to Exploration Contract 14-23-090-2138, OME No. 6170, including Amendments No. 1, for July 20, 1962, to October 1, 1962, inclusive, covering a gold-silver project on the Hawkeye and Bimetallist Claims, Ouray County, Colorado.

My review included an examination of the Monthly Vouchers (MME Forms 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$7,177.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$7,177.00

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$3,588.50
Paid to date	3,588.50
Balance due Operator	-0-

October 23, 1963

E. D. Talbert, OME Auditor

Acceptable Costs:

Access road work,	1 job			$ 500.00
Drifting,	187'	@	$35.00	6,545.00
Samples assayed	30ea.	@	2.50	75.00
Long-hole drilling	57'	@	1.00	57.00
				$7,177.00

Government's Copy

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
OME-6170

TERMINATION AGREEMENT

It is agreed this 3rd day of October, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Bimetallist Mining Company, Inc., hereinafter referred to as the "Operator," parties to that certain Exploration Contract No. 2138, (OME-6170), dated January 12, 1962, as amended, hereinafter referred to as the "Contract," that:

1. Effective October 13, 1962, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall not contribute to the costs of any work performed after October 13, 1962.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including furnishing to the Government a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records) accounts, audits, and the right to recover any overpayment are hereby preserved.

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

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

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

Long

App'd. Sol. Off.

Murphy
Talbert
Selfridge
Johnson

BIMETALLIST MINING COMPANY, INC.

By O. E. Stralle

Title Vice-President

Government's Copy

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
DOCKET NO. OME-6170

AMENDMENT NO. 1

It is agreed this 20th day of November, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Bimetallist Mining Company, Inc., hereinafter referred to as the "Operator," that Contract No. 2138 (OME-6170), dated January 12, 1962, is amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning October 13, 1962, and ending not later than June 1, 1963.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

3. The provisions of ARTICLE 14 are deleted and the following is substituted in lieu thereof as ARTICLE 10:

"ARTICLE 10. Nondiscrimination. The provisions governing performance of work under Government contracts, as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract.

Mr Phillaney
Appt. Sol. Inv.
Issued
Talbot
Selfridge
Johnson
Hamm

"In compliance with the Rules and Regulations (41 CFR, Section 60-1.3(a)) issued under Executive Order 10925 of March 6, 1961, the Operator is hereby bound and agrees to include in each subcontract which it shall make with a subcontractor or supplier paragraphs (1) through (7) of Section 301 of said Executive Order, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

"The Operator shall require each of its subcontractors (first tier) to include in every subcontract with each of its subcontractors (second tier) the following clause: The (here identify the second-tier subcontractor by name) shall incorporate by reference in each subcontract or purchase order with a subcontractor or supplier paragraphs (1) through (6) of Section 301 of Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity."

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Hugh M. Emmons
Acting Field Officer, OME, Region III

BIMETALLIST MINING COMPANY, INC.

By G. E. Spralla

Title Vice President

Government's Copy

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

JUL 25 1962 O.M.E.

Docket No.	Commodity	Contract No.	County	State
OME -6170	Gold-Silver	14-23-090-2138	Ouray	Colorado

It is agreed JAN 12 1962 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Bimetallist Mining Company, Inc., an Arizona corporation

whose mailing address is 411 West Pepper Place, Mesa, Arizona, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before AUG 2 1962 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $26,850.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $13,425.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interests of Owners and Contract Purchasers. See Annex I.

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Performance Bond in lieu of Lien or Subordination Agreements. ✓

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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.

See Article 14

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

BIMETALLIST MINING COMPANY, INC.
(Operator)

By G. E. Pralle

Title Vice - President

THE UNITED STATES OF AMERICA

By George Turnich

Director, Office of Minerals Exploration

Appr'd. Sol. Off.
Approved
Talbert
Selfridge
Johnson

I, L O Bunde (Name), certify that I am the secretary of the corporation named as Operator herein; that G E Pralle (Name), who signed this contract on behalf of the Operator, was then Vice President (Title) 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.

L O Bunde

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

INCREASE OR DECREASE PENALTY RIDER

AMOUNT $ 7,625.00 Reduction BOND NO. M-7043759 PREMIUM $ 76.00 Return

Fireman's Fund Insurance Company surety upon the bond of Bimetallist Mining Co., Inc.

, dated the 27th day of June, 19 62, in the penalty of Thirteen Thousand Four Hundred Twenty Five and no/100 Dollars ($ 13,425.00), in favor of United States of America (Obligee), at the request of said Obligee

as is evidenced by its signature hereto, does hereby decrease ~~increase~~ the penalty of said bond to the sum of

Five Thousand Eight Hundred and no/100ths Dollars ($ 5,800.00),

to be effective as of the 27th day of June, 19 65, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the said Fireman's Fund Insurance Company shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability exceed the larger of the above mentioned sums.

Signed and sealed this 27th day of June, 19 65.

Fireman's Fund Insurance Company

By Alfred F. Bane

Alfred F. Bane, Attorney-in-Fact

The above is hereby agreed to and accepted:

United States of America

OBLIGEE

By

TITLE

Attest

TITLE

See letters January 27, 1966 and reply February 10, 1966, right-hand side of docket

M-BN 42 8-56

Bond M-7 043 759

STANDARD FORM 25
REVISED NOVEMBER 1950
PRESCRIBED BY GENERAL SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

PERFORMANCE BOND

(See Instructions on Reverse)

DATE BOND EXECUTED: June 27, 1962

PRINCIPAL

Bimetallist Mining Company, Inc.

SURETY

FIREMAN'S FUND INSURANCE COMPANY, a body corporate, duly incorporated under the laws of the State of California, and authorized to act as surety under the act of Congress approved August 13, 1894, whose principal office is located in San Francisco, State of California.

PENAL SUM OF BOND (*express in words and figures*)	CONTRACT NO.	DATE OF CONTRACT
Thirteen Thousand Four Hundred Twenty-five and no/100 Dollars ($13,425.00)	2138	1/12/62

KNOW ALL MEN BY THESE PRESENTS, That we, the PRINCIPAL and SURETY above named, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government, numbered and dated as shown above and hereto attached;

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

In Presence of:

WITNESS		INDIVIDUAL PRINCIPAL	
1.	as to		[SEAL]
2.	as to		[SEAL]
3.	as to		[SEAL]
4.	as to		[SEAL]

WITNESS		INDIVIDUAL SURETY	
1.	as to		[SEAL]
2.	as to		[SEAL]

Attest: John E. Savoy

CORPORATE PRINCIPAL: BIMETALLIST MINING COMPANY, INC.

BUSINESS ADDRESS: 411 West Pepper Place, Mesa, Arizona

BY: R O Burns

TITLE: Sec-Treas

AFFIX CORPORATE SEAL

Attest: W. Hoddard

CORPORATE SURETY: FIREMAN'S FUND INSURANCE COMPANY

BUSINESS ADDRESS: 3223 W. Sixth St., Los Angeles, Calif.

BY: R.H. Spencer

TITLE: R.H. Spencer, Attorney in Fact

AFFIX CORPORATE SEAL

STANDARD FORM 25
NOVEMBER 1950 EDITION

16—30441-2

The rate of premium on this bond is $10.00 per thousand.

Total amount of premium charged, $ 134.25

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, ..., certify that I am the ..... secretary of the corporation named as principal in the within bond; that .....,

who signed the said bond on behalf of the principal, was then ..... of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

..... [CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

U. S. GOVERNMENT PRINTING OFFICE 16—30441-2

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
OME-6170

ANNEX I

The land referred to in Article 2 of the contract consists of two patented mining claims, together with all rights pertaining thereto, on Potosi Peak in the Sneffels mining district of Ouray County, Colorado. The two claims are as follows:

Name	Survey Number
Bimetallist	12254
Hawkeye	1641

The claims, owned by Helen A. Croft and the heirs of O. J. Davis and Malcolm Downer, were the subject of a Contract of Sale dated April 1, 1960, to W. R. Nichols and O. C. Baker. Nichols and Baker, on June 6, 1961, entered into an Agreement of Sale and Purchase of Property, covering said claims, with L. O. Bunde and C. P. Keegel. On June 6, 1961, said Bunde and Keegel made an assignment of their interest to Bimetallist Mining Co.

The claims are shown on the attached Figure 1 entitled "Bimetallist Mining Co., Inc., Ouray County, Colo."

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
OME-6170

EXHIBIT A

The purpose of the project is to explore for ores of gold and silver by drifting, raising, and long-hole drilling. Work of access road improvement (lengthening and widening of switchbacks) shall be done to facilitate the work of exploration.

General Conditions

The work of road improvement must meet with the approval of the Government upon completion.

Mine rail shall be of not less than 16-lb. size, compressed air lines of not less than 2-inch size, water lines of not less than 1-inch size, and ventilation lines of not less than 12-inch size.

Raises shall be of a minimum size of 4 by 6 feet in the clear of timber.

The Government will participate in the cost of not to exceed one hundred feet of drift timbering and not to exceed 500 feet of long-hole drilling.

Description of the Work

After completion of the access road improvement, the present face of the Hawkeye Adit shall be continued northeasterly for a distance not to exceed 500 feet. Drifts shall be driven with a minimum size of 5 by 7 feet in the clear of timber and shall be timbered as necessary, using standard drift sets with 8" by 8" timber, or equivalent round timber. All drifting shall be done along the footwall of the vein unless prior Government approval is given permitting a change in drift position. At intervals of approximately 25 feet long-holes shall be drilled to the vein hanging wall so as to permit sampling of the full vein width. All cuttings from such long-hole drilling shall be sampled, with no sample to represent a hole length of more than five feet.

As the drifting progresses, representative face samples shall be taken at linear intervals of not greater than 15 feet. In areas where the veins show significant mineralization, face samples shall be taken at linear intervals of not greater than 10 feet. All drift samples shall be cut normal to the vein.

Raises may be driven at locations given prior approval by the Government; the total combined footage of such raising may not exceed 200 feet. When traversing favorably mineralized sections, such raises shall likewise be sampled, as with the drifting, at linear intervals not to exceed 10 feet.

All samples shall be split or quartered as necessary, with one fraction reserved for the use of the Government and stored in a proper container marked as to location. The samples shall be assayed for gold and silver and assay results (with locations) shown on a map or sketch accompanying the monthly progress reports to the Government.

The outlined work is partly indicated on the attached Figure 1.

Estimated Costs of the Project

Agreed Unit Costs

Lengthening and widening of access roads switchbacks 1/	$ 500.00
500 feet drifting @ $35.00/ft.	17,500.00
200 feet raising @ $35.00/ft.	7,000.00
200 samples to be assayed for gold and silver @ $2.50 per sample	500.00
100 feet drift timbering @ $8.50/ft.	850.00
500 feet long-hole drilling @ $1.00/ft.	500.00
Total Cost of the Project	$26,850.00
Government's Participation at 50%	$13,425.00

1/ The completed job constitutes the unit.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however*, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided*, that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

BIMETALLIST MINING CO., INC.

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 18 1961

DATE	INITIALS	CODE
12/18	Received	500
		500

OURAY, COLORADO
December 14, 1961

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Gentlemen:

Enclosed herewith you will please find the following documents to be included in the development loan application for the Bimetallist Mining Company:

(a) Purchase Agreement
(b) Assignment of Purchase Agreement to the Bimetallist Mining Company
(c) Letter to the Bimetallist Mining Company from the Nevada State Bank, Las Vegas, Nevada

If we can supply any further information, we will be very glad to do so.

Very sincerely,

C. P. Keegel
Vice President

CPK:wg

Enclosures:
3 - as listed above

A S S I G N M E N T

FOR VALUE RECEIVED, we, C. P. Keegel and L. O. Bunde, hereby sell, assign and set over unto the Bimetallist Mining Co., an Arizona corporation, all right, title and interest in and to that certain Agreement of Sale and purchase of mining property, which Agreement was entered into on the 6th day of June, 1961 between O. C. Baker and W. R. Nichols, as parties of the first part, and C. P. Keegel and L. O. Bunde, as parties of the second part, and which Agreement was to convey to said second parties property described as Bi-Metalist Lode Mining Claim U. S. Survey number 12254 and Hawkeye Lode Mining Claim U. S. Survey number 1641 located in Sneffels Mining District of Ouray County, Colorado.

C. P. Keegel

C. P. Keegel

L O Bunde

L. O. Bunde

STATE OF ARIZONA)
) ss.
County of Maricopa)

Before me, the undersigned Notary Public, personally appeared C. P. Keegel and L. O. Bunde, known to me to be the persons whose names are subscribed to the foregoing Assignment, and acknowledged that they executed the same for the consideration and purposes therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 6th day of June, 1961.

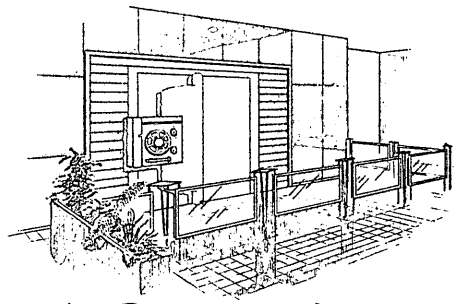
(SEAL)

My commission expires:

Sept. 12, 1964.

Ruth J. Burt

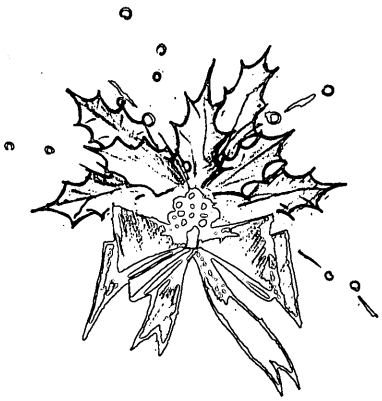
Notary Public



FOURTH & CARSON STREETS

Nevada State Bank

LAS VEGAS, NEVADA



December 4, 1961

Bimetallist Mining Company
Phoenix, Arizona

Gentlemen:

This letter concerns an application from Clyde Keegal for a loan to develop mining property.

We regret that because of the nature of the business and the amount of the application, we are unable to grant the credit requested at this time.

Yours very truly,

M. A. KIBBY
Senior Vice President

MAK/ss

Western Finance Company, Agents
Insurance & Real Estate
500 Main Street Phone 67W
Montrose, Colorado

Agreement of Sale and Purchase of Property.

Article of agreement made this ~~first~~ sixth day of June 1961 between O.C.Baker and W.R.Nichols of County of Montrose,and State of Colorado, party of the first part, and L.O.Bunde and C.P.Keegel of 1721 S 14 th Street,Las Vegas,Nevada, party of the second part. Witnessth, That if the parties of the second part shall make the payments and perform the convents herinafter mentioned on his part to be made and performed, the said parties of the first part, hereby convenant and agree to convey to said parties of the second part, in fee and simple, by good and sufficient Warrenty Deed, the following decribed property. Viz; Bi-Metalist Lode Mining Claim U.S.Survey number 12254 and Hawkeye Lode Mining Claim U.S.Survey Number 1641, located in Sneffels Mining District of Ouray County, Colorado. Said premises to be free and clear from all leins,incumbrences, and taxes, except taxes for the year 1961, and subsequent taxes, and the said party of the second part, convenants and agrees to pay the said parties of the first part, the sum of Thirtyone Thousand Dollars (31,000) in the manner following: Three Thousand Dollars,receipt of which is hereby acknowledged, and Five Thousand Dollars on each six months thereafter, until the total amount is paid Payments are to made at the ends of the six months periods.

Parties of the second part may pay the full amount of the purchase price in full, any time in advance, and receive Deed at their option. It is mutually agreed, that the time of payment shall be an essential part of this contract. In case of failure of parties of the second part to make any of the payments or perform any of the convenants of his part at the time or times specified, this contract shall be forfeited and determined at the election of parties of the first part, upon notice to the parties of the second part ten (LO) days after their intention to do so, by delivering to him personally or mailing same to above address, and the said parties of the second part shall forfeit all payments made by them on this contract, and all improvements made on said property, shall be retained by parties of the first part as liquidation damages, and party of the second part shall give parties of the first part peaceful possession, provided that the parties of the second part may remove all machinery and equipment placed on the property by them within 9o days of receipt of notice of forfeiture, wether same is fixed or movable.

It is mutually agreed that any ores, concentrates, or Gold Bullion sold from this property by the parties of the second part, shall have the purchaser of such ores, concentrates, or Gold Bullion, pay to the party of the first ten (lo) percent royalty of the net smelter returns. Such royalty will apply on purchase price, until property is paid in full. This agreement may be assigned by the second parties without notice to the first parties hereof.

This agreement is binding upon both parties hereto, their heirs, assignees, or administrators.

ST. PAUL FIRE AND MARINE · ST. PAUL MERCURY · WESTERN LIFE · Western Insurance Companies · FOUNDED 1853

Western Finance Company, Agents
Insurance & Real Estate
500 Main Street Phone 67W
Montrose, Colorado

In witness whereof: The parties to these presents, have hereunto set their hands and seals, the day and year first above written.

O.C.Baker

W.R.Nichols

C.P.Keegel

L.O.Bunde

ST PAUL FIRE and MARINE · ST PAUL MERCURY · WESTERN LIFE
The St. Paul Western Insurance Companies
FOUNDED 1853

BIMETALLIST MINING CO., INC.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 2 1961

DATE	INITIALS	CODE
10/2	Greenwald	500

OURAY, COLORADO
September 25, 1961

OME 670

OME
DEPARTMENT OF THE INTERIOR
SEP 28 1961
REGION III
DENVER, COLORADO

Mr. Hugh Conners
Acting Field Officer, O.M.E.
United States Department of the Interior
Office of Mineral Exploration
Denver 25, Colorado

Dear Hugh:

Enclosed please find three copies of an ammendment to our loan application.

This ammendment contains a development plan, a fairly exact costing and financing plan, tables of our equipment, and sketches showing our development targets.

I hope this ammendment is clear in itself; however, if you need further information of any kind, I will be glad to furnish it.

Very sincerely,

G. E. Pralle
Vice President

Selfridge
~~GEP:ug~~

Enclosure

LOAN APPLICATION OME-6170 (Gold-Silver)

BIMETALLIST MINING COMPANY, INC.

Amended Application

An ammendment to application OME-6170, with particular reference to Par. 5 (a) to Par. 5 (c) and Par. 7 (a) toPar. 7 (g).

BIMETALLIST MINING COMPANY, INC. DEVELOPMENT PROGRAM

The Bimetallist Mine will be developed in three steps:

A. Building an access road and reopening the partly collapsed Hawkeye Drift.

B. Drifting from the old face of the Hawkeye Drift towards two structures (a cross-vein and a dyke) 310 and 662 feet ahead respectively.

C. Raising up and cross-cutting at the points, where the cross structures cut the vein.

A.

1. The first step in the development program was completed in the summer of 1961. An access road was built (see Figure 1) covering an elevation difference of 800 feet on a very steep slope, covered by only one foot of soil. Almost all parts of this road had to be drilled and blasted. The road has 12 switchbacks, but only one-half of the turn points are wide enough for a jeep to turn. The overall length of this road is about 1 1/2 miles. The total cost was only $2,601.90, which included the working cost of a D 7 cat, all drilling, explosives, equipment rental, supervision, labor, etc.

2. The completely collapsed portal was reopened, a sufficiently large surface area was established on the steeply sloping hill outside the portal, dump facilities were built, the old 510 foot long Hawkeye Drift -- collapsed in parts -- was cleaned out and widened in places, the old 8 lb. rail was replaced by used 20 lb. rail, 2" air pipes and 1" water pipes were hung, and equipment (365 c.f.m. Le Roy Compressor, Eimco 12 B mucker, 300 gallon receiver tank, mine car, etc.) was transported to the mine by cats. The total cost of these operations was $6,557.77, which includes equipment rental, drilling, explosives, supplies, labor, supervision, etc.

B.

1. Part of this second step was carried out in the fall of 1961. Drift work was carried out on a contract basis, two shifts per day, two contract miners, and one surface man per shift.

The cross section of the tunnel was kept at about 5' x 7' and the equipment used included one Eimco 12 B mucker, two Cleveland hammers and legs, a one-ton 18" gauge mine car, and chisel-bit Swedish drill steel.

The face advanced by 225' to a total of 735' from the portal. Average drift progress was 4' per shift, or 8' per day.

The total cost per foot of drift was $40.00, the highest single item being the contract price of $14.50 per foot (this cost is $1.00 above the price Camp Bird Mine pays to similar drifting jobs, the additional $1.00 is necessary to cover the difficulties of the much higher elevation of 11,500 feet).

A detailed analysis of the drift cost may be found in Table 1. (Note: the Bimetallist Mining Company, Inc., Balance Sheet, Table 4, indicates a somewhat different cost per foot due to the distribution into "Opening of Portal", "Work on Surface" and "Drifting" of various costs which actually are drifting costs.

2. A further 94' of drift is required to intersect the cross vein (see Figure 2) and an additional 343' beyond this intersection point to reach the second (dyke) cross structure. Unless conditions will change radically, the cost of $40.00 per foot will still apply in 1962 and will, in addition, include long holing into the walls every 10 feet, necessitated by the 20 foot width of the vein.

This work will be done in the summer of 1962, beginning about June 1, after the access road has been improved, the portal reopened, and an air trammer and 4 more mine cars installed.

C.

The third step could commence before completion of the second, if assay returns at the first target point require a detailed exploration of that area. Cross-cutting costs will be identical with drifting costs and raising costs will be a little higher and of the order of $45.00 per foot for a two-compartment timbered raise. This figure, however, would have to be revised after the first 100 feet of raise has been completed.

This third step should cover at least a total of about 300 feet of raises at the two structural points.

Financial Requirements.	*Expenditure 1961*	*Expenditure Planned for 1962*
Part A of the Development Program:		
1. Access Road Work	$ 2,601.90	$ 2,000.00
2. Portal and Tunnel Work	6,557.77	1,000.00
Part B of the Development Program:		
1. Equipment purchased	3,684.62	4,236.00
2. Drift Work	9,000.00	17,480.00
Part C of the Development Program:		
1. Crosscutting	nil	2,000.00
2. Raising	nil	13,500.00
	$ 21,844.29	$ 40,216.00

Comments to:

A. 1. The road will have to be reworked after the effects of winter and all turn points will have to be widened to make possible shipments by truck, up or down.

2. The drift has to be widened in places to allow an air trammer to pass through. The dump has to be improved and more surface track has to be installed.

B. 1. A list of all equipment purchased in 1961 may be found in Table 2. A list of all equipment which has to be purchased in 1962 may be found in Table 3. This equipment is absolutely essential, because drifting with inadequate equipment as in 1961 would not be possible for a longer operation.

2. Drift work done in 1961 totals 225 feet. A further 94 feet and 343 feet are required. The cost, despite the planned addition of long-holing, will still be $40.00 per foot, totalling costs of $3,760.00 and $13,720.00, respectively.

C. 1. If each of both structures is explored 12 1/2 feet, hanging wall and foot wall directions, the total crosscut footage will be 50 feet and at $40.00, will cost $2,000.00.

2. If at each structure a raise of 150 feet is put in, total raise footage would be 300 feet. At a cost of $45.00, this would represent $13,500.00. As pointed out, this figure is a rough estimate only.

Summarizing, a total of $62,060.29 will have to be invested to develop the Bimetallist Mine.

Bimetallist Mining Company, Inc., herewith applies for a loan of $31,030.00 from the United States, Office of Mineral Exploration.

Ouray, Colorado

C. P. Keegel
Vice President

September 25, 1961

G. E. Pralle
Vice President
Mine Manager

TABLE 1

DRIFT COST ANALYSIS

		Cost per Foot
1.	2" Air Pipe	$ 0.5120
2.	1" Water Pipe	0.2388
3.	16 lb. used rail @ $120.00 per ton	0.6400
4.	Ties at $45 per 100, spaced 2' center	0.2250
5.	Explosives @ $550 delivered per ton, 1 box of 50 lb. per round of 4'	2.8125
6.	Detonators @ $35 per 100, 25 per round of 4'	2.1875
7.	Fuel: a. Diesel @ $0.20 per gal., 60 gal. per day of 8'	1.5000
	b. Gasoline @ $0.39 per gal., 5 gal. per day of 8'	0.2437
	c. Oil @ $0.55 per qt., 1 qt. per day of 8'	0.0688
8.	Timber for odd purposes	0.1000
9.	Fishplates, bolts, spikes, pipe fittings, wire, etc.	0.3750
10.	Spare parts for mining and transport equipment	0.5000
11.	Repair costs of mining and transport equipment	0.4450
12.	Rental of equipment $1025.10 per month of 200'	5.0505
13.	Contract payment	14.5000
14.	Compressor men, one per shift, $18 per 4' round	4.5000
15.	Compressor men, overtime payment for 6th day, $9.00 per Saturday shift, 8 Saturdays shifts per month of 200'	0.3600
16.	Supervision, $600.00 per month of 200'	3.0000 ?
17.	Assays, $2.00 per round of 4'	1.0000 ?
18.	Surveys, Engineering	1.0000 ?
	Total	$ 40.0088 per ft.

TABLE 2

EQUIPMENT PURCHASED IN 1961

1.	Mine Car	$ 378.66
2.	Drill Steel	327.45
3.	200' of 3/4" hose	133.60
4.	100' of 1/2" hose	52.00
5.	75' of 1" hose	93.53
6.	2 Line Oilers	130.90
7.	630' of 1" pipe *	150.44
8.	609' of 2" pipe *	311.81
9.	600' of 20 lb. rail *	384.00
10.	Steel Grinder	170.00
11.	5 Lamps	142.50
12.	5 Chargers	90.00
13.	1 Lamp and Charger	44.50
14.	1 Blasting Box & 500' Blasting Wire	79.85
15.	1 Water pump with Engine	137.13
16.	Hand Tools	250.00
17.	Pipe Fittings for the surface	75.00
18.	Small Items	100.00
19.	Chevrolet 4 x 4 1 1/2 ton truck	561.00
	Total	$ 3,612.37
	Tax	72.25
	TOTAL	$ 3,684.62

*Installed in the old tunnel, before drifting began.

Note: 1. 365 cfm LeRoy Compressor,
2. 12 B Eimco Mucker,
3. 2 Cleveland Hammers and Legs,
4. 300 gallon Receiver Tank,

Are bought on a tental-purchase agreement of $1,025.10 per month.

TABLE 3.

EQUIPMENT TO BE PURCHASED IN 1962

1.	*Used Jeep*	*$ 750.00*
2.	*Used Air Trammer*	*1,800.00*
3.	*4 Used Large Mine Cars*	*1,000.00*
4.	*Used Ventilator with Engine*	*350.00*
5.	*1200' of Plastic Vent Pipe*	*336.00*
	Total	*$ 4,236.00*

TABLE 4

EXERPTS FROM THE BIMETALLIST MINING COMPANY, INC.

BALANCE SHEET, SEPTEMBER 15, 1961

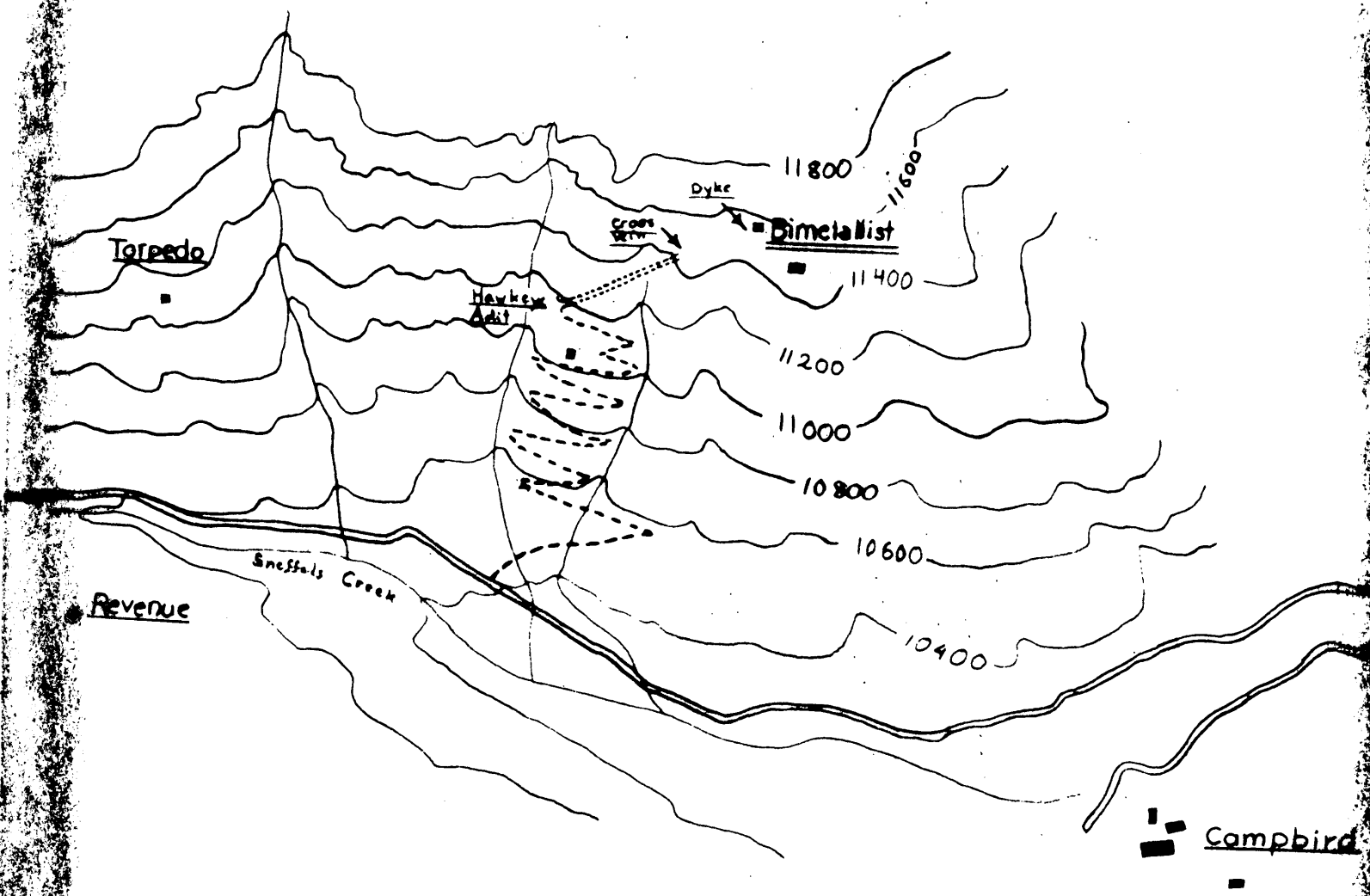
Deferred Charges:

Road Expenditure	$ 2,601.90
Opening Portal, Rework & Equip. Tunnel	5,641.44
Work on Surface, compressor men, etc.	2,958.00
Drifting, 225'	7,278.65
	$ 18,489.99

Fixed Assets:

Rental of Equipment	1,927.80
Truck	561.00
Equipment	479.77
Mine Car	386.23
TOTAL	$ 21,844.29

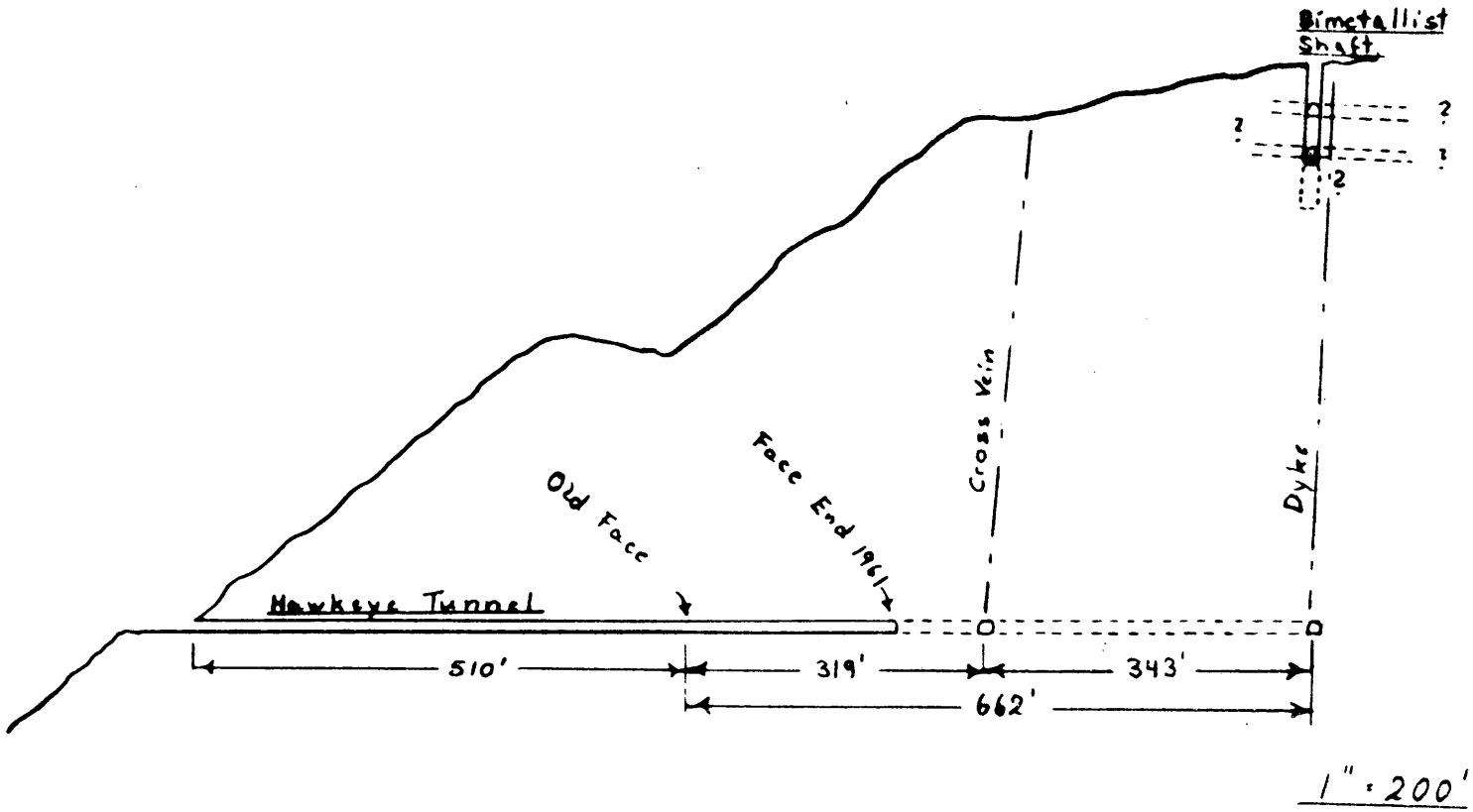
Bimetallist Mine and Road.



— — — Bimetallist Road.

- - - - - - - Bimetallist Drift.

Fig. 1



Bimetallist Mine.

Fig. 2

Fig. 2

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

OFFICIAL FILE COPY O. M. E RECEIVED AUG 14 1961		
DATE	INITIALS	CODE

August 11, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

From: Acting Field Officer, OME, Region III

Subject: Application for OME Aid (Gold-Silver)
Bimetallist Mining Company, Inc.
(Bimetallist Mine)
Ouray County, Colorado

Enclosed are the original and two copies of the subject application which consists of the original and one copy of a letter of transmittal from the Applicant dated 8-10-61, one copy of a list of operating equipment, one copy of operating materials and supplies and four copies of an engineer's report on the Bimetallist Mine.

One copy each of the application, engineer's report, operating equipment, and operating materials and supplies are being retained in this office.

The application is inadequate.

Hugh M. Connors

Hugh M. Connors

Attachments

BIMETALLIST MINING CO., INC.

P.O.Box 86
OURAY, COLORADO

8 - 10 - 1961

OME
Building 20
Federal Center
Denver 25
Colorado

OME
DEPARTMENT OF THE INTERIOR
AUG 11 1961
REGION III
DENVER, COLORADO

Dear Sir,

enclosed please find 4 copies each of
MME Form 40
Loan Applications
Engineer's Report,
and two additional copies of each
Operating Equipment
Operating Materials and Supplies.
Of the latter two items two copies each were mailed to you on August 2 nd,1961 .

Yours very truly

Gerhardt Pralle
Vice-President and Mine Manager

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

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

Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa
Arizona

OME
DEPARTMENT OF THE INTERIOR
AUG 11 1961
REGION III

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME-6170
DATE RECEIVED: 8-14-61
REGION: III
DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Arizona

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Mr. Alex Stachon	411 W Pepper Place, Mesa, Ariz.	Pres.
Mr. Les Bunde	146 W Main Street, Mesa, Ariz.	V.P. + Tr
Mr. C.P. Keegel	1721 S 14 th, Las Vegas, Nevada	V.P.
Mr. G.E. Pralle	Ouray, Colorado	V.P.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold and Silver

ESTIMATED COST OF PROJECT: $ $16,300.00

PROPERTY NAME	LOCATION COUNTY	STATE
Bimetallist Mine	Ouray	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

August 9, 1961
DATED

C P Keegel
BY *(Signature)*

Vice President
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

LOAN APPLICATION

FROM: Bimetallist Mining Company, Inc.

---

1. *Financial Eligibility.*

   (a) *Exhibit C. See report attached covering refusal of loan application.*

   (b) *The Bimetallist Mining Company, Inc. has no subsidiary, affiliate, or associated interests and is entirely independent.*

   (c) *The Bimetallist will provide its capital from cash in escrow.*

2. *Rights in Lands.*

   (a) *The Bimetallist Mining Company, Inc. is sole assignee under the purchase agreement, C. P. Keegel and L. O. Bunde from O. C. Baker and William Nichols. See "Status of Title" in accompanying report.*

   (b) *See "Status of Title" and property description in the accompanying report. Lands are patented.*

   (b) *See letter from W. R. Nichols and O. C. Baker refusing to subordinate rights, Exhibit A.*

3. *Physical Description and Geolory - see accompanying report.*

4. *Accessibility - see report.*

5. (a) *All drift and cross cut excavations to be 5' x 7'. Raises, 5' x 5'.*

   (b) *Improvement of present access road is not within the application proposal.*

   (c) *Work is now in progress; completion schedule on the first phase : November 30, 1961.*

6. Experience.

Direct operation supervision will be by Gerhardt Pralle, graduate Mining Engineer. Education: Graduate Melbourne University, Australia; graduate Leoben Mining Academy, Austria.

Detail of Mr. Parlle's working experience is available and includes responsible positions in this country and abroad for some four years.

C. P. Keegel, Mining and Metallurgical Engineer. Consultant. C. P. Keegel, Engineers, Las Vegas, Nevada. Licensed Engineer Nevada, Licensed Chemical Engineer, California. More than twenty years active responsible experience.

7. Estimate of Cost.

(a) Costs are estimated on a footage basis in the accompanying report.

Since the Bimetallist Mining Company, Inc. already has the necessary equipment, direct supervision, as well as all other costs are included on a unit basis.

Costs of Engineering and sampling are shown separately.

Contract cost estimates are not supported by bids in this instance, but are compatible and lower than estimates by Mr. Carl Appelin, of the Shattuck Den Mining Company in Grand Junction, Colorado. The Bimetallist Mining Company, Inc., with available supervision and technical staff is competent within the estimates shown to perform.

(b) Personal services as a consulting Engineer are available from ? Mr. C. P. Keegel, as necessary, at $500.00 per month.

(c) Appended.

(d) Operating equipment. Cost basis and status, appended.

(e) Rehabilitation and Repairs: None.

(f) No new buildings or fixtures needed.

(g) As a contractor, no expenses other than those shown on a footage basis apply. As of the date of preparation of this application, damage due to rainfall may require an amendment to cover road maintenance. If necessary, funds for this purpose would not exceed $1,500.00.

Field Representative for the Bimetallist Mining Company, Inc., Mr. Gerhardt Pralle, Vice President, is available at the Beaumont Hotel, Ouray, Colorado, and can be reached by telephone there after normal working hours.

Operating Equipment.

1.	365 LeRoy Compressor		9250.00
2.	Eimco 12B Mucker		1500.00
3.	Two Cleveland Hammers and Legs		1400.00
4.	Air Receiver Tank		175.00
5.	Mine Car		378.66
6.	Drill Steel		327.45
7.	200′of 3/4" Hose		133.60
8.	100′of 1/2" Hose		52.00
9.	2 Line Oilers		130.90
1o.	630′of 1" pipe		150.44
11.	609′of 2" Pipe		311.81
12.	75′of 1" Hose		93.53
13.	5 Wheat Lamps		142.50
14.	5 Lamp Chargers		90.00
15.	Waterpump		137.13
16.	Steel Grinder		170.00
17.	Pipe Fittings	app.	100.00
18.	Working Tools	app.	200.00
19.	Chevrolet 4x4 1 1/2 ton truck		550.00
20.	3 tons of 20 lb rail		360.00
		TOTAL	15653.02

Note: all above prices do not include sales tax.
Items 1 to 4 are purchased on a rental purchase basis for 1005.- per month (excl. sales tax). Two months rental have been paid for.
Total of items 5 to 20 : 3328.02 .
Items 5 to 20 plus two months′rental : 5338.02 plus tax.

All above items had to be provided and installed before any operation could be started, i.e. all materials such as pipes and rails had to be used completely to reach the face of the drift, before any drift work could commence.

Operating Materials and Supplies.

1.	2" pipe	51.20	per loo feet
2.	1" pipe	23.88	per loo feet
3.	rail	64.02	"
4.	ties	22.50	"
5.	explosives	200.00	"
6.	fuel	80.00	"
7.	fittings,bolts,nuts,spikes,etc.	55.50	"
8.	spare parts for equipment	50.00	"
9.	new tools and tool repair parts	25.00	"
10.	equipment rental	558.40	"
	Total	1130.50	"

Note: the cost of 1130.50 is the equipment used up per loo feet of drifting work done. Cost of raises is similar.

Note: the above material costs are based on a drifting progress of 180 feet per month.

BIMETALLIST MINING CO., INC.

P.O.Box 86
OURAY, COLORADO

8 - 2 - 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 7 1961

DATE	INITIALS	C

OME
Building 20
Federal Center
Denver 25
Colorado

OME
DEPARTMENT OF THE INTERIOR
AUG 4 1961
REGION III
DENVER, COLORADO

Dear Sir,

enclosed please find a list of "Operating Materials and Supplies and "Operating Equipment" as required for our loan application.

Yours very truly

Gerhardt Pralle

Vice-President and Mine Manager.

Operating Equipment

1.	365 LeRoy Compressor	9250.-
2.	Eimco 12B Mucker	1500.-
3.	Two Cleveland Hammers and Legs	1400.-
4.	Air Receiver Tank	175.-
5.	Mine Car	378.66
6.	Drill Steel	327.45
7.	200′of 3/4" Hose	133.60
8.	100′of 1/2" Hose	52.-
9.	2 Line Oilers	130.90
1o.	630′of 1" Pipe	150.44
11.	609′of 2" Pipe	311.81
12.	75′of 1" Hose	93. 53
13.	5 Wheat Lamps	142.50
14.	5 Lamp Chargers	90.-
15.	Waterpump	137.13
16.	Steel Grinder	170.-
17.	Pipe Fittings	approx 100.-
18.	Working Tools	approx 200.-
19.	Chevrolet 4x4 1 1/2 ton truck	550.-
2o.	3 tons of 2o lb rail	360.-
	TOTAL	15653.02

Note: all above prices do not include sales tax.

Items 1 to 4 are purchased on a rental purchase basis for 1005.- per months (excl.sales tax). Two months' rental have been paid for.

Total of items 5 to 20 : 3328.02

Items 5 to 20 plus two months′rental : 5338.02 plus tax.

All above items had to be provided and installed before any operation could be started,i.e. all materials such as pipes and rails had to be used completely to reach the face of the drift,before any drift work could commence.

Operating Equipment

1.	365 LeRoy Compressor	9250.-
2.	Eimco 12B Mucker	1500.-
3.	Two Cleveland Hammers and Legs	1400.-
4.	Air Receiver Tank	175.-
5.	Mine Car	378.66
6.	Drill Steel	327.45
7.	200' of 3/4" Hose	133.60
8.	100' of 1/2" Hose	52.-
9.	2 Line Oilers	130.90
1o.	630' of 1" Pipe	150.44
11.	609' of 2" Pipe	311.81
12.	75' of 1" Hose	93. 53
13.	5 Wheat Lamps	142.50
14.	5 Lamp Chargers	90.-
15.	Waterpump	137.13
16.	Steel Grinder	170.-
17.	Pipe Fittings	approx 100.-
18.	Working Tools	approx 200.-
19.	Chevrolet 4x4 1 1/2 ton truck	550.-
2o.	3 tons of 2o lb rail	360.-
	TOTAL	15653.02

Note: all above prices do not include sales tax.
Items 1 to 4 are purchased on a rental purchase basis for 1005.- per months (excl.sales tax). Two months' rental have been paid for.
Total of items 5 to 20 : 3328.02
Items 5 to 20 plus two months' rental : 5338.02 plus tax.

All above items had to be provided and installed before any operation could be started,i.e. all materials such as pipes and rails had to be used completely to reach the face of the drift,before any drift work could commence.

Operating Materials and Supplies.

1.	2" pipe	51.20	per loo feet
2.	1" pipe	23.88	"
3.	rail	64.02	"
4.	ties	22.50	"
5.	explosives	200.-	"
6.	fuel	80.-	"
7.	fittings,bolts,nuts,spikes,etc.	55.50	"
8.	spare parts for equipment	5o.00	"
9.	new tools and tool repair parts	25.-	"
10.	equipment rental	558.40	"
	Total	1130.50	"

Note: the cost of 1130.50 is the equipment used up per loo feet of drifting work done. Cost of raises are similar.

Note: the above material costs are based on a drifting progress of 180 feet per months.

Operating Materials and Supplies.

1.	2" pipe	51.20	per loo feet
2.	1" pipe	23.88	"
3.	rail	64.02	"
4.	ties	22.50	"
5.	explosives	200.-	"
6.	fuel	80.-	"
7.	fittings,bolts,nuts,spikes,etc.	55.50	"
8.	spare parts for equipment	5o.00	"
9.	new tools and tool repair parts	25.-	"
10.	equipment rental	558.40	"
	Total	1130.50	"

Note: the cost of 1130.50 is the equipment used up per loo feet of drifting work done. Cost of raises are similar.

Note: the above material costs are based on a drifting progress of 180 feet per months.

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/27/72		130
		220

AIRMAIL

JAN 27 1972

Fireman's Fund Insurance Company
3223 West Sixth Street
Los Angeles, California 90020

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to Mr L. O. Bunde with reference to the subject contract.

Effective as of January 12, 1972, the Government releases your Performance Bond No. M-7 043 759, executed June 27, 1962, and the Rider thereto, dated June 27, 1965, in the amount of $5,800.00.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

Copy to:
Fireman's Fund American Insurance Companies
Attention: Mr. Ray Taylor, Claims Representative
3800 North Central Avenue, Suite 505
Phoenix, Arizona 85013
and enclosure

cc: Director's Reading File
Mineral Resources
OME Docket 130
OME Reading File
OME Region III

Branch of Budget and Finance
Mr. Kirkemo

GLAult/a 1-27-72

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY

gh 130
HK ~~120~~
130
220

January 21, 1972

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

This memorandum is written in reply to your memorandum dated January 11, 1972, concerning the subject docket.

I have reviewed the material in the OME Region III file on the Bimetallist mine and have these comments to make: The Operator's estimate of costs proved to be far below the actual costs of operation, as has been proven time and time again, on contracts in Region III. The property still has some potential as indicated by Mr. Connors in his Final Report. Ore averaging 0.70 oz. Au per ton, and 9.51 oz. Ag per ton would gross $38.66 per ton at current prices (Au, at $35.00/oz. and Ag, at $1.49 per oz.). If the mine were property explored and worked it may be a profitable venture. The ownership remains the same, however, they apparently have done no further work, or at least have not produced any ore since the OME contract was executed, and until such time that any new owners would take over the property, certainly no mining is likely to be done.

It is therefore recommended that we close the contract on our records pertaining to the subject contract.

Enclosures

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/11/72		120
		220
		130

JAN 11 1972

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

The royalty repayment period of the subject contract expires January 12, 1972. Before we close the contract on our records, we would appreciate receiving any comments you may care to make. No royalty payments have been received on this contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 1-11-72

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

January 15, 1971

Mr. L. O. Bunde
P. O. Box 1286
Arlington, Texas 76010

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 25 1971

INITIALS	CODE
Zla	130
	120
	220

Dear Mr. Bunde:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-III

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since January 24, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since January 24, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
L O Brunde	Sec
Address	*Date*
P.O. Box 1286 Arlington Texas 76010	2/18/71

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 12, 1970

Mr. L. O. Bunde
P. O. Box 979
Mesa, Arizona 85201

IMPORTANT COPY
O. M. E.
RECEIVED
JAN 28 1970
INITIALS CODE
Jla 1/30
HK 1/30
220

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Bunde:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to P-111

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 15, 1969, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since February 15, 1969, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name LES BUNDE Title Sec

Address P.O. Box 1286 Date 1-24-70

ARLINGTON

TEXAS 76010

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 16, 1969

Mr. L. O. Bunde
P. O. Box 979
Mesa, Arizona 85201

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

OFFICIAL COPY
C. M. E.
RECEIVED
FEB 26 1969

INITIALS	CODE
gla	130
[illegible]	110
	220

Dear Mr. Bunde:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-III

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 20, 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Is the Agreement of Sale and Purchase of Property dated June 6, 1961, between O. C. Baker and W. R. Nichols and L. O. Bunde and C. P. Keegal still in effect? If not, please give details. Yes /X/ No /_/

2. Since March 20, 1968, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name L O Bunde Title Sec.

Address P. O. Box 979 Date 2-15-1969

Mesa Arizona
85201

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/13/68		110
		220

NOV 2 8 1968

Mr. Ray Taylor
Claims Representative
Fireman's Fund American
3800 North Central Avenue, Suite 505
Phoenix, Arizona 85013

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Taylor:

This is in reply to your letter of November 8, 1968, requesting a copy of the subject contract.

We are enclosing a copy of MME Form 51 of the contract which contains Article 6 mentioned as missing from your copy of the contract.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region III w/cy incoming letter

FEJohnson/gla 11-13-68

C[illegible]y C. Meenan: RESIDENT VICE PRESIDENT

FIREMAN'S FUND AMERICAN
INSURANCE COMPANIES

PHOENIX BRANCH OFFICE: 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013
PHONE: 264-5621

November 8, 1968

United States Department of the Interior
Geological Survey
Washington, D. C. 20242

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 12 1968
INITIALS | CODE
glr | 130
120
110
220

Attention: Mr. Frank E. Johnson
Chief, Office of
Minerals Exploration

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al, Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Johnson:

We have in our Claim Department, your correspondence to Mr. Joseph Martin of our Bond Underwriting Department. We are presently trying to line up the indemnitors in relation to the royalties on past or present production by Bimetallist.

I would appreciate your forwarding a complete copy of the contract entered into with Bimetallist by the Government, inasmuch as I find our copy does not contain the page concerning Article Six, etc.

Your assistance and cooperation will be greatly appreciated.

Very truly yours,

Ray Taylor
Claims Representative

RT/bh

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/17/68	Johnson	110
		220
	Elias Long	140
	App'd. Sol. Off.	
		110
		220

Mr. Joseph D. Martin
Bond Department
Fireman's Fund American
Insurance Companies
3800 North Central Avenue, Suite 505
Phoenix, Arizona 85013

OCT 23 1968

INTERIOR DEPT.
C-68-2156 3192
OCT 17 1968
SOLICITOR

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Martin:

In reply to your letter of October 7, 1968, concerning the surety bond on the subject contract executed by your company, such bond must remain in effect until January 12, 1972.

The fact that the principal is no longer in existence does not relieve the surety of its obligation. Although there has been no production to date, it is our opinion that the surety is liable for royalties on any future production in the sum of $3,588.50 plus interest, until January 12, 1972.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region III w/cy incoming letter

FEJohnson/gla 10-17-68

FIREMAN'S FUND AMERICAN INSURANCE COMPANIES

Condy C. Meenan: RESIDENT VICE PRESIDENT

PHOENIX BRANCH OFFICE 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013

PHONE: 264-5621

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 16 1968
INITIALS
130
120
110
220

October 7, 1968

United States Department of the Interior
Geological Survey
Washington, D.C. 20242

Attention: Mr. Frank E. Johnson
Chief, Office of Minerals Exploration

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Co., Inc.

Dear Mr. Johnson:

In the latter part of March, 1968, you responded to my letter of March 16th. At that time, we were requesting withdrawal on the above bond and you replied that the Government could not consent to withdrawal because of an obligation to pay a royalty on production, such obligation to remain in effect until January 12, 1972.

We have been advised, by one of the principals of Bimetallist, that the company went out of business in 1963 and, according to his knowledge, never had any production. If this is the case, "no production", I assume the bond is null and void. I will appreciate your confirming. I have enclosed a self-addressed, stamped envelope for your convenience.

Yours very truly,

Joseph D. Martin

Joseph D. Martin
Bond Department

JDM:tm
encl.

Docket Copy

PROJECT SUMMARY REPORT

By W. R. Griswold March 16, 1964

1. OME-6170 (Gold-Silver)
   Contract 2138

   Property - Hawkeye, et al Claims
   Ouray County, Colorado

   Operator - Bimetallist Mining Company, Inc.
   411 West Pepper Place
   Mesa, Arizona

   Operator's Property Rights - Assignment of Agreement of Sale by C. P. Keegel and L. O. Bunde. Performance Bond dated June 27, 1962.

2. Contract dated January 12, 1962

   Work Authorized -

Improving access road	$500.00	
500 ft. drifting @ $35.00	17,500.00	
200 ft. raising @ $35	7,000.00	
100 ft. drift timbering @ $8.50	850.00	
Assaying, 200 samples @ $2.50	500.00	
Long hole drilling, 500 ft. @ $1.00	500.00	
Total Estimated Cost of the Project		$26,850.00
Government Participation @ 50%		$13,425.00

   Amendments -

   No. 1, dated November 20, 1962, recesses work from October 13, 1962, to June 1, 1963.

   Work Completed -

Access road improvement	$500.00	
187 ft. drifting @ $35.00	6,545.00	
Assays, 30 samples @ $2.50	75.00	
Long hole drilling, 57 ft. @ $1.00	57.00	
Total Cost of the Project		$7,177.00
Government Participation @ 50%		$3,588.50

Final Reports -

Operator's final report dated October 21, 1963
Field final report dated October 1963
Termination Agreement dated October 3, 1963,
effective October 13, 1962

3. Report of Review dated October 23, 1963

4. Certification dated November 1, 1963

Ore Reserves, none calculated

5. Comments -

It is regrettable that the Operator did not start up again after recess inasmuch as, of the 187 feet of drifting, 125 feet showed rather interesting results, with an average assay of 0.57 oz. Au. and 7.3 oz. Ag. across a width of 1.5 feet. If we reduce the average assay by one-half, to provide for a 3 ft. stoping width, we would have 0.28 Au. and 3.8 Ag. (a value of $14.50 per ton). Certainly the above is not too impressive, but the target area had not yet been reached. More work would be warranted on this property, with a more responsible Operator.

W. R. Griswold, Chief
Division of Minerals

WRGriswold/mm
cc: Director's Reading File
E. E. Johnson
Docket

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

___ Certified Nov. 1, 1963

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Bimetallist Mining Co, Inc

Actual Cost

State: Colorado

Agreed Unit Cost: X

Final Report of Audit: ___

Commodity: Au-Ag

Docket No.: OME 6170

Final Report of Review: Oct. 23, 1963

Contract No.: 2138

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Drifting & Crosscutting	500'	17,500	187	6545.	
Raising	200'	7,000			
~~Shafts~~ Timbering	100'	850			
~~Winzes~~ Assaying	200	500	30	75	
Drilling (Specify) Long hole	500'	500	57'	57	
~~Surface Excavation~~ Access Road		500		500	
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		26,850			2/ 7177.
		Government			3588.50

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by W R Guswold Date 3/16/64

52616

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/25/68		110
	Elias Long	140
	[illegible]	120
		220

MAR 29 1968

Mr. Joseph D. Martin
Manager, Bond Department
Fireman's Fund American Insurance Companies
3800 North Central Avenue, Suite 505
Phoenix, Arizona 85013

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Martin:

This is in reply to your letter of March 13, 1968, concerning the surety bond on the subject contract executed by your company.

The obligation under the contract to repay the Government the sum of $3,588.50, plus interest at 6¼ percent per annum, as a royalty on production, remains in effect until January 12, 1972. With this encumbrance, the Government cannot consent to your withdrawal as surety on the bond covering the obligation.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III w/cy incoming letter
130

FEJohnson/gla 3-25-68

RECEIVED
MAR 27 1968
Division of Mineral Resources
and General Legal Service

Con[illegible]. Meenan: RESIDENT VICE PRESIDENT

FIREMAN'S FUND AMERICAN INSURANCE COMPANIES

PHOENIX BRANCH OFFICE: 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013

PHONE: 264-5621

March 13, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAR [illegible] 1968
INITIALS | CODE
JE | 130
| 120 m
| 110
| 220

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Gentlemen:

We, the Fireman's Fund Insurance Company, desire to withdraw as surety on the above bond.

Would you please advise the status of this contract and let us know whether there is any outstanding indebtedness due you at this time.

Sincerely,

Joseph D. Martin

JOSEPH D. MARTIN,
Manager, Bond Department

JDM:el

Copy to R-III

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 22, 1968

Mr. L. O. Bunde
P. O. Box 979
Mesa, Arizona 85201

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Bunde:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson
Frank E. Johnson
Chief, Office of
Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
APR 1 1968

INITIALS	CODE
	130
	~~110~~
	130
	220

Copy to R-III

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1967, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Is the Agreement of Sale and Purchase of Property dated June 6, 1961, between O. C. Baker and W. R. Nichols and L. O. Bunde and C. P. Keegel still in effect? If not, please give details. Yes ☒ No ☐

2. Since February 1967, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name L.O. Bunde Title Sec

Address P.O. Box 979 Date 3-20-68

Mesa, Ariz

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

February 8, 1967

Mr. L. O. Bunde
P. O. Box 979
Mesa, Arizona-85201

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

OFFICIAL COPY
O. & M. E.
RECEIVED
MAR 2 1967

INITIALS	CODE
3/2 m	120 m
FD	110
HR	120
	220

Dear Mr. Bunde:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **April 1966**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Is the Agreement of Sale and Purchase of Property dated June 6, 1961, between O. C. Baker and W. R. Nichols and L. O. Bunde and C. P. Keegel still in effect? If not, please give details. Yes/☒/No/__/

2. Since **April 1966**, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name L O Bunde Title Sec.

Address Box 979 Date 2/23/67

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

April 15, 1966

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Bimetallist Mining Company, Inc.
146 West Main Street
Mesa, Arizona

OFFICIAL COPY
O. M. E.
RECEIVED
APR 28 1966

INITIALS	CODE
4/28/66	~~120~~ 221
FG	~~110~~
LR	120 K
RMd	120
	220

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 1965**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Is the Agreement of Sale and Purchase of Property dated June 6, 1961, between O. C. Baker and W. R. Nichols and L. O. Bunde and C. P. Keegel still in effect? If not, please give details. **Yes/☒/ No/__/**

2. Since **February 1965**, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name L O Bunde Title Partner

Address P.O. Box 979 Date 4/19/66

Mesa, Arizona

PASSEY-BOND CO.
Insurance and Bonds
TELEPHONE 969-2291
28 NORTH CENTER STREET
MESA, ARIZONA
85201

February 23, 1966

U. S. Dept. of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: Frank E. Johnson, Director
Office of Minerals Exploration

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, etal., Claims
Ouray County, Colorado
Contract 2138

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 28 1966
INITIALS | CODE

Thank you for your letter of February 10, 1966. However, you failed to sign the Rider. Will you please sign the Rider where checked in red and return to us in self-addressed stamped envelope.

Thank you for your prompt attention to this.

Very truly yours,

PASSEY-BOND COMPANY

Mary M. Heyward

MMH:rr

2/28 - Rider signed and returned FEJ

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/2	Johnson	110
	Selfridge	120
	Long	501
		220
2/10	CAC	220
		100 M

FEB 10 1966

Mr. M. M. Heywood
Passey-Bond Company
28 North Center Street
Mesa, Arizona 85201

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Heywood:

In response to your letter of January 27, 1966, we are enclosing signed copy of rider reducing the penal sum of the bond on the subject contract from $13,425.00 to $5,800.00, to be attached to the original bond.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region II
OME Mr. Selfridge

Frank E. Johnson/bih 2/2/66

see Rider 6/27/62 filed with Performance Bond # M-7043759

23263

PASSEY-BOND CO.
Insurance and Bonds
TELEPHONE 969-2291
28 NORTH CENTER STREET
MESA, ARIZONA
85201

OFFICIAL COPY
O. M. E.
RECEIVED
FEB
110

JANUARY 27TH, 1966

U. S. DEPT. OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

ATTEN: FRANK E. JOHNSON
DIRECTOR, OFFICE OF MINERALS EXPLORATION

RE: OME-6170 (GOLD-SILVER)
BIMETALLIST MINING COMPANY, INC.
HAWKEYE, ET AL., CLAIMS
OURAY COUNTY, COLORADO
CONTRACT 2138

GENTLEMEN:

WE ARE ENCLOSING RIDER TO BE ATTACHED TO THE ABOVE CAPTIONED MINERAL EXPLORATION BOND. THIS REDUCES THE AMOUNT OF THE BOND TO $7,625.00 - 5,000.00

WILL YOU PLEASE SIGN THE COPY OF THE RIDER AND RETURN TO US IN THE ENCLOSED ENVELOPE FOR THE BONDING COMPANY'S RECORDS.

WE TRUST THESE ENCLOSURES WILL BE FOUND IN ORDER.

VERY TRULY YOURS,

PASSEY - BOND CO.

BY: M. M. Heywood

MMH
ENCS. 3
CC: L. O. BUNDE
104 W. MAIN ST.
MESA, ARIZONA

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

G-65-2228.11

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 2 1965

INITIALS	CODE
	120M
	120
	110
	220

December 1, 1965

Mr. Alfred F. Bane, Manager
Bond - Burglary Department
Fireman's Fund American Insurance Companies
Suite 505
3800 North Central Avenue
Phoenix, Arizona 85013

Re: Bond No. 704359
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Bane:

Your letter dated October 21, 1965, to Mr. Frank E. Johnson has been referred to this office.

A review of the file indicates that on January 12, 1962 the Government entered into the contract identified above, under which the total cost of the work to be performed was estimated at $26,850.00, of which the Government would contribute 50% or not in excess of $13,425.00. The Operator furnished a performance bond (on which your company is the surety) on Standard Form 25 in the penal sum of $13,425.00. The contract was terminated on October 3, 1963 with the Government's contribution totaling $3,588.50. As a result of the contract work, on November 1, 1963 the Government issued a certification of possible production (a copy of which was furnished to you with Mr. Johnson's letter of September 15, 1965) obligating the operator to pay royalties on all production from the land under the contract from January 12, 1962 to January 12, 1972, or until the sum of $3,588.50 is fully repaid with interest at 6¼ percentum per annum, whichever occurs first. To date no repayment has been made.

The bond defines the surety's obligation as follows:

> THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government numbered and dated as shown above and hereto attached;
>
> NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modification to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

Your letters of August 23 and October 21, 1965 indicate that the State of Arizona Corporation Commission's office has advised that the Bimetallist Mining Company, Inc. Corporation's charter was revoked on May 7, 1964.

In response to your letter of August 23, upon advice from this office, Mr. Johnson informed you that the Government could not agree to cancellation of the bond. Your letter of October 21 requests that the Government initiate an assignment of the contract from Bimetallist Mining Company, Inc. to Mr. L. O. Bunde and Mr. C. P. Keegel.

The obligation to repay the amount of the Government's contribution with interest arises from Article 6 of the contract; it is therefore an obligation which the surety is bound to honor if the principal fails to perform. The fact that the principal is no longer in existence does not relieve the surety of its obligation. Accordingly, in our opinion the surety is liable for royalties on production in the sum of $3,588.50 plus interest, until January 12, 1972.

The Termination Agreement dated October 3, 1963, referred to above, provided in part:

* * *

> "1. Effective October 13, 1963, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

* * *

"4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records) accounts, audits, and the right to recover any overpayment are hereby preserved."

In the circumstances, we do not think that it would be appropriate for the Office of Minerals Exploration to initiate action looking to the assignment of these responsibilities to Messrs. Bunde and Keegel. However, we would not interpose any objection to such an assignment if one can be obtained by your company.

In this connection we call attention to the fact that under an "Agreement of Sale and Purchase of Property" dated June 6, 1961 O. C. Baker and W. R. Nichols transferred Bi-Metallist Lode Mining Claim, U. S. Survey number 12254 and Hawkeye Lode Mining Claim, U. S. Survey number 1641 to L. O. Bunde and C. P. Keegel in return for the payment of $30,000.00. The agreement provided for a $3,000.00 down payment and payments of $5,000.00 at 6 month intervals. The agreement also provided that in the case of failure of payments the contract could be terminated at the election of the sellers upon proper notice to the buyers. Further, the agreement provided for assignments by the buyers without notice to the sellers. On the same date (June 6, 1961) C. P. Keegel and L. O. Bunde assigned their rights under the agreement to Bimetallist Mining Co., Inc. We are not advised as to whether the $31,000.00 was paid in full to O. C. Baker and W. R. Nichols or, if not, whether they have exercised their right to terminate the agreement.

Sincerely yours,

BRUCE WRIGHT

Bruce Wright
Associate Solicitor--Mineral
Resources and General Legal Services

RWLong/jfg:12/1/65
CC: Secy's files
Sol's dkt
Office of Minerals Exploration

Condy C. Meenan: BRANCH MANAGER

FIREMAN'S FUND AMERICAN INSURANCE COMPANIES

PHOENIX BRANCH OFFICE: 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013

PHONE: 264-5621

November 22, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 29 1965
INITIALS | CODE
120

Mr. Frank E. Johnson, Director
Chief Office of Minerals Exploration
United States Department of Interior
Washington 25, D. C.

reply in suspense 11-29-65

Re: Bond No. 7043759, OME-6170 (Gold-Silver)
BIMETALLIST MINING CO., INC.
Hawkeye, et al, Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Johnson:

Please refer to our letter to you dated October 21, 1965 regarding an assignment of the above contract from the corporation to L. O. Bunde and C. F. Koegal, individuals.

We would appreciate your advices regarding this matter as soon as conveniently possible.

Yours very truly,

Alfred F. Bane

ALFRED F. BANE, Manager
Bond - Burglary Dept.

el.

AFB:el

Condy C. Meenan: BRANCH MANAGER

FIREMAN'S FUND AMERICAN INSURANCE COMPANIES

PHOENIX BRANCH OFFICE: 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013

PHONE: 264-5621

October 21, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 25 1965

INITIALS	CODE
	120 m
	120

Mr. Frank E. Johnson, Director
Chief Office of Minerals Exploration
United States Department of Interior
Washington 25, D.C.

Re: Bond No. 7043759, OME-6170 (Gold-Silver)
BIMETALLIST MINING CO., INC.
Hawkeye, et al, Claims
Ouray County, Colorado
Contract 2138

Dear Mr. Johnson:

Please refer to your letter dated September 15, 1965 in connection with the above subject exploration contract.

We, the Fireman's Fund Insurance Company, as surety have been advised by the State of Arizona Corporation Commission's office that Bimetallist Mining Company, Inc. corporation's charter was revoked on May 7, 1964. Therefore our principal as a corporate entity no longer exists.

Since your contract was in the name of Bimetallist Mining Company, Inc. it would seem prudent to request that Mr. L. O. Bunde and Mr. C. F. Koegal accept an assignment of this contract personally. Perhaps you might want to discuss this situation with your legal department.

We, as surety, definitely feel that there should be an assignment of the contract to the respective individuals and request that your office initiate the necessary documents.

We shall look forward to your advices in this matter.

Yours truly,

Alfred F. Bane

ALFRED F. BANE, Manager
Bond - Burglary Department

AFB:el

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

9-65-2228.11

GEOLOGICAL SURVEY

INTERIOR DEPT.
NOV 4 - 1965
SOLICITOR

NOV 3 1965

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Office of Minerals Exploration

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Will you please prepare a suitable reply to the October 21, 1965, letter from the Fireman's Fund American Insurance Companies.

Frank E. Johnson

Frank E. Johnson

Enclosure

RECEIVED
NOV 1965
Division of Mineral Resources
and General Legal Services

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/12	Selfridge	120
9/13	Johnson	110
		220
	Cory	140
	App J. ...	
		~~120~~
		110

220

SEP 15 1965

Fireman's Fund American Insurance Companies
3800 North Central Avenue, Suite 505
Phoenix, Arizona 85013

INTERIOR DEPT.
G-65-2228.11
SEP 14 1965
SOLICITOR

Re: Bond No. 7043759
OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Gentlemen:

Your letter of August 23, 1965, to our Denver office has been forwarded here.

Under the subject contract the Bimetallist Mining Company, Inc., incurred an indebtedness of $3,588.50 repayable to the Government with interest through royalties on all production from the land under the contract from January 12, 1962, to January 12, 1972, or until such sum is fully repaid with interest at 6¼ percentum per annum, whichever occurs first, as shown by the enclosed copy of a "United States of America Certification of Possible Production Under An Exploration Contract." No repayment has been made to date.

Under these circumstances and the terms of the bond, we would not agree to its cancellation before the Government is fully repaid with interest or before January 12, 1972, whichever occurs first. However, we would agree to a reduction of the penal sum of the bond from Thirteen Thousand Four Hundred Twenty-Five and no/100 Dollars ($13,425.00) to Five Thousand Eight Hundred and no/100 Dollars $5,800.00).

Sincerely yours,

RECEIVED
SEP 14 1965
Division of Mineral Resources
and Genenral Legal Services

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

GCSelfridge/gla (9-12-65)
cc to: Director's Reading File
Division File
Economic Geology File
Budget & Finance, Rm. 5408
OME File
OME Reading File
OME Region III
Mr. Selfridge (2)
120M

23263

IN REPLY REFER TO:
G-65-2228.11

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 9 1965
INITIALS | CODE
JEJ | 110

September 8, 1965

Memorandum

To: Chief, Office of Minerals Exploration

From: Associate Solicitor--Mineral Resources and General Legal Services

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

This will respond to your request for advice regarding the letter dated August 23, 1965 from the Fireman's Fund Insurance Company, surety on the bond under the subject contract.

A review of the file indicates that on January 12, 1962 the Government entered into the subject contract, under which the ~~estimated~~ total cost of the work to be performed was estimated at $26,850, of which the Government would contribute 50% or not in excess of $13,425.00. The operator furnished a performance bond on Standard Form 25 in the penal sum of $13,425.00. The contract was terminated on October 3, 1963 with the Government's contribution totaling $3,588.50. On November 1, 1963 the Government issued a certification of possible production as a result of the contract work, thereby obligating the operator to pay royalties on all production from the land under the contract from January 12, 1962 to January 12, 1972, or until the sum of $3,588.50 is fully repaid with interest at $6\frac{1}{4}$ percentum per annum, whichever occurs first. To date no repayment has been made.

The Fireman's Fund Insurance Company states that according to the Arizona Corporation Commission their principal (Bimetallist Mining Co., Inc.) is no longer in existence and they therefore wish to cancel the bond.

The bond defines the surety's obligation as follows:

> THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government numbered and dated as shown above and hereto attached;

cy to Budget + Fin. Rm 5408

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modification to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

The obligation to repay the amount of the Government's contribution with interest arises from Article 6 of the contract; it is therefore an obligation which the surety is bound to honor if the principal fails to perform. The surety was (or should have been) aware of this obligation at the time it executed the bond and also of the fact that its obligation would remain in effect for the period specified in the contract - i.e., January 12, 1972. The fact that the principal is no longer in existence does not relieve the surety of its obligation. Accordingly, in our opinion the surety is liable for royalties on production in the sum of $3,585.50 plus interest, until January 12, 1972.

Since a performance bond is required only in an instance in which the operator does not own the land and is unable to secure a lien or subordination agreement, we recommend that in the future the amount of a bond be in a sum sufficient to cover the maximum amount of the Government's contribution plus interest on such amount for the total length of the obligation.

Bruce Wright

Bruce Wright
Associate Solicitor--Mineral
Resources and General Legal Services

Condy C. Meenan: BRANCH MANAGER

FIREMAN'S FUND AMERICAN INSURANCE COMPANIES

PHOENIX BRANCH OFFICE: 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013

PHONE: 264-5621

August 23, 1965

OFFICIAL COPY
M. E.
RECEIVED
30 1965
CODE
120
120

U. S. A. Department of Interior
Office of Minerals Exploration
Building 20, Region 3,
Federal Center
Denver, Colorado

Re: Bond No. 7043759
Principal : Bimetallist Mining Co., Inc., An Arizona Corporation
Obligee : U. S. A.
Your Contract No. : 14-23-090-2138
Docket No. 6170
Commodity : Gold - Silver
County of Ouray, State of Colorado

Gentlemen:

Under the date of July 16, 1965 we wrote the Phoenix, Arizona office of Minerals Exploration regarding the above subject bond. We are surety on the captioned bond, executed effective June 27, 1962 in the penalty of $13,425.00.

We now desire to withdraw such surety as we understand our principal has not been in business since June of 1964 and therefore did not require subject bond since that date. The corporation is no longer in existence, according to Arizona Corporation Commission. We therefore wish to cancel this bond of our liability as to future acts o f our principal effective June 1, 1964, if this is acceptable. We would therefore appreciate your advices as to the date acceptable for termination.

Your prompt attention is appreciated.

Yours very truly,

FIREMAN'S FUND INSURANCE COMPANY

P. Curtis,
Bond - Burglary Department

pc Chief - OME

Please reply
Amc

cy to Budget & Finance, Rm. 5408

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/28	Selfridge	120
"	Johnson	110
		220
		140
		120

JUL 28 1965

Memorandum

To: Associate Solicitor - Mineral Resources

From: Chief, Office of Minerals Exploration

S-65-2228.11

INTERIOR DEPT.
JUL 28 1965
SOLICITOR

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Pursuant to the conversation between Messrs. Wright and Selfridge, enclosed is the subject docket with a letter of July 16, 1965, from the Fireman's Fund Insurance Co. Will you please review the matter and instruct us how it should be handled.

The file also contains an unmailed letter to the Fireman's Fund Insurance Company of the type that was sent out under the BMMA program. This letter was held in abeyance because of the interest matter which did not exist under the BMMA program. Whether such a letter should be sent was discussed briefly with Mr. Long at one time.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosure

GCSelfridge/gla (7-28-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
George C. Selfridge

RECEIVED
JUL 29 1965
Division of Mineral Resources
and General Legal Services

23263

6-95 (Revised)
(April 1955)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	John Shaw	
2.	Commons	
3.	Frank Johnson	
4.		
5.		

For:

- Action
- Approval
- Comment
- Conference
- Consideration
- Filing
- Initials
- Instructions
- Investigation
- Mailing
- Note and return
- Previous correspondence
- Recommendation
- Record
- of
- Referring
- to
- Reply for signature
- of
- Rewriting
- See or call me
- Signature
- Suggestions
- Surname
- Your information

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 22 1965
INITIALS CODE

JUL 22 1965
BUREAU OF MINES
OFFICE OF RESEARCH

Remarks: 120 120

This rec'd. our office - 7-19-65
Sounds like a reference to a
Gov. loan - do you know
what dep't. should get this?

Ed. Thomas

From (Name)

Date

Division—Office—Address

Ext: Room:

U. S. GOVERNMENT PRINTING OFFICE: 1957—O-416832 GPO 942098

120

Condy C. Meenan: BRANCH MANAGER

FIREMAN'S FUND AMERICAN INSURANCE COMPANIES

PHOENIX BRANCH OFFICE: 3800 NORTH CENTRAL AVENUE, SUITE 505 • PHOENIX, ARIZONA 85013

PHONE: 264-5621

July 16, 1965

OME
DEPARTMENT OF THE INTERIOR
JUL 22 1965
REGION III
DENVER, COLORADO

U. S. A., Department of the Interior
Office of Minerals Exploration
230 North First Avenue
Phoenix, Arizona

Re: Bond No. 7043759
Principal : Bimetallist Mining Company, Inc., An Arizona Corporation
Obligee : U. S. A.
Your Contract No. : 14-23-090-2138
Docket No. 6170
Commodity : Gold - Silver
County of Ouray, State of Colorado

Gentlemen:

We are surety on the bond in caption, a mineral exploration bond, executed effective June 27, 1962 in the penalty of $13,425.00.

We now desire to withdraw such surety as we understand our principal has not been in business since June of 1964, and did not require the bond in caption since that date. We therefore wish to cancel this bond of our liability as to future acts of our principal effective June 1, 1964, if this is acceptable. We would therefore appreciate your advices.

Your prompt attention is appreciated.

Yours very truly,

FIREMAN'S FUND INSURANCE CO.

P. Curtis

P. Curtis,
Bond - Burglary Department

pc

cc: Passey-Bond Co.

L.O. Bunde

OFFICIAL FILE COPY

Building 20 - Federal Center
Denver 25, Colorado
80225

October 28, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Gunnison County, Colorado

Attached is the original Report of Review on the subject contract dated October 23, 1963.

Original signed by

Hugh N. Connors

Attachment

cc Chief, Division of Field Operations, OME
Contract Corres. 2138
Chron

HMC/lm

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		120
11/2	Johnson	110
		220

NOV 3 1965

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Office of Minerals Exploration

Subject: GME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Will you please prepare a suitable reply to the October 21, 1965, letter from the Firemen's Fund American Insurance Companies.

(signed) FRANK E. JOHNSON (gfa)

Frank E. Johnson

Enclosure

GCSelfridge/mm (11/1/65)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Mr. Selfridge
120M

23263

Building 20 - Federal Center
Denver 25, Colorado
80225

October 28, 1963

Mr. L. O. Bunde
Secretary-Treasurer
Bimetallist Mining Co., Inc.
146 West Main Street
Mesa, Arizona

10/31 Murphy 500

Re: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., claims)
Ouray County, Colorado

Dear Mr. Bunde:

Attached is a copy of the Report of Review dated October 23, 1963.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachment
cc: Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Contract Corres. 2138
Chron
HMC/lm

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

February 8, 1965

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Bimetallist Mining Company, Inc.
146 West Main Street
Mesa, Arizona

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 19 1965

INITIALS	CODE
ama	800
	100
JEJ	110
3/19	120
	130

220

MME Form 63
Revised 3-62

OME-6170
2138

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since October 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒
   Is the Agreement of Sale and Purchase of Property dated June 6, 1961, between O. C. Baker and W. R. Nichols and L. O. Bunde and C. P. Keegal still in effect? If not, please give details. Yes ☒ No ☐

2. Since October 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since, has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name L O Bunde Title Sec

Address 146 W Main Mesa Ariz Date 3/10/65

4511

Should we send this type of letter paying bond?

Bondvalue $13,400.00

Contract Interest Rate 6 1/2%

Hold this letter till we hear from Operator

(certification mailed Nov. 1, 1963)

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/25	Murphy	500
10/25	Ondelacre	500
10/31	Talbert	800
	Selfridge	120
		110
		100
		220
		500

Fireman's Fund Insurance Company
3223 W. Sixth Street
Los Angeles, California

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

Gentlemen:

For your information, a certification of possible production has been issued to the Operator as a result of the exploration program under the subject contract.

The property as set forth in the contract is covered by your Performance Bond No. M-7 043 759, dated June 27, 1962, under the [illegible] name and contract number. The bond remains in effect [illegible] in the certification, but may be reduced to [illegible].

We [illegible] a copy of the certification for your records.

[illegible]

Director

Enclosure

MMerrithew/mm
10/25/63
cc: Director's Reading File
CA&A Division
Region III
Docket
Code 500

43683

OME-6170 (Gold-Silver) Contract 2138

Mr. L. O. Bunde → Bimetallist Mining Company, Inc.
Secretary-Treasurer 238 West Main Street
Mesa, Arizona

Contract dated Jan. 12, 1962
Certification " Nov. 1, 1963
Royalty period to Jan. 12, 1972
Cost Contribution $3,588.50 Interest 6½%
Performance Bond dated June 27, 1962
by Firemen's Fund Insurance Company as surety
3223 W. Sixth Street
Los Angeles, Calif

For 63 — Production since Oct. 1, 1962
Ownership " " " "
No transportation clause in contract.

[illegible]

Specialization.

15
78
30

1/5

$10
140

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
10/24	[illegible]	500

OCT 2 4 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

As the Operator's final report has now been received, a Report of Review, as requested by your October 14 memorandum, has been prepared. The original and two copies are enclosed.

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the Report of Review should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosure

E.D.Talbert/cac
October 23, 1963

cc: Director's reading file
CA&A Division
Fiscal Section

43683

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

October 21, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Co., Inc.
(Bimetallist and Hawkeye Claims)
Ouray County, Colorado

Enclosed are the Government's, Audit's, and Fiscal Section's executed copies of the Termination Agreement on the subject contract.

Hugh M. Connors

Hugh M. Connors

Enclosures

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 23 1963

DATE	INITIALS	CODE
10/23	Murphy	500

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

October 21, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Co., Inc.
(Bimetallist and Hawkeye Claims)
Ouray County, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 28 1963

DATE	INITIALS	CODE
10/23	[illegible]	800
		~~120~~
10/24	~~[illegible]~~	~~500~~

Attached are the original and two copies of ~~the Operator's~~ Final Report on the subject contract. cy 130

This report is more than I expected and I recommend that it be accepted.

My final report on this property was forwarded on October 16, 1963.

Hugh M. Connors

Hugh M. Connors

Attachments

BIMETALLIST MINING CO., INC.

OURAY, COLORADO

1830 Peyton Drive
Las Vegas, Nevada
October 18, 1963

OME
DEPARTMENT OF THE INTERIOR
OCT 21 1963
REGION III
DENVER, COLORADO

Mr. Hugh Connors
Acting Field Officer, OME
Region 111
US Dep.o.Interior
Office Of Minerals Exploration
Building 20
Federal Center
Denver 25, Colo.

Dear Mr. Connors !

Enclosed please find the singed copies of the,Termination Agreement and five copies of the final report.

The work done in the Bimetallist Mine after the last inspection and before the 13 th of October 1962 amounts only to 5 feet of drift. There were no further assays taken or longholes drilled and apart from those 5 feet of drift the work done during the 1962 summer season is as reported in the two monthly reports submitted.

I am sorry to say that the costs of operation of the Bimetallist Mine in comparison to the values present in this mine are too high.

We appreciate the excellent cooperation we have received from the Government.

Very sincerely

G. E. Pralle

G. E. Pralle
Vice- President

BIMETALLIST MINING CO., INC.

OURAY, COLORADO

Final Report For The 1962 Operating Season.

The work done on the property during the time of the OME contract can be summarized as follows :

One Road Improvement Job
187 feet of drift
57 feet of Longhole
30 samples assayed .

The cost of the first item was 1,142.00 as against the estimated 500.00 of the Government.
The drift costs were 62.50 per foot as against the estimated 35.00 of the Government. Other costs directly connected with the operation of the mine were also high and had to be covered by the operator alone.

The drift followed the Footwall of the vein and longholes were drilled at specified intervals. The vein was offset by a few feet at a point where a dyke crossed the same. This dyke contains no values and crosses the vein at a very low angle. The vein itself is barren at the area of crossing, but values pick up quickly on the other side and an ore shoot was drifted through which contains a point of maximum assay of 2.24 oz in Gold and 17.54 oz in Silver. The length of this shoot is about 125 feet, the width of the vein about 1 1/2 feet, and the average assay would be fairly low and probably in the range of 0.25 oz in Gold and 4 oz in Silver. Raising at the point of maximum assay would most likely break into some high grade ore, the extend of which is of course uncertein. The complete and up to date assay map as appended to the monthly report of October 1 , 1962 , which covers the complete period of 1962, shows this maximum point at about 815 feet from the portal. The drift was terminated in fairly barren vein material and no values are expected until the large dyke is passed through which is located in the old shaft area and which is the ultimate target.

OPERATOR'S FINAL REPORT

G. E. Spralle

COPY OF ASSAY REPORTS.

Wm. B. Paris Assays, Telluride, Colorado :

Sample :		Au oz.	Ag. oz.
750′ across 5′		0.01	0.26
760′ " 5′		0.01	0.10
770′ " 5′		0.32	10.34
785′ " 3 1/2′ Hang. Wall		0.01	0.48
785′ " 1 1/2′ Vein to Ft Wall		0.42	18.16
790′ " 5′		0.01	0.84
775′ H.W. Long Hole	0-3′	0.01	0.58
	3-5′	0.005	0.46
	5-8′	0.003	0.76
	8-10′	0.01	0.60
	10.-12′	0.005	0.64
F.W. Long Hole	0-5′	0.005	0.68
	5-10′	0.02	11.96
	10-15′	0.01	0.42
775′ across 1 1/2′		0.01	0.62
775′ " 1′		0.06	0.82
780′ " 1 1/2′		0.06	1.14
805′ Long Hole	0-5′	0.15	0.88
	5-10′	0.02	6.96
	10-14	0.02	0.68
815′ across 1 1/2′		2.24	17.54

The Brown Laboratory, Grand Junction, Colorado :

770′ across 5′		0.38	0.70
785′ " 1 1/2		0.03	0.39
825′ " 1 1/2		0.52	8.20
835′ " 1 1/2		0.22	4.12
875′ Long Hole	o - 5	0.02	0.12
	5 - 9	0.02	0.12
	9 - 14	0.00	0.04
885′ across 1 1/2′		0.18	4.66
895′ " 1 1/2′		0.64	4.39

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

October 16, 1963

OFFICIAL FILE COPY
RECEIVED
DATE

		130
		500

1 cy 130

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Co., Inc.
(Bimetallist and Hawkeye Claims)
Ouray County, Colorado

Enclosed are the original and two copies of the final engineering and geologic report on the subject contract.

Hugh M. Connors

Hugh M. Connors

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION
REGION III

OME-6170

CONTRACT 2138

BIMETALLIST MINING CO., INC.

BIMETALLIST AND HAWKEYE CLAIMS

OURAY COUNTY, COLORADO

OFFICIAL FILE COPY
RECEIVED
DATE

Gold-Silver

FIELD FINAL REPORT

Final Engineering Report

By

Hugh M. Connors, Acting Field Officer

Office of Minerals Exploration

October 1963

OME-6170
Contract 2138
BIMETALLIST MINING CO., INC.
BIMETALLIST AND HAWKEYE CLAIMS
OURAY COUNTY, COLORADO

CONTENTS

	Page
Introduction, Summary, and Conclusion	1
The Project	2
Conclusion	4

OME-6170
Contract 2138

BIMETALLIST MINING CO., INC.
Bimetallist and Hawkeye Claims
Ouray County, Colorado

INTRODUCTION, SUMMARY, AND CONCLUSION

The Bimetallist Mining Co., Inc., an Arizona corporation, explored with OME aid the Bimetallist and Hawkeye claims in Ouray County, Colorado. The exploration was confined to drifting along the footwall of the Wheel of Fortune vein. Work was started July 18, 1962, and the contract became in default when the Operator failed to commence work not later than June 1, 1963, the end of the recess period granted by Amendment No. 1. Termination Agreement dated October 3, 1963, was forwarded the Operator for his signature on October 8, 1963.

The claims are located in the Sneffels Mining District, Ouray County, Colorado, about 5.5 miles south of Ouray. The portal of the adit, which is on the Hawkeye claim, is reached by a switch-back jeep road 800 feet higher than the turn-off at the Sneffels road. The portal of the adit is 11,350 feet above sea level on Potosi Peak.

The Operator stated that the only known stope on the Bimetallist claim produced 197 tons of ore which contained 2,057.65 ounces of gold and 22,581.40 ounces of silver. This production reportedly came from the Wheel of Fortune vein very close to surface, and was produced before the Bureau of Mines kept production records.

The purpose of the project was to explore the Wheel of Fortune vein for ores containing gold and silver by extending the Hawkeye adit. Raises and long-hole drilling were provided in the contract but the only exploration accomplished consisted of 187 feet of drifting and 57 feet of long-hole drilling.

The results of what little OME work was accomplished from July 8 to October 1, 1962, were encouraging. The assays of the footwall streak starting at a point 785 feet from the portal to 895 feet from the portal (110 feet in length) averaged 0.70 oz. gold and 9.51 oz. silver per ton or a total value of $36.76 per ton over an average width of 1.5 feet. This is not ore under the present circumstances but is worthy of further exploration by a prudent man.

Roscoe Smith's 252T. OME.

The objective, drifting and raising under the old stope in the Bimetallist claim, was never reached. Because of this and the fact that the Operator requested termination it appears that a pseudo-certification is in order. No ore reserves can be calculated from the work accomplished but to continue the exploration of the Wheel of Fortune vein on these claims is more promising now than it was when OME granted the exploration contract. Some time, and it could well be within the royalty repayment period, exploration will be continued on this property and I recommend the project be certified to protect the Government's interest.

THE PROJECT

Contract 2138 provided for drifting, raising and long-hole drilling

on the Wheel of Fortune vein. The work was started at the breast of the Hawkeye adit, 735 feet from the portal. The adit, to the OME starting point, has been driven by the use of hand-steel and it is not known when this was done.

The main target area of the exploration work was to drift and raise on the vein to a point below the old stope on the Bimetallist claim.

ESTIMATED COSTS

Lengthening and widening of access switchback road	$ 500.00
500 feet drifting at $35.00/ft.	17,500.00
200 feet raising at $35.00/ft.	7,000.00
200 samples at $2.50 ea.	500.00
100 feet timbering at $8.50/ft.	850.00
500 feet long-hole drilling at $1.00/ft.	500.00
Total Cost of Project	$ 26,850.00
Government's Participation	$ 13,425.00

Work Performed and Costs Allowed

The number of units of acceptable work were:

Access Road	$ 500.00
Drifting - 187 feet at $35.00/ft.	6,545.00
Assays - 30 at $2.50	75.00
Long-hole drilling - 57 feet at $1.00/ft.	57.00
Total	$ 7,177.00
Government Participation	$ 3,588.50

CONCLUSION

The main target area was not reached but the results of what little drifting was accomplished under the contract were favorable. The property is more attractive now for an exploration project than it was prior to OME participation.

The Operator was in default under the contract when he failed to resume work not later than June 1, 1963, and he later requested termination by mutual agreement.

I therefore recommend that the property be certified to protect the Government's interest.

orm 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
10/18	Johnson	110
	Tsoll	100
10/18	cal	220
		500

OCT 1 8 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

By memorandum dated October 14 you have requested a Report of Review covering the subject contract "after the allowance of a reasonable time to receive the Operator's final report". This request, however, is not in accordance with present procedural requirements governing audits and reviews as set forth in OME Circular 2 dated February 17, 1960.

Section 1 of OME Circular 2 provides that the request for a Report of Review must specify, in addition to the completion or termination date and the number of work units acceptably completed, that such Report of Review is in order and

> "That an acceptable final engineering and geological report has been received from the Operator, <u>or</u> a waiver of the requirement for such report has been approved by the Director, <u>or</u> because the Operator failed to submit such report, a stated amount is to be deducted from the otherwise allowable costs of the project".

Similar procedure has been in effect since the January 17, 1957, approval and promulgation by the DMEA Operating Committee of January 9, 1957, instructions to all auditors. Further procedural requirements regarding Operator's final reports are set forth in DMEA Operating Committee Memorandum 20, dated October 17, 1952, and Special Notice in Operating Committee Minutes No. 782, dated February 20, 1957.

It is noted, also, that your memorandum states that "The date of termination is October 3, 1963". As of the present date, however, the records do not indicate formal termination. A Termination Agreement

43683

effective October 13, 1962, was forwarded to you on October 3, 1963, but to date the executed copies have not been returned to the Washington office. If the Operator has not executed the agreement, a follow-up, including a specific request for a final report, is suggested.

EDTalbert/ama 10-18-63

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

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

October 14, 1963

10/18 4007 800 ~~120~~

Memorandum

To: E. Dallas Talbert, Chief
Division of Contract Administration ~~and Audit~~
Washington 25, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Co., Inc.
(Bimetallist and Hawkeye Claims)
Ouray County, Colorado

The date of termination is October 3, 1963.

The number of units of acceptable work follows:

Access road	$ 500.00
Drifting -- 187 feet at $35.00/ft.	$ 6,545.00
Assays -- 30 at $2.50	75.00
Long-hole drilling -- 57 feet at $1.00/ft.	57.00

I doubt that the Operator will submit a final report.

2

A Report of Review, in lieu of a final on-site audit, is requested after the allowance of a reasonable time to receive the Operator's final report.

Hugh M. Connors

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

October 8, 1963

OFFICIAL FILE COPY
RECEIVED OCT 10 1963
DATE
10/10/63 800
500

Mr. L. O. Bunde
Secretary-Treasurer
Bimetallist Mining Co., Inc.
146 West Main Street
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., claims)
Ouray County, Colorado

Dear Mr. Bunde:

Enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the Director for the Government.

If the proposed agreement is satisfactory, please sign all five copies, retain the Operator's copy, and return the others to this office.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures
cc Chief, Division of Field Operations, OME
Contract Corres 2138
Chron
HMC/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/3	Murphy	500
10/3	McIlvre	500
10/3	Talbert	800
	GLS	130
10/3	Johnson	110
	Frank	100
10/3	Coe	220
		500

OCT 3 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: GME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

In accordance with our memorandum of August 14, 1963, enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the Director for the Government. An extra copy of the Termination Agreement is also enclosed for field use.

If the proposed agreement is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

With your final report on this project, please include your recommendations with regard to certification of possible production.

Enclosures

George C. Selfridge (gla)

FMMurphy/mm
10/3/63
cc: Director's Reading File
Review Committee
Docket

43683

4.00
120
500

DRAFT
FMMurphy/mm
9/27/63

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
OMM-6170

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Bimetallist Mining Company, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2138, (OMM-6170), dated January 12, 1962, as amended, hereinafter called the "Contract," that

1. Effective October 13, 1962, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall not contribute to the costs of any work performed after October 13, 1962.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including furnishing to the Government a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

4. All rights of the Government respecting certification of possible ~~XXXXXXXX~~ production, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's

records) accounts, audits, and the right to recover any overpayment are hereby preserved.

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

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

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

BIMETALLIST MINING COMPANY, INC.

By _____

Title _____

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/14		~~500~~
8/14	Talbot	800
"	Carlson	130
"	Johnson	110
"	[illegible]	100
8/14	Lee	220
		500

AUG 14 1963

Memorandum

To: Acting Field Officer, Region III

From: Acting Chief, Division of Field Operations

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

We have your memorandum of August 9, with attachments, covering the subject project. This contract has already been inactive for almost a year and we cannot keep it open indefinitely. We will prepare an agreement of termination [by mutual consent] and forward it to you for signature of the Bimetallist Mining Company.

W. R. Griswold
mm

WRGriswold/mm/gla
8/14/63
cc to: Director's Reading File
Review Committee
Docket

23263

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 10 1963

DATE		
8/12	[illegible]	800
		500

August 9, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Bimetallist Mine)
Ouray County, Colorado

Attached are a copy of a letter from L. O. Bundy dated August 5, 1963, and a copy of my reply.

I have personal knowledge concerning W. R. Nichols and I could not recommend him as an Operator and I am sure that he has no idea of becomming the Operator. He will merely stall for time for promotion.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

August 10, 1963

Mr. L. O. Bunde
Secretary Treasurer
Bimetallist Mining Co., Inc.
146 West Main Street
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado

Dear Mr. Bunde:

Thank you for your letter of August 5, 1963 which is being referred to the Washington Office OME for reply.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Contract Corres 2138
Chron
HMC/lm

Hmc

OME
DEPARTMENT OF THE INTERIOR
AUG 9 1963
REGION III
DENVER, COLORADO

August 5, 1963

Mr. Hugh M. Connors
Acting Field Of ficer O.M.E
Region III
Building 20- Federal Center
Denver,25, Colorado

Dear Mr. Connors:

With reference to our contract, Mr. W.R.Nichols and Mr. O.C.Baker, owners of the Hawkeye, et.,al., claims, would like to take over the contract if the Government will grant an extention of one year and permit it to be assigned.

The Bimetallist Mining Company, Inc.,will otherwise have to request that the contract be terminated by mutual consent.

In so far as it appears that the development is well warranted and should b e carried to completion, I would be glad to see the owners benefit.

I shall appreciate your views.

Very sincerely yours,

LO Bunde

L. O. Bunde, Secretary
Bimetallist Mining Co.,Inc.

cc Selfridge

Building 20 - Federal Center
Denver 25, Colorado

July 8, 1963

COPY

RECE... 63
DATE
7/11 ... 800
... 500

Mr. G. E. Pralle
Vice President
Bimetallist Mining Co., Inc.
1830 Payton Drive
Las Vegas, Nevada

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

This will acknowledge receipt of your letter dated July 3, 1963.

You were in default under the terms of the contract when you failed to commence work not later than June 1, 1963. Before you may start work again on this project it will be necessary to obtain Government sanction.

You will note that the contract expires January 12, 1964 and there are but a few months remaining in which you can work this property before it becomes inaccessible. If you really contemplate the resumption of exploration work on this property please request an amendment to the the contract to provide for a later start, specifying the date on or before which exploration work will be resumed.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

..., Division of Field Operations, OME
...t Corres. Contract No. 2138

-Ame

BIMETALLIST MINING CO., INC.

OURAY, COLORADO

1830 Peyton Drive
Las Vegas, Nevada

July 3, 1963

Mr. Hugh M. Connors
Acting Field Officer, OME
Region 111
US Department of the Interior
Office Of Mineral Exploration
Building 20
Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
JUL 5 1963
REGION III
DENVER, COLORADO

Dear Mr. Connors !

Thank you for your letter of June 28, 1963.

We are very sorry that we were unable to start work at the Bimetallist Mine as planned around the first of May, mainly because we were tied up in other projects here in Nevada.

We hope to start work soon, and I shall notify you immediately when we are ready to do so.

Very sincerely

G.E. Pralle

G.E. Pralle
Vice President

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 8 1962
DATE
10/8
800
500
6170

October 5, 1962

AIRMAIL

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado
Progress Report for September 1962

Enclosed are the original and two copies of the Operator's Progress Report for September 1962. The report consists of MME Form 60 and MME Form 61, a Narrative Section, Assay Certificates, and a map showing the advance for the period.

I inspected the work for which payment is claimed on October 2, 1962. I consider that the Operator has complied with the intent of the contract and the work for which payment is recommended is acceptable to the Government.

This is a short form contract and the work performed was on a fixed unit cost basis.

Subject to your verification of the arithmetical accuracy of the report, it is recommended that the Operator be reimbursed $1,363.75 which is 50 percent of the total amount shown on MME Form 60.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
Vouchers, Contract No. 2138
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED June 28, 1963

DATE	INITIALS	CODE
7/1	[illegible]	800
	[illegible]	500

Mr. G. E. Pralle
c/o C. P. Meegels, Engineers
1721 So. 14th Street
Las Vegas, Nevada

Re: CME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

Your attention is directed to Paragraph 1 (a) of Amendment No. 1 to the captioned contract which provides that work under the contract must be started not later than June 1, 1963.

Work has not been started under this contract this summer and I am wondering what your intentions are regarding the resumption of exploration work.

Will you please advise by return mail.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Contract Corres Contract No. 2138
Chron
HMC/lm

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 10 1962

DATE		
	General	500

December 5, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Attached are the Government's, Fiscal Section's, and Audit's copies of executed Amendment No. 1 to the subject contract.

Hugh M. Connors

Hugh M. Connors

Attachments

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 3 1962

DATE	INITIALS	
12/3	[illegible]	800
	[illegible]	500

Building 20 - Federal Center
Denver 25, Colorado

November 28, 1962

Mr. G. E. Fralle, Vice President
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Fralle:

Enclosed are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of Amendment No. 1 to the referenced contract.

If the proposed Amendment is satisfactory to you, please sign all copies, retain the Operator's copy, and return the remaining signed copies to this office.

If any part of the proposed Amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures
cc Chief, Division of Field Operations, OME
Contract Corres 2138
Contract 2138
Chron
HMC/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	[illegible]	500
11/20	[illegible]	800
	[illegible]	130
11/20	[illegible]	110
4	[illegible]	100
11/21	[illegible]	220
		500

NOV 2 1 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OMK-6170 (Gold-Silver)
Bimetallist Mining Company, Inc
Hawkeye, et al., Claims
Ouray County, Colorado
Contract 2138

As recommended in your October 17 memorandum, we have prepared a proposed Amendment No. 1 for the referenced contract.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by you and the Operator. Thereafter, please distribute the copies in the usual manner.

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

George C. Selfridge

Enclosure

WRGriswold/mm
11-20-62
cc: Director's Reading File
Review Committee
Docket

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 22 1962

October 17, 1962

10/22 8.00 +20 (gfe) Greenwald 5.00

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Attached are the original and one copy of the subject Operator's request for an Amendment to allow for a recess until June 1, 1963.

According to the weather report this morning, the San Juan Mountains of Colorado are snowed in for the winter.

Will you please prepare the Amendment.

Hugh M. Connors

Hugh M. Connors

Attachments

OME
DEPARTMENT OF THE INTERIOR
OCT 16 1962
REGION III
DENVER, COLORADO

BIMETALLIST MINING CO., INC.

P.O.Box 86
OURAY, COLORADO

October 13, 1962

Mr. Hugh M. Connors
Acting Field Officer
Region 111
US Department Of The Interior
Office Of Mineral Exploration
Building 20
Federal Center
Denver 25
Colorado

Dear Mr. Connors!

Due to wintery conditions in the high mountains work at the Bimetallist Mine has become very difficult and for that reason Bimetallist Mining Company,Inc. requests an Amendment to OME-6170 (Gold/Silver) Contract No. 2138 to allow for a recess until June 1, 1963 .

Yours very truly

G. E. Pralle

G.E. Pralle,
Vice President

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OCT 19 1962

Docket No. OME 6170
Contract No. 2138
O.M.E. 14-23-090
Contract Amount $ 26,850.00
Gov't. Participation % 50 $ 13,425
Mineral(s) Gold/Silver

OPERATOR'S MONTHLY VOUCHER

For Month of September 5 to October 1, 1962

Operator's Name Bimetallist Mining Company, Inc.
Address P.O. Box 86, Ouray, Colorado

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting 35.00	2695.00	3850.00	6545.00	2,695.00	3,850.00	6,545.00
Crosscutting						
Drilling 1.00	15.00	42.00	57.00	15.00	42.00	57.00
Access road rep. and widening	none	500.00	500.00	—	500.00	500.00
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
7 Analytical Work 2.50	17.50	57.50	75.00	17.50	57.50	75.00
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2,727.50	4,449.50	7,177.00	2,727.50	4,449.50	7,177.00

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

Date 10-1-62 Payee Bimetallist Mining Co., Inc.

Per J.E. Pralle Title Vice President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1,363.75

Signature BLB
(Authorized Certifying Officer)

Date 10/12/62 Vou. No. 2003

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2138

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Simmons Title Acting Field Officer Date 10-4-62

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 6-1
SEPT. 1959

DEPARTMENT OF THE INTERIOR
OCT 1962
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of ~~September 5 to~~ October 1, 1962 Docket No. ~~OME 6170~~

Operator's Name ~~Dimetallist Mining Co., Inc.~~ Contract No. 14-23-090- 2138

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	feet	77	187	6,545.00			
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Longhole Percussion	feet	15	57	57.00			
Miscellaneous							
Roads and Trails	job	none	1 job	500.00			
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work 7 samples for Gold/Silver				75.00			
TOTAL TO DATE *(per MME Form 60)*				7,177.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date ~~October 1, 1962~~ Operator Dimetallist Mining Co., Inc.

Per O. E. Pralle Title Vice President

O. E. Pralle

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Hugh M. Tonnon

Title Acting Field Officer
Government Representative

Date 10-4-62

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

R E P O R T FOR September 5 thru October 1, 1962 .

Due to favourable weather conditions drifting operations could be continued throughout September and the development heading was advanced by another 77 feet, making the total drifted so far this year 187 feet.

The drift followed the footwall of the vein and was kept at the specified size of 5 x 7 feet. A slight curve close to the present face of about 5 degrees had to be installed due to a slight change in direction of the vein.

An ore shoot was passed through aproximately 125 feet long with assays ranging from 20 to 100 dollars per ton over an average width of 18" .

Drifting operations were continuous without major breakdowns and there were no accidents.

Due to the high altitude of this mine it is uncertein how long operations can be continued without additional high costs due to snow and ice. It is the policy of this company to keep costs at absolute minnimums and for this and technical reasons an operation under winter conditions is unpractical, if not impossible.

G. E. Pralle

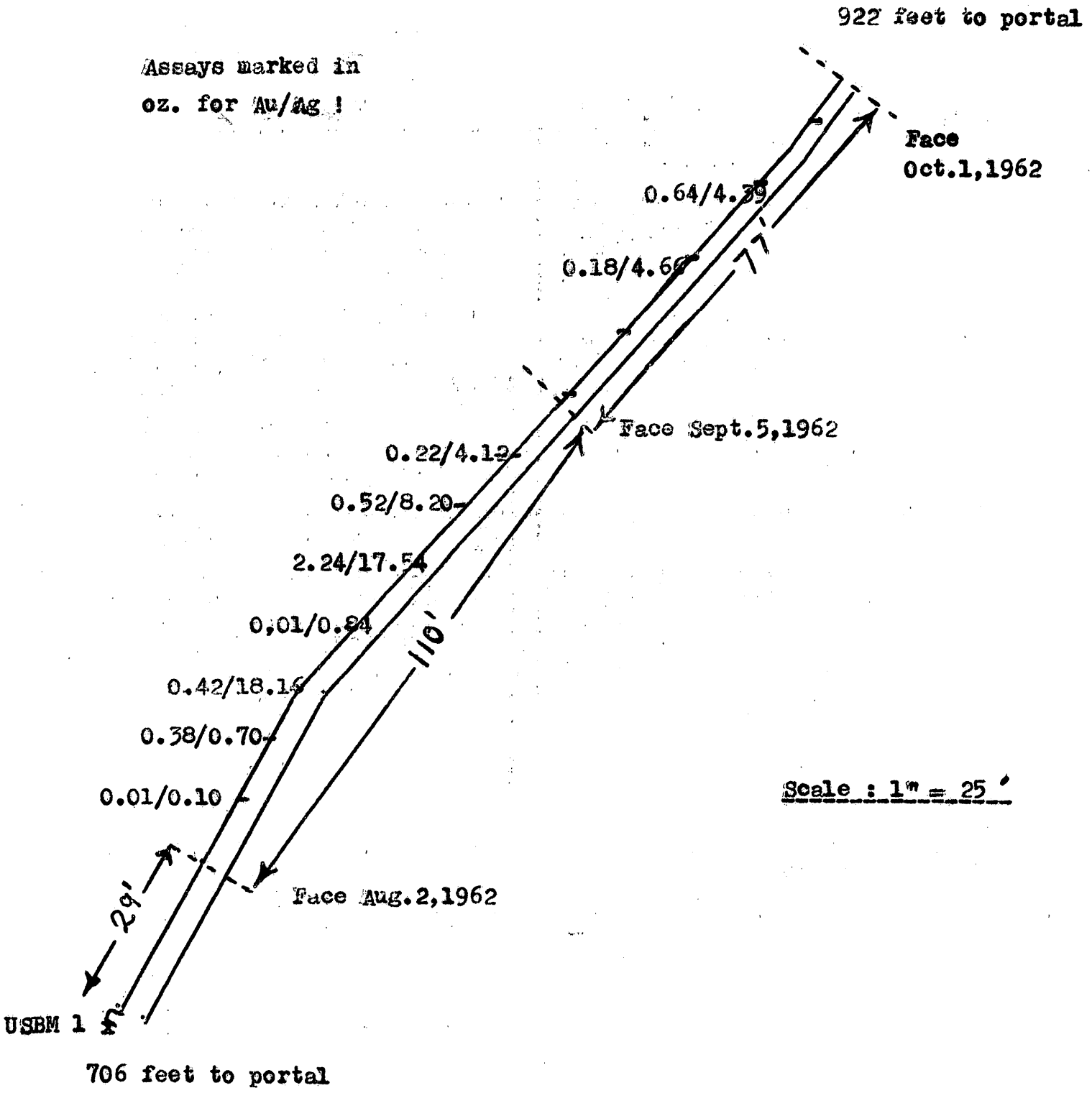
October 1 , 1962.

G. E. Pralle
Vice President, Manager.

COPY OF ASSAY REPORTS.

The Brown Laboratory, Grand Junction, Colorado :

Sample		oz. Au	oz. Ag
825' across 1 1/2 feet		0.52	8.20
835' across 1 1/2 feet		0.22	4.12
875' Longhole	0 - 5 feet	0.02	0.08
	5 - 9 feet	0.02	0.12
	9 - 14feet	0.00	0.04
885' across 1 1/2 feet		0.18	4.66
895' across 1 1/2 feet		0.64	4.39



Bimetallist Mining Company, Inc.

G.E. Pralle

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 1 1962

DATE	INITIALS	CODE
10/1	ame	8W
10/3	[illegible]	500

Building 20 - Federal Center
Denver 25, Colorado

September 27, 1962

G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

This responds to your letter of September 26, 1962.

I plan to arrive in Ouray the evening of October 1, 1962 and we will measure your footage to date on October 2, 1962. You can then prepare your voucher for the month of September with all the footage that we measure.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
with copy of Mr. Pralle's letter dated September 26, 1962
Contract Corres No. 2138
Chron

BIMETALLIST MINING CO., INC.

P.O.Box 86
OURAY, COLORADO

September 26, 1962

Mr. Hugh M. Connors
Acting Field Officer, OME
Region 111
Office Of Mineral Exploration
Building 20
Federal Center
Denver 25, Colo.

Dear Mr. Connors!

Due to very favourable weather conditions we have been able to continue our drifting operation and by the end of this week we will have about as much footage again as we had the last time you came out to measure the drifting progress.

We intend to close the mine for the winter around the end of the first week of October, which would be around next week Saturday. I shall mail to you the request for a recess, when I am a little more posetive about the exact day of mine closure.

In the meantime I would like to ask you, if I should mail to you the monthly report at the end of this month, or if I should wait for you to come up here and verify my measurement?

I don't think that the footage to be drifted in the next month will amount to more than 25 feet, and for that reason it may be more practical to include in the report of September everything up to the day you measure and let the rest be included in the first report of next year.

We had a first light snow fall, which cleared the weather and for the last few days it has been fairly warm.

Yours very truly

G. E. Pralle

G. E. Pralle
Vice President

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 20 1962
DATE
9/20

Building 20 - Federal Center
Denver 25, Colorado

September 11, 1962

AIRMAIL

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado
Progress Report for July and August to September 5, 1962

Enclosed are the original and two copies of the Operator's Progress Report for July and August to September 5, 1962. The report consists of MME Form 60 and MME Form 61, a Narrative Section, Assay Certificates, and a map showing the advance for the period.

I inspected the work for which payment is claimed on September 5, 1962. I consider that the Operator has complied with the intent of the contract and the work for which payment is recommended is acceptable to the Government.

This is a short form contract and the work performed was on a fixed unit cost basis.

Subject to your verification of the arithmetical accuracy of the report, it is recommended that the Operator be reimbursed $2,224.75 which is 50 percent of the total amount shown on MME Form 60.

Original signed by

Hugh M. Connors

Attachments

MME FORM 60
SEPT. 1959

DEPARTMENT OF THE INTERIOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. ~~OME 6170~~
Contract No. 14-23-090-2138

OPERATOR'S MONTHLY VOUCHER

For Month of ~~July, August,~~ to Sept.5, 1962

Contract Amount ~~$ 26,850.00~~
Gov't. Participation ~~% 50 $ 13,425~~
Mineral(s) ~~Gold, Silver~~

Operator's Name ~~Bimetallist Mining Company, Inc.~~
Address ~~P.O.Box 86, Ouray, Colo.~~

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting 35.00	3,850.-	none	3,850.00	3850.00		3,850.00
Crosscutting						
Drilling 1.00	42.-	none	42.00	42.00		42.00
Access road rep. and widening	500.-	none	500.00	500.00		500.00
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
23 Analytical Work 2.50	57.50	none	75.50	57.50	—	57.50
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	4,449.50	none	4,449.50	4,449.50	—	4,449.50

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

Date 9-5-62 *Payee Bimetallist Mining Co., Inc.

Per G. E. Pralle Title Vice President

G.E. Pralle

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 2,224.75

Signature RHB
(Authorized Certifying Officer)

Date 9/14/62 Vou. No. 1387

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2138

Signature Hugh M. Connors Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Connors Title Acting Field Officer Date 9-10-62

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

OME
DEPARTMENT OF THE INTERIOR
SEP 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July, August, to September 5, 1962 Docket No. OME 6170

Operator's Name Bimetallist Mining Company, Inc. Contract No. 14-23-090- 2138

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	foot	110	110	3,850.00			
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Longhole Percussion	foot	42	42	42.00			
Miscellaneous							
Roads and Trails	1job	1 job	complete	500.00			
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work 23 samples for Gold/Silver				57.50			
TOTAL TO DATE *(per MME Form 60)*				4,449.50			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date Sept. 5, 1962 Operator Bimetallist Mining Co., Inc.

Per G. E. Pralle Title Vice President

G.E. Pralle

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Hugh M. Conners

Title Acting Field Officer
Government Representative

Date 9-10-62

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

BIMETALLIST MINING CO., INC.

OURAY, COLORADO

REPORT FOR JULY, AUGUST, TO SEPTEMBER 5, 1962.

The repair and widening of the access road to the Bimetallist Mine commenced on July 20. A D8 cat worked on the job and a lot of drilling and blasting had to be done. The job was finished on July 27.

On July 24 work commenced on opening the portal to the mine, connecting the air and waterlines, and removing slide muck from the surface area.

On July 27 slabbing was started in the old drift in order to widen it enough to let the air trammer pass. This work was completed on August 2.

Drifting commenced August 2, the starting point of the drift being 29 feet NE from the spad USBM number 1. The total drift work done to date is 110 feet, the breast being 139 feet NE from the USBM 1 .

The drift followed the footwall of the vein and was kept at the specified size of 5 x 7 feet. Long holes were drilled at 25 foot intervals.

Due to the crossing of a dyke the vein was offset by a few feet and then curved back to its normal position. The drift followed this slight curve.

Assays of the dyke, which came in at a low angle and left the vein at a low angle after following the vein for more than 50 feet, were low. But values picked up immediately after the dyke left the vein and the latest samples ran about 100.-dollars per ton across 18 inches.

Due to the extreme altitude of this mine it is uncertein, how long development work can continue this year before winter sets in.

G. E. Pralle

G. E. Pralle
Vice President, Manager.

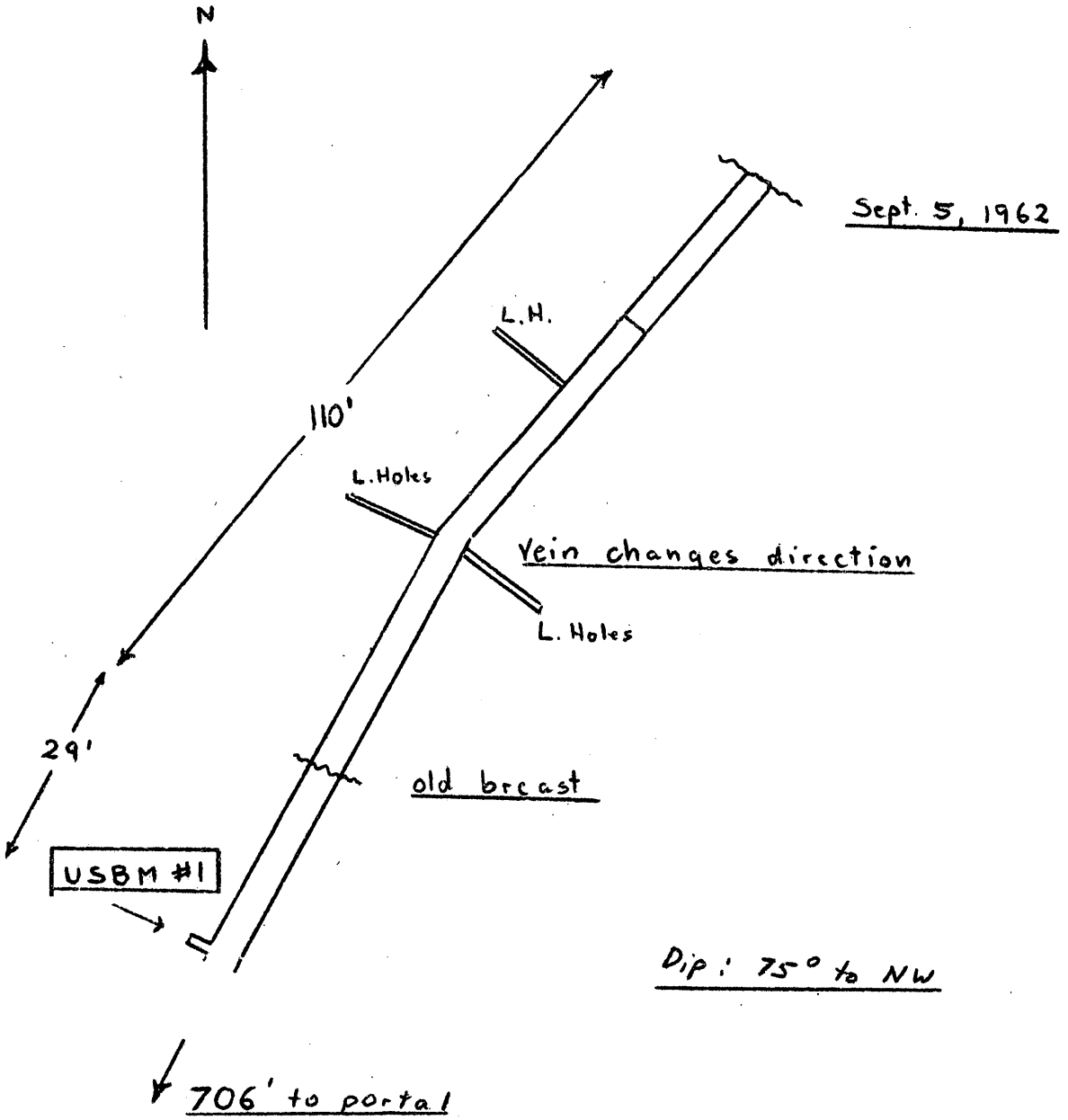
COPY OF ASSAY REPORTS!

Wm. B. Paris Assays, Telluride:

Sample			Au oz.	Ag oz.
750′ across 5′			0.01	0.26
760′ " "			0.01	0.10
770′ " "			0.32	10.34
785′ " 3 1/2′ Hang.W.			0.01	0.48
785′ " 1 1/2′ Vein to FW			0.42	18.16
790′ " 5′			0.01	0.84
775′ H.W. Long Hole	0-3′		0.01	0.58
	3-5′		0.005	0.46
	5-8′		0.003	0.76
	8-10′		0.01	0.60
	10-12′		0.005	0.64
F.W. Longhole	0-5′		0.005	0.68
	5-10′		0.02	11.96
	10-15′		0.01	0.42
775′ across 1 1/2′			0.01	0.62
775′ across 1′			0.06	0.82
780′ " 1 1/2′			0.06	1.14
805′ Long Hole	0-5′		0.15	0.88
	5-10′		0.02	6.96
	10-14′		0.02	0.68
815′ across 1 1/2′			2.24	17.54

The Brown Laboratory, Grand Junction:

770′ across 5′	0.38	0.70
785′ " 1 1/2′	0.03	0.39



Bimetallist Mining Co.,Inc.
G.E.Pralle

1" = 25 feet

Work performed from July to Sept.5, 1962.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 14 1962

DATE	IN	
9/14		800
9/17		500

September 11, 1962

G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

You can expect, any day now, that your property will be inaccessible for the rest of the winter. When you are no longer able to get to the property because of snow, please remember to request an Amendment to allow for a recess, from the time you stop work until the time you expect to resume work next spring.

Your request for this Amendment should consist of an original and two copies.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract No. 2138
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY

August 27, 1962

9/10 800
500

G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

Thank you for your letter of August 24, 1962.

Please complete your monthly report through August 31, 1962 and save all the copies until I arrive in Ouray and we will go over your report together.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME with Pralle's letter 8/24/62.
Contract No. 2138
Chron

BIMETALLIST MINING CO., INC.

P.O.Box 36
OURAY, COLORADO

8 - 24 - 1962

Mr. Hugh M. Connors
Acting Field Officer
Office Of Mineral Exploration
Federal Center
Denver 25, Colo.

OME
DEPARTMENT OF THE INTERIOR

Dear Mr. Connors !

Thank you for your letter of August 22, 1962 . I shall have transportation available on September 5.

I assume you do not want me to send in the monthly report until you have verified the footage. If this is not so and if you want the monthly report up to the 31 rst of August with the footage up to that date, please drop me a line and I shall have that report in the mail on September 1, 1962.

We are planning to work to the end of September, unless something very unusual happenes to the weather.

Yours very truly

G. E. Pralle

G. E. Pralle
Vice President

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 27 1962

DATE	INITIALS	CODE
8/27	[illegible]	800
	[illegible]	500

August 22, 1962

G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

I plan to arrive in Ouray late the evening of September 4, 1962 and plan to stop at the same motel.

Please arrange to meet me the morning of September 5 so we can measure all the footage to that date. A snow could come at any time which would prevent your further operations until next summer.

Yours very truly,

[illegible]al signed [illegible]

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract 2138
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 6 1962
DATE
8/6 800
~~Bimetal~~ 450

August 3, 1962

G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Contract No. 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

This will confirm the starting point for drifting in the Hawkeye adit which we established August 2, 1962. The starting point was 29.0 feet northeast of the spad in the hanging wall side of the drift. The brass disk held by the spad is stamped "U.S.B.M."

Enclosed is a supply of MME Form 60 and MME Form 61 with some dummy entries to show you the proper way to complete the forms.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract No. 2138
Chron

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

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 25 1962

DATE	INITIALS	CODE
7/25	Coe	210
"	Griswold	500

July 23, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract 2138
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado

Enclosed are the Government's, Fiscal Section's, and Audit's executed copies of the subject contract; a copy of the Operator's undated letter stating that work on the access road would start Friday, July 20, 1962, and a copy of my reply.

Hugh M. Connors

Hugh M. Connors

Attachments

BIMETALLIST MINING CO., INC.

OURAY, COLORADO
P.O. Box 86

Mr. Hugh M. Connors
Acting Field Officer, OME
Region 3
Building 20
Federal Center
Denver 25, Colo.

Dear Mr. Connors!

Enclosed please find the four signed copies of the Government's contract with the Bimetallist Mining Company.

Work on the access road will start Friday 2o th of July,1962. I expect the access road to be passable one week after that date.

Yours very truly

G.E.Pralle

G.E.Pralle
Vice President

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 18 1962

DATE	INITIALS	CODE
7/19	[illegible]	2500

July 16, 1962

G. E. Pralle, Vice President
Bimetallist Mining Company, Inc.
Beaumont Hotel
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Proposed Contract 2138
Bimetallist Mining Company, Inc.
(Bluebeye, et al., Claims)
Ouray County, Colorado

Dear Mr. Pralle:

Enclosed are the Government's, Fiscal Section's, Audit's, and Field Office's copies of the captioned proposed contract including the Performance Bond.

Please have all copies of the proposed contract signed by an official of your company who is authorized to sign such a document and return all copies to this office. Upon receipt of the four signed copies, I will forward you the Operator's copy.

Work on the access road may start on any date after the contract is signed. When you return the signed copies of the contract, please advise the date you will start on the access road so that I can insert the starting date in the contract. Please be advised that no payment can be made for drifting in the adit until a starting point is established.

If you will write me when the access road is passable, I will go to the property and establish a starting point.

Please be advised that the 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures

HMC/lm
cc Chief, Division of Field Operations, OME
Proposed Contract 2138
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 5 1962

DATE		
		500

July 2, 1962

Mr. L. O. Bunde
Secretary and Treasurer
Bimetallist Mining Company
P. O. Box 390
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado

Dear Mr. Bunde:

Will you please advise the present status of your negotiations in obtaining a bond.

It will soon be winter again in the high country and I would like very much to know your plans.

Yours very truly,

Original signed HMC

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
OME-6170
Chron

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 23 1962

DATE		
		500

MAY 15 1962

Mr. L. O. Bunde
Secretary and Treasurer
Bimetallist Mining Company
P. O. Box 390
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

Dear Mr. Bunde:

With reference to your May 10 letter to Mr. Hugh M. Connors, requesting a copy of the proposed exploration contract, we are enclosing a copy which you may show to the bonding company.

Kindly return this copy to us when it has served its purpose.

Sincerely yours,

Returned

George Turnick
Director

Enclosure

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/15	Griswold	500
5/15	Talbot	800
5/15	Selbridge	120
5/15	Johnson	110
5/15	Fumich	100
5/15	Cac	220
		500

MAY 15 1962

Mr. L. O. Bunde
Secretary and Treasurer
Bimetallist Mining Company
P. O. Box 390
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

Dear Mr. Bunde:

With reference to your May 10 letter to Mr. Hugh M. Connors, requesting a copy of the proposed exploration contract, we are enclosing a copy which you may show to the bonding company.

Kindly return this copy to us when it has served its purpose.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

WRGriswold/gla
5-15-62
cc to: Director's Reading File
Region III (2)
Docket

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1962

DATE		
5/14	Gerrard	500

May 11, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138 dated January 12, 1962
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado

Attached is Mr. L. O. Bunde's letter dated May 10, 1962, stating that a copy of proposed Contract No. 2138 is needed for preparation of a Performance Bond.

Also attached is a copy of my reply to Mr. Bunde.

If you will handle this matter, and furnish this office a copy of your letter to Mr. Bunde, it will be appreciated.

T M Rosado
for Hugh M. Connors

Attachments
TMR

Building 20 - Federal Center
Denver 25, Colorado

May 11, 1962

L. O. Bunde, Sec. & Treas.
Bimetallist Mining Company
P. O. Box 390
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Contract No. 2138 dated January 12, 1962
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado

Dear Mr. Bunde:

This is to inform you in answer to your letter dated May 10, 1962, that this office is not authorized to furnish copies of proposed Contract No. 2138 prior to receipt of the Performance Bond.

I have forwarded your letter to our Washington Office, and have asked that their reply be sent direct to you.

We are returning your self-addressed stamped envelope.

Yours very truly,

Original signed by

TMR

for

Hugh M. Cumors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
with Mr. Bunde's letter 5/10/62
Contract No. 2138
Chron

OME
DEPARTMENT OF THE INTERIOR
MAY 11 1962
REGION III
DENVER, COLORADO

Mesa, Arizona
May 10, 1962

Hugh M. Conners
Field Officer OME
Denver, Colorado

Dear Mr. Connors:

Re: OME-6170 (Gold - Silver)
Bimetallist Mining Company, Inc.
(Hawkeye,et el.,Claims)
Ouray County, Colorado
Contract No.2138 dated January 12,1962

The Bonding company want a copyof contract No 2138 and as soon as we receive this they will execute the Bond.

If you do not have a blank copy of this contract a photo copy of same will be sufficient.

A self addressed envelope is enclosed for your reply.

Thank you.

Bimetallist Mining Company, Inc.

By R O Bunde
Sec & Treas.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 7 1962
DATE
5/7 Grant 500

May 2, 1962

Mr. G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Proposed Contract No. 2138 dated January 12, 1962
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

We have had no advice from you since your letter of March 31, 1962 relative to the progress you have made regarding obtaining your Performance Bond.

Will you please advise the date on or before which we may expect to receive the Performance Bond.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract 2138
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 3 1962
4/5 Bimetallist 172 500

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

April 2, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6170 (Gold-Silver)
Contract No. 2138 dated January 12, 1962
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado

Enclosed is a copy of Mr. G. E. Pralle's letter dated March 31, 1962.

Also enclosed is a copy of my letter in reply.

T. M. Romslo

Attachments

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 5 1962
DATE | CODE

Building 20 - Federal Center
Denver 25, Colorado

April 2, 1962

Mr. G. E. Pralle, Vice President
Bimetallist Mining Co., Inc.
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Proposed Contract No. 2138 dated January 12, 1962
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray, Colorado

Dear Mr. Pralle:

Thank you for your letter dated March 31, 1962 advising that the bonding company is working on the Performance Bond and should have the matter completed in about two weeks.

In regard to Governmental participation in costs of work, you ask: (1) "does any of the money spent during 1961 on development apply toward the 50:50 expenditure," and "does that money already spent apply towards that certain ratio of expenditures?" The answer to both questions is no. The Government will not contribute to the cost of any work performed prior to the date of the proposed contract, and its contribution in the cost of work performed in accordance with contracts now being executed is 50 percent.

Yours very truly,

Original signed by

T. M. Rumalo
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
OME 6170 Proposed Contract 2138
Chron

BIMETALLIST MINING CO., INC.

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 5 1962
DATE | INITIAL | OFFICE

OURAY, COLORADO

March 31, 1962

OME
DEPARTMENT OF THE INTERIOR

Mr. T. M. Romslo
U. S. Department of the Interior
Office of Mineral Exploration
Building 20, Federal Center
Denver, Colorado

Dear Mr. Momslo:

Thank you for your letter of March 26, 1962.

The bonding company here in Las Vegas is still working on the bond which is required in connection with our government loan, and is expected to have the matter completed in about two weeks.

In the meantime, we would appreicate it if you could clarify one question. During 1961, development work at the Bimetallist mine was accomplished in the amount of $25,000.00. The government proposed to participate to the amount $13.434.25; does any of the money spent during 1961 on development apply toward the common 50:50 expenditure? Or, if the government intended to participate to an amount of less than 50%, does that money already spent apply towards that certain ratio of expenditures?

I shall appreciate your comments.

Very truly yours,

G. E. Pralle
Vice President

GEP:wg

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY

March 26, 1962

3/28 Received 500

Mr. C. P. Keegal
Vice President
Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado
Contract No. 2138 dated January 12, 1962

Dear Mr. Keegal:

Please advise this office by return mail the approximate date you expect to submit the executed five copies of the Performance Bond which were enclosed with Mr. Hugh M. Connors' letter dated January 16, 1962.

We are anxious to complete processing of the proposed contract at an early date.

Yours very truly,

Original signed by

T. M. Rensle

TMR/lm

cc Chief, Division of Field Operations, OME
Cont. 2138 Corres
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Griswold	500
3/22	Talbert	800
3/22	[illegible]	130
"	Johnson	110
3/22	Fernald	100
3/22	cc	220
		500

MAR 2 2 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

We have nothing on the referenced application since the copy of your January 16 letter to the Applicant. If you have had no reply, kindly write a follow-up, requesting something specific.

George C. Selfridge

(GHB)

WRGriswold/gla
3-22-62
cc to: Director's Reading File
Review Committee
Docket

43683

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY

January 16, 1962

Mr. C. P. Keegal
Vice President
Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
(Hawkeye, et al., Claims)
Ouray County, Colorado
Contract No. 2138 dated January 12, 1962

Dear Mr. Keegal:

Enclosed are five copies of a Performance Bond which you should have executed in the amount of $15,425.00, which is the amount of the Government's participation.

After the executed Bond has been received in this office and the starting date inserted in the Contract Form, the proposed Contract will be presented for your approval and execution by an authorized representative of your company.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures

HMC/lm
cc Chief, Division of Field Operations, OME
Contract 2138 Corres.
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/11	Griswold	500
1/12	Talbut	800
1/12	[illegible]	130
"	Johnson	110
1-12	Tennecke	100
1/12	Coe	220
		500

JAN 12 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

Enclosed are the original and four copies of a proposed contract for the subject project, signed by the Director for the Government. The contract consists of MME Form 51 (Short Form), Annex I (one page), Exhibit A (two pages), Exhibit B, and one map. Also enclosed is an "Extra copy for Field Officer" (MME Form 51, Annex I, and Exhibit A).

If the contract is satisfactory to you, the Applicant should be instructed to present a Performance Bond for $13,425.00 (five copies of the form are enclosed). After the bond has been received and the starting date inserted in the contract form, the proposed contract may be presented to the Applicant for approval and execution by an authorized representative of the company. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

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

We are not overly enthusiastic about an air line as small as 2-inch size for an adit of over a thousand feet in length. However, the use of a small underground air receiver would serve the purpose.

/s/ George C. Selfridge

Enclosures

WRGriswold/gla
1-13-62
cc to: Director's Reading File
Review Committee
Docket

43683

Re:

Art. 2 (b) needs a bit of expansion

Limitations on timbering and drilling are under General Provisions, but limitations on drifting and raising are under the Description of Work. Not very consistent.

Last sentence of 2nd par., page 2, "in a similar manner" needs clarifying by reference to sampling of drifts.

Suggestion — Adopt practice of placing all sampling specifications in one paragraph instead of under each type of work.

Drifts ~~will~~ shall be driven with a minimum size of 5 by 7 feet in the clear of timber and ~~will~~ shall be timbered as necessary, using standard drift sets with 8" x 8" timber, or equivalent round timber.

Taken from "General Conditions" and placed under work description.

Note at bottom of page 2 of Exhibit A "Title", the title of Figure 1 already given in Annex I of contract - why repeat?

DRAFT
12/27/61
WRGriswold/gla

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Copy of draft for docket

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6170	Gold-Silver	14-23-090-	Ouray	Colorado

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Bimetallist Mining Company, Inc., an Arizona corporation

whose mailing address is **411 West Pepper Place, Mesa, Arizona**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **24** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $**26,850.00**. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $**13,425.00** in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interests of Lessors

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Performance Bond in lieu of Lien or Subordination Agreement

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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.

See Article 14

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

BIMETALLIST MINING COMPANY, INC.
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

INT.-DUP. SEC., WASH., D.C. 52375

DRAFT
12/27/61
WRGriswold/gl

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
OME-6170

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of two patented mining claims on Potosi Peak in the Sneffels mining district of Ouray County, Colorado. The two claims are as follows:

Name	Survey Number
Bimetallist	12254
Hawkeye	1641

The claims, owned by Helen A. Croft and the heirs of O. J. Davis and Malcolm Downer, were incorporated into a Contract of Sale dated April 1, 1960, to W. R. Nichols and O. C. Baker. Nichols and Baker, on June 6, 1961, entered into an Agreement of Sale and Purchase of Property, covering said claims, with L. O. Bunde and C. P. Keegel. On June 6, 1961, said Bunde and Keegel made an assignment of their interest to Bimetallist Mining Co.

The claims are shown on the attached Figure 1 entitled "Bimetallist Mining Co., Inc., Ouray County, Colo."

EXPLORATION CONTRACT
BIMETALLIST MINING COMPANY, INC.
OME-6170

EXHIBIT A

The purpose of the project is to explore for ores of gold and silver by drifting, raising, and long-hole drilling. Work of access road improvement (lengthening and widening of switchbacks) shall be done to facilitate the work of exploration.

General Conditions

The work of road improvement must meet with the approval [illegible]

Mine rails shall be of not less than 16-lb. size, compressed air line of not less than 2-inch size, water line of not less than 1-inch size, and ventilation line of not less than 12-inch size.

Raises shall be of a minimum size of 4 by 6 feet in the clear of timber.

The Government will participate in the cost of not to exceed one hundred feet of drift timbering and not to exceed 500 feet of long-hole drilling.

Description of the Work

After completion of the access road improvement, the present [illegible] Drifts shall be driven with a minimum size of 5 x 7 feet in the clear of timber and shall be timbered as necessary, using standard drift sets with 8" x 8" timber, or equivalent round timber. All drifting shall be done along the footwall of the vein unless prior Government approval is given

permitting a change in drift position. At intervals of approximately 25 feet long-holes shall be drilled to the vein hanging wall so as to permit sampling of the full vein width. All cuttings from such long-hole drilling shall be sampled, with no sample to represent a hole length of more than five feet.

As the drifting progresses, representative face samples shall be taken at linear intervals of not greater than 15 feet. In areas where the veins show significant mineralization, face samples shall be taken at linear intervals of not greater than 10 feet. All drift samples shall be cut normal to the vein.

Raises may be driven at locations given prior approval by the Government; the total combined footage of such raising may not exceed 200 feet. When traversing favorably mineralized sections, such raises shall likewise be sampled, as with the drifting, at linear intervals not to exceed 10 feet.

All samples shall be split or quartered as necessary, with one fraction reserved for use of the Government and stored in a proper container marked as to location. The samples shall be assayed for gold and silver and assay results (with locations) shown on a map or sketch accompanying the monthly progress reports to the Government.

The outlined work is partly indicated on the attached Figure 1.

Estimated Costs of the Project

Agreed Unit Costs

Lengthening and widening of access road switchbacks 1/	$ 500.00
500 feet drifting @ $35.00/ft.	17,500.00
200 feet raising @ $35.00/ft.	7,000.00
200 samples to be assayed for gold and silver at $2.50 per sample	500.00
100 feet drift timbering @ $8.50/ft.	850.00
500 feet long-hole drilling @ $1.00/ft.	500.00
Total Cost of the Project	$26,850.00
Government's Participation at 50%	$13,425.00

1/ The completed job constitutes the unit.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

December 27, 1961

Memorandum for the File

From: W. R. Griswold, Chief, Division of Minerals

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

The project deals with a high altitude (11,350 feet) location in the San Juan region of Colorado on the Ouray side of the divide. The famous Camp Bird and Revenue mines are nearby.

The vein in question (Wheel of Fortune) is a strong, well-pronounced structure extending for a known length of several miles. In the area of the project claims the vein generally has been barren, except for one reported small lense of high-grade silver ore. The Hawkeye Adit on the vein has already been driven some 700 feet, with negative results, in the San Juan tuff formation. Nevertheless, the Field feels that, since the vein is strong and well mineralized, a good potential exists. We concur, to a moderate degree.

Costs, for the location in question, are reasonable.

WR Griswold

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/21		500
11/21	Selburg	120
"	Johnson	110
11-21	Jones	100
11-21	Gad	220
		500

NOV 2 1 1961

Mr. C. P. Keegal
Vice President
Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

Dear Mr. Keegal:

We are unable to process your application until you have provided us with the material requested in our August 21 letter. We must have one additional bank letter and also a copy of the specified assignment of the purchase agreement to the Bimetallist Mining Company, Inc.

We shall hold your application in abeyance until the above material is received.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla
11-21-61
cc to: Director's Reading File
Region III (2)
Docket

see reply 12/14/61
+ attachments
left-hand side

43683

Is there a
connection
between the
doctor & the
Kregel author
this matter
[illegible]
about the salt
deposits on
Nevada?

Same initials
E. P. Hegel, Pres.
Lyncharz Mining & Chem. Co.
Las Vegas, Nev.

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 16 1961

DATE	INITIALS	CODE
11-16	gad	VVO
		130
		100
		500
11/16	Greenwald	500

November 14, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket OME-6170 (Gold-Silver)
Bimetallist Mining Co., Inc.
(Bimetallist and Hawkeye Claims)
Ouray County, Colorado

Enclosed are the original and two copies of my Report of Examination on the subject property.

Also enclosed are seven extra copies of figure 2 for possible use in a Contract.

Hugh M. Connors

Hugh M. Connors

Attachments

ON-SITE EXAM. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION
REGION III

OFFICIAL FILE COPY
D. M. E
RECEIVED NOV 16 1961

DATE	INITIALS	CODE

OME 6170

Bimetallist Mining Co., Inc.

Bimetallist and Hawkeye Claims

Ouray County, Colorado

Gold and Silver

Examination Report

By

Hugh M. Connors, Mining Engineer

November 1961

CONTENTS

	Page
Introduction and summary	1
Location, accessibility, and physical features	1
History and production	2
Ownership and extent	3
Present status	3
Geology and ore deposits	4
Proposed exploration	5
Project proposals and costs	6
Conclusions and recommendations	8

ILLUSTRATIONS

Figure		Follows page
1.	Location map, Bimetallist Mining Co., Inc. Bimetallist and Hawkeye claims Ouray County, Colorado	1
2.	Claim Map and Longitudinal Section Hawkeye and Bimetallist claims	8

OME-6170
BIMETALLIST MINING CO., INC.
HAWKEYE AND BIMETALLIST CLAIMS
OURAY COUNTY, COLORADO

INTRODUCTION AND SUMMARY

The Bimetallist Mining Co., Inc., applied for OME aid in exploring the Hawkeye and Bimetallist claims for gold and silver at an estimated total cost of $16,300.00. The application was dated August 9, 1961.

A field examination of the property was made on September 6, 1961, the last day of operation before the winter recess. G. E. Pralle, vice president of the Applicant Company, accompanied the field examiner.

The Applicant, in an amended application, requested 487 feet of drifting, 300 feet of raising, access road rehabilitation, adit straightening, and purchase of equipment for a total estimated expenditure of $40,216.00.

It is recommended that a short form contract be prepared to allow for lengthening and widening the switchbacks on the access road, 500 feet of drifting, 200 feet of raising, and 120 assays for gold and silver. This work to cost an estimated total of $25,300.00, Government participation $12,650.00.

LOCATION, ACCESSIBILITY, AND PHYSICAL FEATURES

The Hawkeye and Bimetallist patented lode mining claims are located on Potosi Peak in the Sneffels Mining District, Ouray County, Colorado. These claims are reached from Ouray by following the Camp Bird road 4.0 miles; thence 1.5 miles on the Sneffels road to the mine access road which rises 800 feet in about a mile and contains

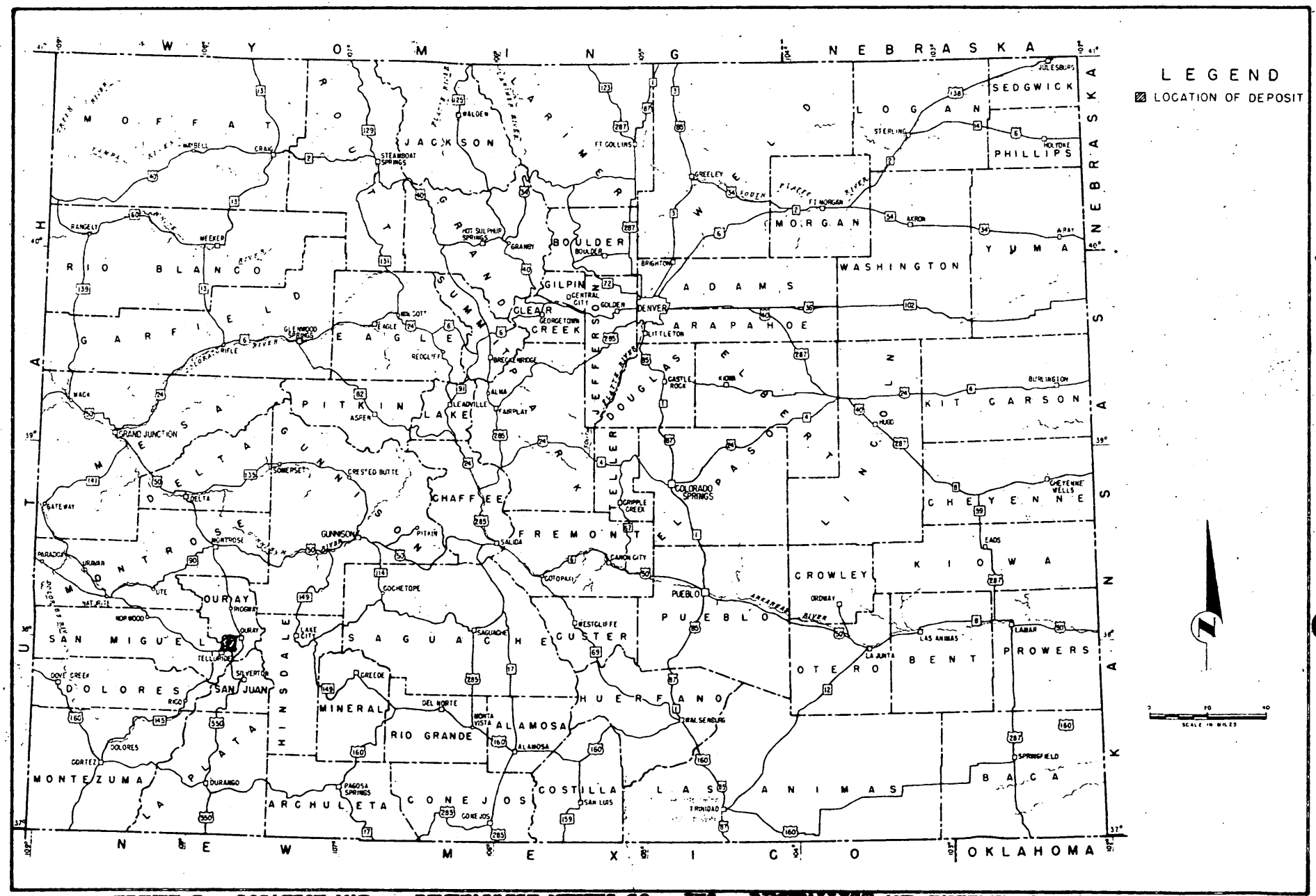


FIGURE I - LOCATION MAP BIMETALLIST MINING CO., INC., BIMETALLIST AND HAWKEYE CLAIMS
OURAY COUNTY, COLORADO OME-6170

12 switchbacks. Only 4-wheel-drive vehicles can reach the portal of the Hawkeye adit from the Sneffels road. From the Hawkeye adit portal the mine buildings at the Camp Bird and Sneffels are clearly visible in the canyon below. There are several snow slide runs on Potosi Peak, one of which is close to the Hawkeye Portal. Winter operation of this property would be very costly and most difficult. The altitude of Potosi Peak is 13,790 feet and the altitude of the portal of the Hawkeye adit is 11,350 feet above sea level.

HISTORY AND PRODUCTION

The general area has been a large producer of gold and silver. The Wheel of Fortune vein which extends through both the Hawkeye and Bimetallist claims is a strong vein known to extend for several miles from a point about a mile northeast of the Bimetallist shaft through the Revenue and southwesterly to the Smuggler Union property on the Telluride side of the San Juan Mountains. I am unable to determine whether or not the Wheel of Fortune vein was mined in those properties southwest of the Bimetallist claim.

Bureau of Mines records do not show the production claimed by the Applicant on the Bimetallist claim because the reported production of 197 tons of high grade ore was probably before the Bureau of Mines records were started. All of the ore produced was packed out because no road has ever existed to the Bimetallist claim.

The Applicant states that he has a record of ore shipments from the Bimetallist claim which shows that the 197 tons of ore produced contained 2,057.65 ounces of gold and 22,581.40 ounces of silver which

would have a total value at present prices of $92,300.00.

OWNERSHIP AND EXTENT

Title of the property rests in Helen A. Croft according to the Contract of Sale dated April 1, 1960 in which O. C. Baker and W. R. Nichols agreed to purchase the property for $15,000.00 to be paid in installments. The property was subsequently sold by O. C. Baker and W. R. Nichols, June 6, 1961, to L. O. Bunde and C. P. Keegel. I find no assignment from Bunde and Keegel to the Bimetallist Mining Co. Inc.

No! Date entirely

It is noted in a letter from C. O. Baker to the Applicant, dated July 6, 1961, that Baker will not sign a Lien & Subordination Agreement until $15,000.00 is paid on the property.

The property consists of two patented lode mining claims; Hawkeye, Survey No. 1641, and Bimetallist, Survey No. 12254. The Hawkeye claim is 300 feet wide and 1500 feet long. The Bimetallist claim is a fractional claim and appears to be 300 feet wide and 500 feet long. The Bimetallist shaft, which is inaccessable, is about 50 feet from the Hawkeye end line and was reported to be 150 feet deep.

PRESENT STATUS

No work had been done on this property for at least 50 years prior to the time the Applicant began work. During the summer of 1961 the Applicant built an access jeep road from the Sneffels road to the portal of the Hawkeye adit, rehabilitated 510 feet of the adit, and advanced the face to a point 735 feet from the portal.

On the day of the field examination, September 6, 1961, the Applicant was readying the equipment for the winter recess in his exploration work. There are no buildings of any kind on the property.

The equipment consists of a 300 C.F.M. diesel-driven portable compressor and an Eimco 12B mucking machine, both of which are on a lease-purchase contract. Also included are 1000 feet of 16-pound rail, one ½-ton mine car, two jackhammers complete with jacklegs and drill steel, one air receiver, 500 feet of 2-inch pipe, 500 feet of 1-inch pipe, small tools, and one Dodge 4-wheel-drive vehicle.

GEOLOGY AND ORE DEPOSITS

The Bimetallist claims are located on Potosi Peak in the Sneffels Mining District which is in the northwestern part of the Silverton quadrangle. The Silverton caldera, which is the major structural feature about and within which the ore deposits are localized, is a volcanic center and basin of late Tertiary age associated in origin with eruptions of the Silverton volcanic series.

The volcanic formations underlie all except the deeper valleys of the area. The crest of Potosi Peak is made up of flows of the Treasure Mountain quartz latite. Below this are thin flows of andesite of the Silverton volcanic series, and the great cliffs, in which the Hawkeye adit is located, are of San Juan tuff. These volcanic rocks rest upon a basement of Paleozoic and Mesozoic sedimentary formations. The most productive veins of the late Tertiary epoch of mineralization are found in the volcanic formations.

The Wheel of Fortune vein, which is the subject of the proposed exploration, strikes N. 45° E. and dips 65° northwest. The vein filling is composed largely of quartz containing some pyrite. The ore reported by the Applicant to have been shipped from the Wheel of Fortune vein contained only gold and silver with no base metals being present.

Short, high grade ore shoots may be expected to occur at fault or fissure intersections along the Wheel of Fortune vein.

PROPOSED EXPLORATION

The Wheel of Fortune vein ranges from 15 to 20 feet in width, is well mineralized, and worthy of exploration. It is deemed advisable to test for possible ore shoots which may be ahead of the present face of the Hawkeye adit and might be similar to the original ore shoot mined on the Bimetallist claim.

To date the adit has been driven a few feet along the foot wall and then turned to the hanging wall, back and forth. It is recommended that the adit be driven along the foot wall and short longholes be driven to the hanging wall not less than ten feet apart. Only with prior Government approval can the adit be driven along the hanging wall, in which case short longholes would be driven to the foot wall.

A representative sample of the face shall be taken and assayed after every third round of holes is fired. All sludge from the long-hole drilling shall be split and assayed. Additional assays are allowed for critical points along the vein.

Raises shall be driven only after Government approval is obtained in writing.

PROJECT PROPOSALS AND COSTS

The Applicant proposes to improve the access switchback road so that four-wheel drive vehicles longer than jeeps can reach the adit portal. He requests Government aid in widening and straightening the Hawkeye adit to permit use of an air-trammer. The Applicant proposes 437 feet of drifting on the Wheel of Fortune vein, a total of 50 feet of drifting on the two cross veins which he expects to encounter and two raises, totaling 300 feet in length located on the cross veins.

The Applicant's proposed costs in his amended application are as follows;

Access Road improvements	$ 2,000.00
Portal and adit rehabilitation	1,000.00
Equipment purchase	4,236.00
Drifting on Wheel of Fortune vein	17,480.00
Drifting on cross veins	2,000.00
Raising	13,500.00
Total	$ 40,216.00

The Applicant's drift-cost analysis is as follows in the amended application:

		Cost per Foot
1.	2" Air Pipe	$ 0.5120
2.	1" Water Pipe	0.2388
3.	16 lb. used rail at $120.00 per ton	0.6400
4.	Ties at $45 per 100, spaced 2' center	0.2250
5.	Explosives at $550 per ton delivered, 1 box of 50 lb. per round of 4'	2.8125
6.	Detonators at $35 per 100, 25 per round of 4'	2.1875
7.	Fuel: a. Diesel at $0.20 per gal., 60 gal. per day of 8'	1.5000
	b. Gasoline at $0.39 per gal., 5 gal. per day of 8'	0.2437
	c. Oil at $0.55 per qt., 1 qt. per day of 8'	0.0688
8.	Timber for odd purposes	0.1000
9.	Fishplates, bolts, spikes, pipe fittings, wire, etc.	0.3750
10.	Spare parts for mining and transport equipment	0.5000
11.	Repair costs of mining and transport equipment	0.4450
12.	Rental of equipment $1025.10 per month of 200'	5.0505
13.	Contract payment	14.5000
14.	Compressor men, one per shift, $18 per 4' round	4.5000
15.	Compressor men, overtime payment for 6th day, $9.00 per Saturday shift, 8 Saturday shifts per month of 200'	0.3600
16.	Supervision, $600.00 per month of 200'	3.0000
17.	Assays, $2.00 per round of 4'	1.0000
18.	Surveys, Engineering	1.0000
	Total	$ 40.0088 per ft.

The original application gave no breakdown of costs but stated;

"On a contract basis by the Company, a reasonable figure with due allowance for chutes and timbers would be:"

(a) 700 feet of drifting at $30.00/ft.

(b) 600 feet of raise at $25.00/ft.

(c) 300 feet of cross cut at $30.00/ft.

I concur that $30.00 per foot for both drifting and raising is most reasonable and I doubt that it can be done at this location. Also exception is taken to his breakdown of costs in the amended application which shows $40.00 per foot. The following is recommended:

Lengthening and widening switchbacks on access roads - 1 job	$ 500.00
*500 feet of drifting on Wheel of Fortune vein and cross veins at $35.00/ft.	17,500.00
*200 feet of raising at $35.00/ft.	7,000.00
120 assays for gold and silver at $2.50	300.00
Total estimated cost	$ 25,300.00
Government participation at 50%	$ 12,650.00

*Drifting and raising costs include costs of long-hole drilling.

This work can be accomplished during the summer and fall of 1962.

CONCLUSIONS AND RECOMMENDATIONS

The Wheel of Fortune vein extends through both claims of the property. The vein is strong and well mineralized. Some of the neighboring properties have had a large ore production and the Applicant's property has a good potential. It is therefore recommended that a short form contract be prepared to complete the exploration work outlined in this report at an estimated total cost of $25,300.00, Government participation $12,650.00.

6-303
(March 1947)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

No. 1

Salt Lake City, Utah

Report to Mr. Hugh M. Connors

Chemical Laboratory Report
(OME-15 (WO-62-4)

Date received 9/21/61

Date reported 9/25/61

Serial No.	DESCRIPTION	Lot No.	Au	Ag
	OME 6170 (Gold-Silver)			
	Bimetallist Mining Company, Inc. (Bimetallist Mine)			
	Ouray, Colorado			
98151	Quartz with some pyrite	HMC-7	Trace	0.4

Charges:

1 Au + Ag detn. - Total charge 3.00

cc: Konselman

Selfridge

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 2 1961

DATE	INITIALS	CODE
		500
10/2	Greenwald	500

U. S. GOVERNMENT PRINTING OFFICE 16—33553-3

Signed H. E. Peterson

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 16 1961

DATE	INITIALS	CODE
		170
9/18	WPZ	500
		500

Building 20 - Federal Center
Denver 25, Colorado

September 15, 1961

Memorandum

To: E. H. Clemmons, Research Director
Salt Lake City Metallurgy Research Center

OME-6170

From: Acting Chief, Division of Mineral Resources

Subject: Request for sample analyses

One sample taken by Hugh H. Commers, from the property of Marshallist Mining Company, Inc. has been sent to the Salt Lake City Metallurgy Research Center.

Two copies of Form T353 are enclosed specifying the analyses required.

This shipment should be charged to account OME 15 (W0-62-4).

Original signed by

A. S. [illegible]

Attachments

HC/lm
cc Mineral Resources (3)
Chief, Division of Field Operations, OME, Washington (2)
Application File OME 6170
Chron

STRATEGIC MINERAL PROJECT

Information supplied the Metallurgical Division
regarding samples submitted

Date [illegible]

Name and Location of property: [illegible] (Gold-Silver)
[illegible] Company, Inc.
([illegible] Mine)
[illegible], Colorado

Sample identification number: [illegible]

Number of samples in shipment (estimated if necessary): [illegible]

General nature of ore (type, minerals present, etc.):

[illegible] with some pyrite

Analyses or assays required:

Gold-silver

Other tests desired: [illegible]

[illegible]

[illegible] 4 copies of Assay Certificates to:

[illegible]
[illegible]
[illegible] - Denver Federal Center
Denver 25, Colorado

Original signed by
[illegible]

Name and address of
Project Engineer

7353

BIMETALLIST MINING CO., INC.

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 31 1961

DATE	INITIALS	
8/31		1500
	Heinrich	1500

P.O.Box 86
OURAY, COLORADO

8 - 25 - 1961

Mr. Hugh M. Connors
Acting Field Officer, OME
United States Department Of The Interior
Office Of Minerals Exploration
Building 2o - Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
AUG 28 1961
REGION III
DENVER, COLORADO

OME-6170

Dear Sir,

thank you for your letter of August 24. I shall look forward to meeting you at the Beaumont Hotel the evening of September 5, 1961.

Yours very truly

Gerhardt Pralle

Gerhardt Pralle
Vice-President and Mine Manager.

Selfridge (1)

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 28 1961

DATE	INITIALS	CODE
		1500
8/28	Received	1500

August 24, 1961

Mr. Gerhardt Pralle
Vice-President and Mine Manager
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
(Bimetallist Mine)
Ouray County, Colorado

Dear Mr. Pralle:

An examination of your property is scheduled tentatively for September 6, 1961. If this date is satisfactory with you and you could contact me at the Beaumont Hotel the evening of September 5, 1961, will you please advise.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

Chief, Division of Field Operations, OME
OME-6170
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
8/21	Talbert	800
8/21	Lefebvre and Wade	130
"	Johnson	110
8/21	Fumich	100
8/21	Gad	220
		500

Mr. C. P. Keegal
Vice President
Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

AUG 21 1961

Re: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

Dear Mr. Keegal:

The application of your company has been reviewed by the Division of Minerals and it is deficient in certain respects.

You provided us with a copy of a letter from one bank but your request was for a loan of $25,000.00, whereas your estimated project cost is $16,300.00. Please apply to two banks (one of which must be your bank of account) for the latter amount. In writing the banks, please provide them with a recent financial statement and request them to advise you as to the terms and conditions upon which they might be willing to provide the loan in question, if at all. Copies of all such correspondence should be sent to us, including the financial statement.

You state the Bimetallist Mining Company, Inc., is the sole assignee under a certain purchase agreement. Please provide a copy of such assignment.

In that you are unable to obtain a Lien or Subordination Agreement, it would be necessary for you to provide a Performance Bond, should a contract be approved, as outlined in Mr. Connors' letter of July 20. This matter, of course, cannot be covered at this time.

In order to prevent any loss of time, the application is being referred to Mr. H. M. Connors, Acting Field Officer, Region III, OME, Federal Center, Denver 2, Colorado. The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

/s/ George Fumich, Jr.

Director

cc: Mr. Gerhardt Pralle
Vice-President and Mine Manager
Bimetallist Mining Company, Inc.
P. O. Box 86
Ouray, Colorado

WRGriswold/gla 8-18-61
cc to: Director's Reading File
Region III (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Marsh	500
8/18	Faebert	800
8/21	Selfridge	130
"	Johnson	110
8-21	Turner	100
8-21	gad	220
		500

AUG 21 1961

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

Subject: OME-6170 (Gold-Silver)
Bimetallist Mining Company, Inc.
Hawkeye, et al., Claims
Ouray County, Colorado

The subject application is referred to Region III for review, a field examination if deemed advisable, and recommendations. An extra copy each of the application and the engineer's report are enclosed for your convenience.

It appears that we are dealing with a narrow, relatively low-grade vein which made one small lens of high-grade ore. If a project should be considered, it might be well to include long-hole drilling to probe the dike walls.

/s/ W. R. Griswold

(645)

Enclosures

WRGriswold/gla
8-18-61
cc to: Director's Reading File
Review Committee
Docket

43683

M FORM 6 REFERENCE SLIP

REV. 59 OFFICE OF MINERALS EXPLORA

TO:	DATE	INITIALS
1. 100		
2. VOO		
3.		
4.		
5.	8-15	gad
FROM: VVO		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

M50943

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/15	Holman	200
		500

AUG 1 5 1961

Bimetallist Mining Company, Inc.
411 West Pepper Place
Mesa, Arizona

Re: OME-6170

Gentlemen:

Your application for exploration assistance, dated August 9, 1961, submitted to our office at Denver, Colorado, has been assigned Docket Number OME-6170.

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

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to Region III

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/10	[illegible]	200
8/10	[illegible]	120
"	[illegible]	100
8/10	[illegible]	100
		220

AUG 1 0 1961

Mr. Gerhardt Pralle
Vice-President and Mine Manager
Bimetallist Mining Co., Inc.
P. O. Box 86
Ouray, Colorado

Dear Mr. Pralle:

Our Field Engineer in Denver has forwarded your letter of August 2 with its enclosures. However, we have received no application. An earlier letter from Mr. Keegel in Las Vegas, Nevada to our Field Engineer in Denver indicates that the company may apply for exploration assistance. Please let us know whether we should hold these papers pending receipt of an application or return them to you.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to Mr. C. P. Keegel
Bimetallist Mining Co., Inc.
1721 South 14th Street
Las Vegas, Nevada

ASDakan:gad 8/10/61
Copy to: Region III
Dir. R. File

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 1961

DATE	INITIALS	CODE
8-10		200
		100
8-10		100

August 4, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

From: Acting Field Officer, OME, Region III

Subject: Bimetallist Mining Co., Inc.
P. O. Box 86, Ouray, Colorado

Attached is a letter from the Bimetallist Mining Co., Inc. together with some expenses they have already incurred on an application of which I have no knowledge as it has not been received in this office but may have been forwarded your office direct.

Hugh M. Connors

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

July 20, 1961

7/24 200
7/25 110
7/25 100
220

C. P. Keegel
Bimetallist Mining Company, Inc.
1721 South 14th Street
Las Vegas, Nevada

Dear Mr. Keegel:

This responds to your letter of July 17, 1961 regarding the Owner's Consent to Lien. If you are unable to obtain the Lien and Subordination Agreements on MME Form 52 you may submit your application and state the reasons you are unable to obtain the agreements and provide copies of the letters of refusal.

We have had many contracts where the owners refused to sign a Consent to Lien and the Applicant has furnished a Performance Bond in lieu of the Owner's Consent to Lien.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
File
Chron

C. P. KEEGEL ENGINEERS

Mineral Appraisal - Production Management - Metallurgical Design

1721 SOUTH 14TH STREET
LAS VEGAS, NEVADA
DUDLEY 4-6981

July 17, 1961

OMC
DEPARTMENT OF THE INTERIOR
DENVER
COLORADO

Office of Mineral Exploration
United States Department of the Interior
Denver Region
Denver, Colorado

Gentlemen;

We have acquired a lease with option to purchase on the Bimetallist mine, near Ouray, Colorado.

Our purchase contract calls for $ 5,000.00 each six months until the sum of $30,000.00 is paid. The Principals from whom we are buying the property are themselves buying it for $15,000.00 from the fee owner. The claims are patented. We are unable to get a consent to a lein, therefore, until we have paid in $ 15,000.00.

We would like to apply for a loan, however, if the normal ruling is that an application would be denied if the owner will not consent to a lein, there is no purpose in applying.

Will you please indicate your policy in this regard so that we can determine whether or not we should file an application for a loan ?

Very sincerely yours,

C. P. Keegel
Bimetallist Mining Company, Inc.

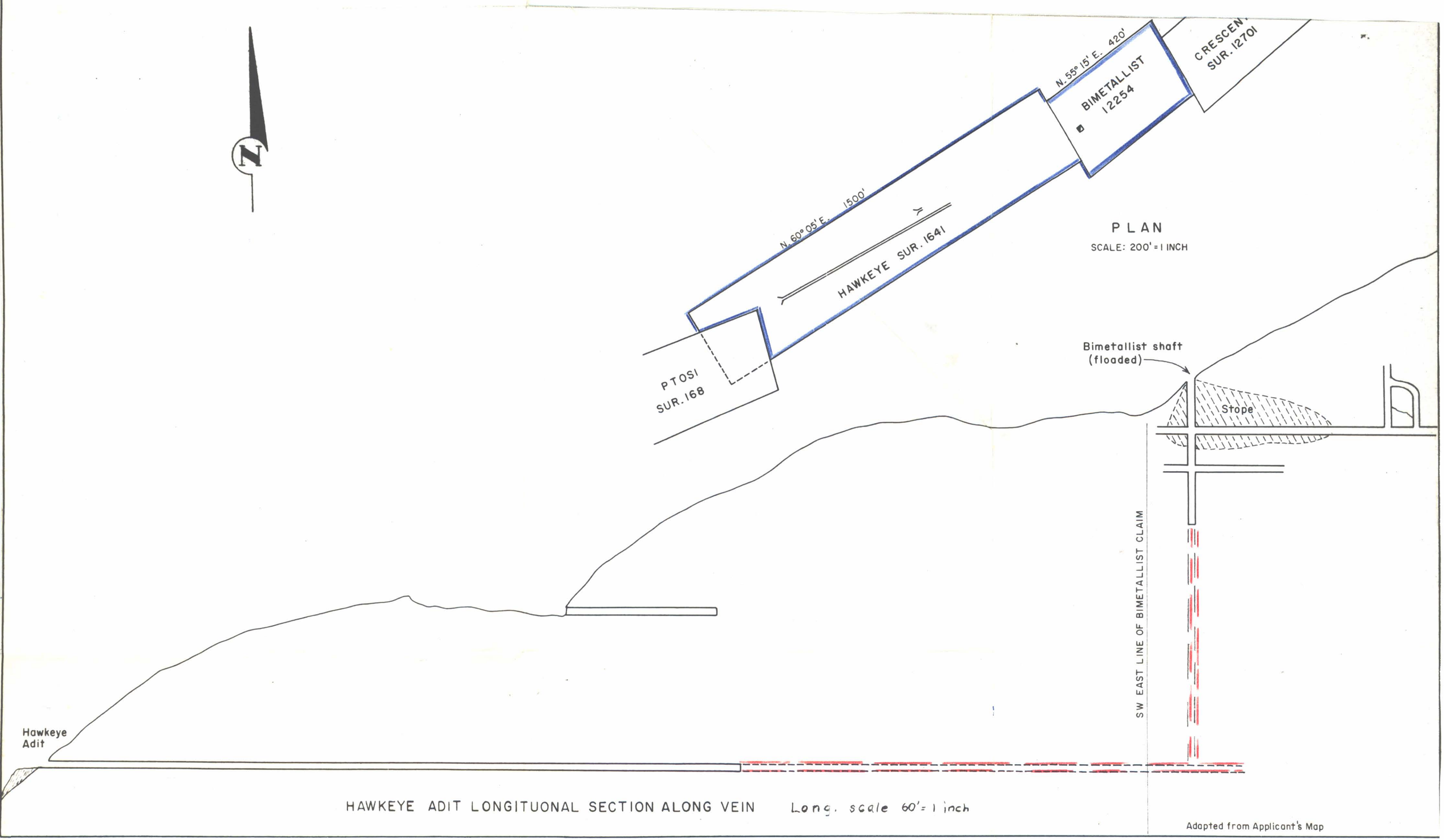


FIGURE 1 - BIMETALLIST MINING CO., INC., OURAY COUNTY, COLO. OME-6170