United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

June 11, 1979

IN REPLY REFER TO: Office of Minerals Exploration
Mail Stop 953

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended contract 2149

Nye Metals, Inc.
702 Merchants Bank Building
Indianapolis, Indiana 46204

Dear Sir:

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

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 20, 1973, 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 June 20, 1973, 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*
Address	*Date*

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

BRANCH OF CENTRAL MINERAL RESOURCES

IN REPLY
REFER TO:

June 10. 1987

Mr. Robert Nye
Nye Metals Inc.
702 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME 6231 (molybdenum)
Nye Molybdenum Mine
Gilpin County, Colo.
Contract 2149

Dear Mr. Nye:

Under the terms of OME contract OME docket 6231 and the certification of possible production, all minerals mined or produced from May 18, 1965 to June 6, 1987 were subject to royalty payments.

As the period during which production was subject to royalty has now expired, the Government accordingly retains no claims or liens against the property or any production thereform.

We are therefore closing our records on this contract.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWHasler:js

Copies to: G. H. Allcott
Robert Edwards
H. A. Tourtelot
D. A. Lindsey

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225
BRANCH OF CENTRAL MINERAL RESOURCES

IN REPLY
REFER TO:

June 10, 1987

Memorandum

To: Branch of Financial Reports

From: Chief, Office of Minerals Explorat9on

Subject: Recording of realized loss under OME contract

Write-off of realized loss on the contract noted below is hereby authorized:

Contract	Docket	Operator	Write-off Amount
2149	OME 6231	Nye Metals Inc. Nye Molybdenum Inc. Gilpin Co., Colo.	$169,772.50

J. William Hasler

J. W. Hasler

cc: G. H. Allcott
H. A. Tourtelot
D. A. Lindsey

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

June 7, 1979

Nye Metals, Inc.
702 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended contract 2149

Dear Sir:

On October 6, 1977, we sent you a letter about rerecording unpatented mining claims by October 22, 1979, because of provisions in Public Law 94-579. A copy of the letter is enclosed. We asked you to advise us that you had rerecorded your claims by signing, dating, and returning a copy of the letter to this office. We have not received a reply from you on this matter.

Because of the opportunity for you to rerecord the claims in the next 4 months, the need to protect your interest in the claims, and the Government's interest as a consequence of its rights to royalty on production from these claims, we are sending this reminder to you.

Please take care of this matter at your earliest convenience, sign, date, and return the enclosed copy.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 6, 1977

Nye Metals, Inc.
702 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended contract 2149

Dear Sir:

Legislation enacted in October 1976 established new requirements concerning unpatented mining claims and affidavits of annual assessment work. Owners of unpatented claims must comply by October 22, 1979, with new procedures described in Section 314, Public Law 94-579, October 21, 1976, and in Federal Register--Title 43, Part IV of January 27, 1977. Copies of these documents are enclosed for your information. Simply stated, the new legislation requires that mining claims be rerecorded by October 22, 1979, and that certain information be filed with affidavits of assessment work.

We bring this matter to your attention for two reasons--to alert you to the need to rerecord in order to retain the claims, and to protect the Government's interest in the land and in royalty from possible production therefrom during the period of royalty obligation which continues beyond October 22, 1979.

We would appreciate being advised that you have rerecorded your claims. Accordingly, please return to us one copy of this letter dated and signed where applicable in the statement below.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

"The unpatented mining claims described in the contract cited above were recorded on _____ in accordance with Section 314, P.L. 94-579."
(date)

Signature _____

Title _____

Date _____

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

June 12, 1973

Nye Metals, Inc.
702 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended contract 2149

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.

Cy R. III

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

RECEIVED
JUN 22 1973
HK 120

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 16, 1972, 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 June 16, 1972, 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
N/A	N/A	N/A

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

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

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

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

Disposition of Material	Quantity	Value
N/A	N/A	N/A

Submitted by: Robert E. Nye

Name	*Title*
NYE METALS, INC.	Robert E. Nye President
Address	*Date*
702 Merchants Bank Bldg. Indianapolis, Indiana 46204	6/20/73

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

June 13, 1972

Nye Metals, Inc.
702 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 19 1972

INITIALS	CODE
glo	30
HK	20

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,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region III

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 14, 1971, 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 June 14, 1971, 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
N/A	N/A	N/A

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

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

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
N/A	N/A	N/A

Submitted by:

Name NYE METALS, INC. Robert E. Nye	*Title* President
Address 702 Merchants Bank Building Indianapolis, Indiana 46204	*Date* June 16, 1972

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

December 10, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 14 1971

INITIALS	CODE
CAC	120
gla	120
HK	~~120~~
	220

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Transmitted herewith is the final field report on the above-stated OME exploration project.

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

Enclosure

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By W. L. Emerick

December 10, 1971

1. OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Operator: Nye Metals, Inc.
Room 711, Merchants Bank Building
Indianapolis, Indiana 46204

Property: Consisted of sixty-eight (68) patented and ninety-eight (98) unpatented lode mining claims, including all rights pertaining thereto, in secs. 9, 10, 15, 16, 21, and 22, T. 2 S., R. 73 W., 6th Principal Meridian, Gilpin County, Colorado. A map showing the area of the claims was attached to the contract.

Ownership: The Operator was in possession of all of the claims by right of ownership.

2. Purpose of Project: The purpose of the project was to explore by drifting, crosscutting, and raising, and by diamond drilling from underground and surface sites for molybdenum-bearing ore bodies occurring in veins in Precambrian rocks.

3. Contract: Original contract, dated June 6, 1962, for a term of 24 months superseded by Amended Contract of the same date for a term of 40 months.
Amended contract amount - $278,225.00
Government participation - 50 percent, $139,113.00

Amendments - No. 1 - May 7, 1963, to revise the figures in Article 1(b) to read $276,230.00 and $138,115.00, respectively, and to delete in Exhibit A, Stages II and III under Estimated Cost of the Work and substitute new Stage II and III material.

No. 2 - May 23, 1963, to delete the eigth paragraph in Exhibit A under the heading General Provisions and substitute new material covering standard and wireline core sizes; to specify in Exhibit A under the heading Estimated Cost of the Work that core size specifications apply equally to standard and wireline sizes.

No. 3 - July 31, 1963, to delete in Amendment No. 1, item 2, under Stage II, Actual Costs, Category (1), Independent Contracts, the first item under the words Core Drilling (Surface) and to revise three cost figures; to add in Amendment No. 1, item 2, under Stage II, Fixed Unit Costs a new item and to revise one cost figure.

FIELD FINAL REPORT

Amendments No. 4 - November 27, 1963, to delete Amendments No. 1 and 3 in their entirety; to revise the contract figures in Article 1(b) to read $276,230.00 and $138,115.00, respectively; to delete in Exhibit A under the heading Description of the Work the the descriptions for Stage II and Stage III and replace with new description; to delete in Exhibit A all words and figures under the heading Estimated Cost of the Work and substitute entirely new words and figures.

No. 5 - December 19, 1963, to revise the contract figures in Amendment No. 4, item 2, to read $274,235.00 and $137,118.00, respectively; in Amendment No. 4, item 4, under Estimated Cost of the Work, Stage II and Stage III, to delete words and figures under Actual Costs and to reduce Total Estimated Actual Costs, to add items under Fixed Unit Costs and increase Total Estimated Fixed Unit Costs, to revise Total Estimated Costs, and to delete the Summary and replace with new material.

No. 6 - March 13, 1964, to suspend work under the contract for 5 months.

4. Project Work: Started June 19, 1962. Completed July 31, 1964.

Cost Items

Stage I	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Fixed Unit Costs					
Drifting	1,700 feet	$34.00/ft.	$57,800.00	1,610 feet	$54,740.00
Crosscutting	60 feet	$30.00/ft.	$1,800.00	90 feet	$3,060.00
Timbering	1,200 feet	$8.00/ft.	$9,600.00	970 feet	$7,760.00
Core drilling	1,000 feet	Various	$5,650.00	973 feet	$5,175.70
Cementing, redrilling, reaming, and casing	20 hours	$10.00/hr.	$200.00	----	----
Core boxes	100 boxes	$1.00/each	$100.00	100 boxes	$100.00
Assaying for molybdenum	300 assays	$5.00/assay	$1,500.00	21 assays	$105.00
Total Estimated Cost Stage I			$76,650.00		$70,940.70
Stage II					
Actual Costs					
Core drilling, underground	6,600 feet	Various	$29,112.50	3,956 feet	$16,307.65
Cementing, redrilling, reaming, and casing	200 hours	$8.50/hr.	$1,700.00	200 hours	$1,700.00
Surveying hole and standby time	50 hours	$48.50/hr.	$425.00	----	----

Stage II - continued

Actual Costs - continued

Core drilling, surface	5,400 feet	Various	$24,140.00	5,274 feet	$22,759.60
Cementing, redrilling, reaming, and casing	100 hours	$8.50/hr.	$850.00	485 hours	$4,122.50
Surveying hole and standby time	25 hours	$8.50/hr.	$212.50	----	----
Core boxes	800 boxes	$1.00/each	$800.00	841 boxes	$841.00
Assaying for molybdenum	500 assays	$4.00/assay	2,000.00	124 assays	$531.00

Fixed Unit Costs

Bulldozing access roads and drill sites	80 hours	Various	$1,200.00	80 hours	$1,200.00
Crosscutting for drill stations	120 feet	$30.00/ft.	$3,600.00	150 feet	$4,500.00
Drifting and crosscutting	1,200 feet	$34.00/ft.	$40,800.00	1,171.5 feet	$39,831.00
Timbering	700 feet	$8.00/ft.	$5,600.00	700.5 feet	$5,604.00
Compressed air for drilling	7,300 feet	$0.55/ft.	$4,015.00	3,956 feet	$2,175.80
Incidental allowance for each foot of drilling	12,000 feet	$0.30/ft.	$3,600.00	9,230 feet	$2,769.00
Total Estimated Cost Stage II			$118,055.00		$102,341.55

Stage III

Actual Costs

Core drilling, underground	6,000 feet	Various	$26,325.00	----	----
Cementing, redrilling, reaming, and casing	160 hours	$8.50/hr.	$1,360.00	----	----
Surveying hole and standby time	40 hours	$8.50/hr.	$340.00	----	----
Core boxes	250 boxes	$1.00/each	$250.00	----	----
Assaying for molybdenum	400 assays	$4.00/assay	1,600.00	----	----

Stage III - continued

Fixed Unit Costs

Crosscutting for drill stations	120 feet	$30.00/ft.	$3,600.00	----	----
Drifting and crosscutting	600 feet	$34.00/ft.	$20,400.00	----	----
Timbering	400 feet	$8.00/ft.	$3,200.00	----	----
Raising	267 feet	$65.00/ft.	$17,355.00	----	----
Compressed air for drilling	6,000 feet	$0.55/ft.	$3,300.00	----	----
Incidental allowance for each foot of drilling	6,000 feet	$0.30/ft.	$1,800.00	----	----
Total Estimated Cost Stage III			$79,530.00		----
Total Estimated Cost of Project			$274,235.00		$173,282.25
Government participation at 50 percent			$137,118.00		$86,641.11
Paid to the Operator					$86,641.11

The Government retained no equity in any of the materials used.

Effectiveness of the Work - The contract provided for three stages of work but only two stages were required to adequately explore the target areas.

Efficiency of Operation - The operation was performed satisfactorily and the supervision was competent. There was some slowdown in surface drilling progress attributed to winter weather conditions.

5. Reports:

Operator's Final Report - An acceptable Final Report was transmitted to the Washington office on March 18, 1966.

Cost Review - A Report of Review was issued by the Office of the Chief Auditor, Geological Survey, in May 1966.

5. Reports: - continued

Final Audit

- A final audit was not requested. However a final voucher was submitted in September 1966 by the Operator for additional Government participation not claimed in previous vouchers covered by the Report of Review issued in May 1966. This final voucher, amounting to $1,656.75 Government participation was paid on November 8, 1966.

Royalty Review

- A report of Royalty Review was made in April 1965 by the Contract Administration and Audit Division of the OME on total sales subject to the Government's royalty for the period August 1964 through April 30, 1965. The Report of Review issued May 1966 also reviewed the sales of ore and concentrates made during the period August 1964 through December 1965 on which royalty was paid.

6. Project Results:

Discoveries

- The project work resulted in the discovery of a minable molybdenum ore body. Maps and assay data were attached to the monthly vouchers and Operator's Final Report. Ore reserves estimated as a result of the OME work were 69,070 tons of ore that averaged about 1.1 percent MoS_2. Production was carried forward by the Operator.

Certification

- Certification was recommended on the basis of the ore discovered by the OME work and a Certificate of Possible Production was issued on May 18, 1965. The Government's lien for payment of royalties expires on June 6, 1987, or when the total amount contributed by the Government is fully repaid with interest at the rate of 6 percent per annum, whichever occurs first.

Production

- The Operator's Final Report indicates that a total of 9,108 tons of ore averaging 1.1 percent MoS_2 was mined. For the period August 1964 through December 1965 about 3,367 tons of ore and concentrates were sold. There has been no production from the mine since December 1965.

Royalties

- The Government received royalty payments totalling $14,649.46 from the sale of the 3,367 tons of ore and concentrates.

7. Geologic Summary:

- The ore deposits are in quartz veins occurring in shear zones cutting gneiss and quartz monzonite rocks. The veins strike N. to NE and dip steeply 74°-78° W. and NW. The veins range in width from 2 inches to as much as 5 feet, but may average 1.5 feet. Molybdenite with pyrite are associated with quartz and calcite, the principal gangue minerals. The molybdenite occurs as thin flakes dispersed through quartz veinlets, as small aggregates of flakes filling open spaces in the quartz, and as thin coatings on fractures. There had been no previous ore production from the deposit.

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

June 11, 1971

Nye Metals, Inc.
702 ~~906~~ Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 18 1971

INITIALS	CODE
gla	130
HK	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,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region III

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 11, 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 June 11, 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
N/A	N/A	N/A

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

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

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
N/A	N/A	N/A

Submitted by:

Name Robert E. Nye	*Title* President
Address 702 Merchants Bank Bldg. Indianapolis, Indiana	*Date* June 14, 1971

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

June 8, 1970

Nye Metals, Inc.
906 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 15 1970

INITIALS	CODE
Jla	130
HK	~~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,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 5, 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 June 5, 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.

Purchaser (*name and address*)	Quantity	Value
N/A	N/A	N/A

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

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

3. Since June 5, 1969 workings (*see* Article 16 (b) *of contract*)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value
N/A	N/A	N/A

Submitted by:

Name	*Title*
Robert E. Nye	President
Address Indianapolis, Indiana 46204 906 Merchants Bank Building	*Date* June 11, 1970

IN REPLY REFER TO:
Office of Minerals Exploration

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

JUN 3 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 9 1969

INITIALS	CODE
gla	130
HK	20
	220

Nye Metals, Inc.
906 Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

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,

Harold Kirkemo

Harold Kirkemo
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 June 21, 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 ☒

2. Since June 21, 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		

None

3. Since June 21, 1968, has any production been transported through workings (see Art. 16 (b) of contract)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

None

Submitted by:

Name R. E. Nye Title President

Address 906 Merchants Bank Dundalk, IND. Date June 5 - 69

IN REPLY REFER TO:
Office of Minerals Exploration

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

June 18, 1968

Nye Metals, Inc.
Room 527, Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 25 1968

INITIALS	CODE
gla	130
FEJ	~~110~~
	130
	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

Copy to R-111

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 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 ☒

2. Since August 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
None		
None	None	None

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

Type	Quantity		Estimated Grade	Location
Ore	None	Tons	None	None
Concentrates	None	Tons	None	None
Other	None	Tons	None	None

3. Since August 1967, 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
None	None	None

Submitted by:

Name Robert E. Nye Title President

Address 906 Merchants Bank Bldg. Date June 21, 1968
Indianapolis, Ind. 46204

IN REPLY REFER TO:
Office of Minerals Exploration

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

August 9, 1967

Nye Metals, Inc.
Room 527, Merchants Bank Building
Indianapolis, Indiana 46204

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Only 1 recd made
Thermofax
cc

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 18 1967

INITIALS	CODE
	120 M
	110
	120 M
	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 **January 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 ☒

2. Since **January 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	None	

3. Since **January 1966**, 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 Robert E. Nye Title President

Address Black Hawk, Colorado Date 8/16/67

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/26		110
		120
		220

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Enclosed is the Operator's voucher covering previously unclaimed costs for work performed under the subject contract as set forth on pages 4 and 5 of the Report of Review issued in May 1966, on this contract.

The Report of Review inadvertently shows that payment was made for 800 core boxes. A check of the previous vouchers indicates that payment has been made for 900 core boxes. Consequently, payment on the enclosed voucher should be made for only 41 core boxes, as approved by the Field Officer.

The correct account for this unpaid voucher is set forth as follows:

385 hrs. cementing and casing @ $8.50 per hour	$3,272.50
41 core boxes @ $1.00 each	41.00
Total eligible for Government participation	$3,313.50
Government participation - 50 percent basis	$1,656.75

Id. Nov. 1966

If you agree with the foregoing, final payment on this voucher may be made in accordance with the terms of the contract.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III

Enclosures (3)

120-M
FEJohnson/bih 10/26/66

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/26		110
		120
		220

OCT 26 1966

Mr. Robert E. Nye
President. Nye Metals, Inc.
Room 527 - Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Reference is made to the letter dated September 30, 1966, from Mr. Charles E. Melbye and enclosed voucher covering work performed under the subject contract; but for which payment was not previously claimed.

In processing this voucher for payment it was found that payment had been made for 900 core boxes as shown on your voucher for July 1966, instead of for 800 core boxes inadvertently indicated by the Report of Review issued in May 1966 on this contract. Consequently, the amount allowable for core boxes will be reduced and your voucher processed accordingly.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
Budget & Finance/Rm 5408/Int.Bldg.
OME file
OME reading file
OME Region III
120-M

FEJohnson/bih 10/26/66

Copy to: Mr. Charles E. Melbye
2020 Foothills Road
Golden, Colorado 80402

23263

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

Recorded working copy

September 30, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 11 1966

INITIALS	CODE
gla	120
	110
	120

Mr. J. William Hasler, Field Officer
Office of Mineral Exploration
Denver, Federal Center
Denver, Colorado

Re: Docket No. 6231
Contract No. 2149
Nye Metals, Inc.

Dear Mr. Hasler:

Enclosed are four copies each of the Monthly Voucher and Progress Report covering additional costs incurred under the subject contract and in answer to the letter request of Frank E. Johnson of September 21.

Since there were two stages involved, I was uncertain of the proper accounting, and this has been submitted as a separate voucher which can be properly accounted for in your Washington office. I trust this is satisfactory.

Sincerely,

Charles E. Melbye

Charles E. Melbye

M/am
cc: Robert E. Nye

P. O. BOX 309 | 2020 FOOTHILLS ROAD GOLDEN, COLORADO 80402 | 303: 279-1542

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/21		110
9/21/66	Kokemo	120
		220

SEP 21 1966

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 527, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

This will acknowledge receipt of your letter of September 9, 1966, concerning your claim in the amount of $1,706.75 for the Government's portion of additional costs incurred under the subject contract.

In order to receive payment for this claim you should complete and forward a supplemental original and three copies of the Operator's Monthly Voucher (MME Form 60) and the Operator's Progress Report (MME Form 61) to Mr. J. William Masler, Field Officer, OME Region III, for processing in the usual manner.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III w/cy Mr. Nye's letter 9/9/66
Branch, Budget & Finance/room 5408
120-M

FEJohnson/bih 9/21/66

23263

Form DI-535
(Rev. 2/21/66)

UNITED STATES
DEPARTMENT OF THE INTERIOR

ROUTING SLIP

Indicate routing order by number—Strike out office when cleared, enter date received and forwarded in space provided.

To		Date	
S	SECRETARY		
US	UNDER SECRETARY		
SO	SOLICITOR		
SOL	Office of the Solicitor		
DL	Division of Legislation		
SOAB	Oil Import Appeals Board		
SA	Office of the Science Adviser		
OI	Office of Information		
CL	Congressional Liaison Office		
RP	Resources Program Staff		
JCC	Job Corps Coordination		
OW	Office of Water Resources Research		
EO	Office for Equal Opportunity		
PA	Office of Program Analysis		
AA	ASST. SECY. FOR ADMINISTRATION		
DCCO	Deptl. Corres. Control Office		
AMO	Office of Management Operations		
ASR	Office of Survey and Review		
ADB	Office of Budget		
AMR	Office of Management Research		
APM	Office of Personnel Management		
FW	ASST. SECY. FOR F & W & PARKS		
FOC	Off. of Commissioner of F & W		
FCF	Bur. of Commercial Fisheries		
FSF	Bur. of Sport Fisheries & Wildlife		
FNP	National Park Service		

To		Date	
MR	ASST. SECY.—MINERAL RES.		
MCR	Office of Coal Research		
MGE	Office of Geography		
MSF	Office of Min. & Solid Fuels		
MOG	Office of Oil & Gas		
MOI	Oil Import Administration		
MBM	Bureau of Mines		
MGS	Geological Survey		
OMR	" " Frank Johnson	9	20/66
LM	ASST. SECY.—PUBLIC LAND MGT.		
LIA	Bureau of Indian Affairs		
LLM	Bureau of Land Management		
LOT	Office of Territories		
LAR	Alaska Railroad		
LOR	Bur. of Outdoor Recreation		
WP	ASST. SECY.—WATER & POWER DEV.		
WSA	Office of Saline Water		
WBR	Bureau of Reclamation		
WBP	Bonneville Power Adm.		
WSE	Southeastern Power Adm.		
WSW	Southwestern Power Adm.		
WDE	Defense Electric Power Adm.		

Remarks: Invoice from the Nye Metals, Inc., as discussed with Mr. Savage 9.19.66.

From: Audit Operations, Office of Survey and Review
D.R. Moysey, Assistant Director

Phone: 33338

Date: 9/20/66

☆ U.S. GOVERNMENT PRINTING OFFICE: 1966—O-903-226 #55

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

527
ROOM ~~XX~~, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

September 9, 1966

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

Amended contract 2149
Docket No. OME-6231(Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado

ATT: Mr. William T. McClelland

Dear Mr. McClelland:

Please find enclosed copies of your June 16, 1966 letter from Mr. J. William Hasler, and our reply dated June 28, 1966, forwarding requested material.

Let this letter serve as a claim and final settlement for the Government's portion of costs amounting to $1,706.75 for which amount no royalty is due per your letter of June 16, 1966.

Please let us know if we can be of any further assistance so we might get this matter settled.

Yours truly,

NYE METALS, INC.

Robert E. Nye

Robert E. Nye
President

REN:ah
encl.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
U. S. Geological Survey - Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

June 16, 1966

Mr. Robert Nye
President
Nye Metals, Inc.
Room 527, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Transmitted herewith is the Operator's copy of a Report of Cost Review--Contract 2149, Nye Metals, Inc., Nye Molybdenum Mine, Gilpin County, Colorado. Amended Contract 2149, issued May 27, 1966. I have reviewed the report and concur with it.

Your attention is called to the Audit Findings of the report beginning on page 3, particularly to the subjects "Unclaimed Costs" and "Royalty". The auditor's examination disclosed that Nye Metals, Inc., has been paid $84,984.36 representing the Government's 50 percent participation in claimed and adjusted costs and is entitled to claim an additional $1,706.75 as the Government's portion of costs incurred by Nye Metals, Inc. and not previously claimed on reimbursement vouchers. Further examination has indicated that the Government [illegible] in the amount of $14,649.46. It was also noted that an [illegible] of royalty was made in connection with P. O. No. [illegible] November 7, 1964, on which the gross value of the ore amounted to $1,104.88. Royalty at 5 percent was computed and paid in the amount of $55.74 instead of $55.24.

Our files do not contain copies of P. O. Nos. 105 and 141 and that no royalty has been received applicable to such purchase orders. Our files also indicate that Lemay Mining discontinued purchase from Nye Metals, Inc., as of December 3, 1965, and that P. O. 169 represents the last [illegible]. May we obtain 3 copies of P. O. Nos. 105 and 141 in order to complete our files, as well as to ascertain whether or not there may be royalty due the Government resulting from these shipments. May we have an early reply so that a final settlement can be made relating to the exploration costs.

Sincerely yours,

J. William [illegible]
Field [illegible], Region III
Office of Minerals Exploration

Enclosure

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

June 28, 1966

United States
Department of the Interior
Office of Minerals Exploration
U.S. Geological Survey -
Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Hasler:

In answer to your letter of June 16, 1966, please find enclosed copies of vouchers #105 and #141. Also, 3 copies of a letter from the Lenway Mining & Development Company fully explaining the reason for vouchers #105 and #141 not being applicable to royalties due the Government.

Also, let this letter serve as a notice to the Government for the additional $1,706.75 as the Government's portion of costs incurred by Nye Metals, Inc. and not previously claimed on reimbursement vouchers.

Sincerely yours,

Robert E. Nye, President
Nye Metals, Inc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/18/66	Kirkemo	120
7/18	Cal	120
		120

JUL 1 8 1966

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Enclosed is a copy of a letter dated June 16, 1966, by the Field Officer, Region III, transmitting the Operator's copy of the Report of Review issued in May 1966, on the subject contract. Also enclosed is a copy of said report.

A copy of the Field Officer's memorandum of July 1, 1966, and enclosures are also enclosed.

FRANK E. JOHNSON (gfa)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region III
Birket
MMerrithew/mm (7/18/66)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
U. S. Geological Survey - Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

July 1, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 5 1966

INITIALS	CODE
	120
HK	

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Gilpin County, Colorado
Amended Contract 2149

Enclosed are two copies of correspondence from the operator in reply to my request dated June 16, 1966 in my transmittal of Report of Cost Review.

Enclosed also are 2 copies of each of Ore and Concentrates Purchase Order and Settlement sheets, P. O. No. 105 and P. O. No. 141.

Enclosures

J. William Hosler

LENWAY MINING & DEVELOPMENT CORPORATION

MARION MILL
BOULDER, COLORADO

HEAD OFFICE
100 CALIFORNIA ST.
SAN FRANCISCO 11, CALIF.

Ore and Concentrates
Purchase Order and Settlement

Seller:
Name Nye Metals Inc
Address Box 136
Black Hawk, Colo.

Date 9/1-64

P.O. № 105

Mill Lot No. 1

Seller's Lot No. Loads 2 & 3

Containers Bulk

Type Material Ore

Analysis

MoS_2	.78
Mo	.468
WO_3	
Sn	
Cu	
As	
Bi	
Sb	
P	
S	
Mn	
Pb	
Zn	
Ni	
Nb	
Ta	
Ti	

Gross Weight	
Tare	
Net Weight	58,900
H_2O%	4.8
Net Dry Weight	56,080
Assay .468 Mo	
Assay	
Pounds Mo	262.45
Price Per Pound	X
Gross Value	
Less Penalties	

Sub Grade.
No Payment.

Material Value $

Deductions:

$

Net Value $

Certificate:
We/I hereby certify that the ore and/or concentrate identified above and hereby sold, was produced from the _____ Mine, located at _____ and that we/I have full authority to remove and sell the same and that said ore and/or concentrate is not encumbered by any lien or attachment and that payment in full is hereby acknowledged.

Nye Metals Inc
Seller

By R. C. Nye

LENWAY MINING & DEVELOPMENT CORPORATION

MARION MILL
BOULDER, COLORADO

HEAD OFFICE
100 CALIFORNIA ST.
SAN FRANCISCO 11, CALIF.

Ore and Concentrates
Purchase Order and Settlement

Seller:
Name: Mye Metals Inc
Address: Black Hawk Colo.

Date: Jan 23 - 65

P.O. № 141

Mill Lot No. 3

Seller's Lot No. Loads B5-B6-B7-B8-B9-B10

Containers: Bulk

Type Material: Ore

Analysis

MoS_2	1.22%
Mo	.732%
WO_3	
Sn	
Cu	
As	
Bi	
Sb	
P	
S	
Mn	
Pb	
Zn	
Ni	
Nb	
Ta	
Ti	

Gross Weight	
Tare	
Net Weight	184,600
H_2O%	5.8%
Net Dry Weight	173,900
Assay Mo	.732%
Assay	
Pounds Mo	1,272.95
Price Per Pound	$1.02
Gross Value	
Less Penalties	1,298.41

Duplicates PO # 140

Material Value $ 1,298.41

Deductions:

O M & Loan #6231 @ 5% $ -64.92

Net Value $ 1,233.49

To apply on advances

Certificate:
We/I hereby certify that the ore and/or concentrate identified above and hereby sold, was produced from the _____ Mine, located at _____ and that we/I have full authority to remove and sell the same and that said ore and/or concentrate is not encumbered by any lien or attachment and that payment in full is hereby acknowledged.

_____ Seller

By _____

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

June 28, 1966

United States
Department of the Interior
Office of Minerals Exploration
U.S. Geological Survey -
Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Hasler:

In answer to your letter of June 16, 1966, please find enclosed copies of vouchers #105 and #141. Also, 3 copies of a letter from the Lenway Mining & Development Company fully explaining the reason for vouchers #105 and #141 not being applicable to royalties due the Government.

Also, let this letter serve as a notice to the Government for the additional $1,706.75 as the Government's portion of costs incurred by Nye Metals, Inc. and not previously claimed on reimbursement vouchers. // [illegible] vouchers

Sincerely yours,

Robert E. Nye

Robert E. Nye, President
Nye Metals, Inc.

Boulder, Colorado
June 21, 1966

Robert Nye
Nye Metals, Inc.
1017 Merchants Bank Bldg.
Indianapolis, Indiana

Dear Bob,

I am enclosing copies of Purchase Orders #105 and #141 as you requested by phone last night. Purchase Order #105 was for material which assayed less than the minimum required in our contract and no payment was made.

Purchase Order #141 is a "Voided" order which duplicated Order #140.

If any further information is required, don't hesitate to call me.

Best Regards,

Earl G. Sweeney
General Manager

U. S. Geological Survey - Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

June 16, 1966

Mr. Robert Nye
President
Nye Metals, Inc.
Room 527, Merchants Bank Building
Indianapolis, Indiana

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 14 1966

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Transmitted herewith is the Operator's copy of a Report of Cost Review--Contract 2149, Nye Metals, Inc., Nye Molybdenum Mine, Gilpin County, Colorado. Amended Contract 2149, issued May 27, 1966. I have reviewed the report and concur with it.

Your attention is called to the Audit Findings of the report beginning on page 3, particularly to the subjects "Unclaimed Costs" and "Royalty". The auditor's examination disclosed that Nye Metals, Inc., has been paid $84,984.36 representing the Government's 50 percent participation in claimed and accepted costs and is entitled to claim an additional $1,706.75 as the Government's portion of costs incurred by Nye Metals, Inc. and not previously claimed on reimbursement vouchers. Further examination has indicated that the Government received royalty payments in the amount of $14,649.46. It was also noted that an erroneous computation of royalty was made in connection with P. O. No. 122, dated November 7, 1964, on which the gross value of the ore amounted to $1,104.88. Royalty at 5 percent was computed and paid in the amount of $55.74 instead of $55.24.

Our files do not contain copies of P. O. Nos. 105 and 141 and that no royalty has been received applicable to such purchase orders. Our files also indicate that Lenway Mining discontinued purchase from Nye Metals, Inc., as of December 3, 1965, and that P. O. 169 represents the last settlement. May we obtain 3 copies of P. O. Nos. 105 and 141 in order to complete our files, as well as to ascertain whether or not there may be royalty due the Government resulting from these shipments. May we have an early reply so that a final settlement can be made relating to the exploration costs.

Sincerely yours,

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

Enclosure
Chief, OME (2)
cc: Chief, OE

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
5/27/66	Skirbano	120
		220
		120.01

MAY 27 1966

Memorandum

To: Field Officer, OME Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 3149

As requested in your memorandum of February 7, 1966, a Report of Review covering the subject contract has been prepared. This Report of Review includes both costs and repayments. Two copies of the report are enclosed, one for your files and the other for the Operator.

If you concur in the facts as stated in the Report of Review, the Operator should be sent its copy of the report with any comments you wish to make. As evidence of your concurrence, two copies of your letter of transmittal to the Operator should be furnished this office. If for any reason you do not concur, the two copies of the report should be returned with your comments.

Your attention is called to the Audit Findings of the report beginning on page 3, particularly to the subjects "Unclaimed Costs" and "Royalty." A check should be made to ascertain if any additional royalty is due the Government on production since December 1965. Also, inquiry concerning copies of P. O. Nos. 105 and 141 should be made to determine if any royalty is due on these lots.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: director's reading file
Division file
Economic Geology file
OME file
OME reading file
Budget and finance/Room 5408
130

FEJohnson/bih 5/26/66

IN REPLY REFER TO:

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

OFFICE OF THE DIRECTOR

MAY 23 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 24 1966

INITIALS	CODE
	~~120~~
	110

Memorandum

To: Chief Geologist
Through: Assistant Director

From: Chief Auditor

Subject: Internal Audit of Amended Contract 2149
Docket No. OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado

Enclosed are four copies of the report of our cost and repayment review of the subject contract. This review was made at the request of the Chief, Office of Minerals Exploration.

William T. McClelland

Enclosure

NOTED
MAY 23 1966
OGDEN TWETO
ASSISTANT CHIEF GEOLOGIST

OFFICIAL FILE COPY

Date	Surname	Code
4/28		110
		120
4/29	CAC	220
		120M

APR 29 1966

Memorandum

To: Chief Auditor

From: Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Reference is made to our memorandum of February 15, 1966, requesting that a Report of Review be made on the subject contract.

We have received an acceptable final report from the Operator. A Report of Royalty Review is requested in addition to the Report of Cost Review.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
Branch of Budget and Finance
OME Region III

FEJohnson/gla 4-28-66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
U. S. Geological Survey - Denver Federal Center
Building 25-Room 2284
Denver, Colorado

March 18, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 24 1966
INITIALS | CODE
FP | 140
120
m
OK

Memorandum

To: Chief OME

From: Field Officer, Region III

Subject: 6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Company
Gilpin County, Colorado
Amended Contract 2149

Enclosed is an original and one copy of the Nye Metals, Inc. report pertaining to the above mentioned contract as amended. We are retaining one copy of the report for the Region III files.

The transmittal of the complete report was in reply to your letter to Mr. Robert Nye, President, Nye Metals, Inc. dated January 14, 1966. A final audit review request was transmitted to you February 7, 1966 which will essentially terminate the contract.

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

2 copies Operator's final report in file,
separate from folder

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

U. S. Geological Survey -- Denver Federal Center
Building 25-Room 2284
Denver, Colorado

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 14 1966

March 10, 1966

Memorandum

To: Chief, OME

From: J. W. Hasler, Field Officer, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado

Mr. Charles Melbye, consulting geologist and mining engineer for the subject company informed this office, via telephone, today that a request to him, from the subject company, was made for him to complete a final report pursuant to your request dated February 4, 1966. The request was not received by Mr. Melbye until March 1st, 1966, the report is due in your office not later than March 14, 1966; consequently the company's final geologic report is now in preparation and should be completed and submitted to you shortly. ?

J. William Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
2/15	cal	220
		120 m

FEB 15 1966

Memorandum

To: Chief Auditor

From: Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract No. 2149

Will you please prepare a Report of Review on the subject contract in accordance with the February 7, 1966, request (copy enclosed) of the Field Officer of Region III.

You will note from the correspondence in the file that Mr. Nye was informed that $300.00 would be withheld from the final settlement if an acceptable Final Report was not received by March 14, 1966.

(signed) FRANK E. JOHNSON

(Ph)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
Branch of Budget and Finance
CA&A
Mr. Selfridge
OME Region III

GCSelfridge/mm (2/15/66)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Denver Federal Center -- U. S. Geological Survey
Building 25 - Room 2284
Denver, Colorado 80225

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1966
INITIALS | CODE
120
120

February 7, 1966

Memorandum

To: Contract Administration and Audit Division OME

From: Field Officer, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Request for final audit

Approved work under the subject contract was completed in July, 1964. Reimbursement vouchers submitted by the Operator for expenditures through July, 1964 indicated costs under the exploration contract amounting to $169,968.75 with the Government's contribution on a 50 percent basis being $84,984.36. The contract provided for three stages of work, with the success of each stage governing whether or not the second or third stages would be conducted. Two stages of the contract (as amended) were completed. Stage I consisted of drifting, crosscutting and underground diamond drilling from the Main Tunnel level in the Indianapolis vein system and the north drift in the Indiana vein system.

Stage II consisted of extending the south drift on the Indianapolis vein an additional 500 feet and the north drift on the Indiana vein an additional 500 feet. Some 5,280 feet of surface drilling was completed as well. Considerable reserves of molybdenum ore were discovered and Stage III was deleted. The project was certified as a discovery.

The contract as amended (Amendment No. 4) on May 7, 1963, changed the total amount of the contract and allowed for the following:

Total estimated cost -- Stage I	$76,650.00
Total estimated cost -- Stage II	118,055.00
Total estimated cost -- Stage III	79,530.00
Total estimated cost of project	$274,235.00
Government participation at 50% (rounded)	137,118.00

Stages I and II exploration work was completed under contract 2149 (amended) during July, 1964 and the following operations were completed as follows:

Operation		Units Completed	Cost
Drifting		2708	92,072.00
Crosscutting		163.5	5,559.00
Surface drilling NX		2512	11,555.20
Surface drilling BX		2670	10,680.00
Surface drilling O.B.		92	524.40
Timber		1670.5	13,364.00
Core drilling BX	0 - 500'	1801	7,474.15
NX	500 - 750'	120	528.00
BX	0 - 500'	1114	4,710.00
BX	500 - 750'	674	2,729.70
BX	750' plus	505	2,323.00
AX		715	3,718.00
Casing Cementing		300	2,550.00
Xcut drill stations		150	4,500.00
Roads and trails		80	1,200.00
Incidental Allowances		9,230	2,769.00
Compressed Air		3,956	2,175.80
Core Boxes		900	900.00
Analytical work			636.00
Total to date			$169,968.75

The exploration work under the subject contract resulted in a certification of a discovery (May 18, 1965) and a preliminary audit and royalty review (April 30, 1965) has been conducted. A final report from the operator has been requested, but has not yet been submitted nor has he yet completed the termination agreement. It is therefore requested that a final audit be conducted on the subject contract.

J. W. Hasler

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

cc: Chief, OME
6231
Chron
Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/10	Johnson	110
	Selfridge	120
2/11	Coe	220

FEB 11 1966

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 527, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract No. 2149

Dear Mr. Nye:

Thank you for your letter of February 7, 1966, and enclosed cashiers check in the amount of $2,640.69 for payment of royalties to the Government on production under the subject contract of concentrates shipped December 28, 1965.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geologic file
OME file
OME reading file
OME CA&A file
OME Region III
1. Mr. Selfridge

23263

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

527
ROOM XXX MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA
632-6163

February 7, 1966

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

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract No. 2149

Gentlemen:

In reply to your letter of January 27, 1966, please find enclosed a certified check in the amount of $2,640.69 as requested.

This amount is due the Government under the subject contract on concentrates shipped December 28, 1965, covered by Settlement Sheet dated January 9, 1966, for Lot No. 169, having a gross value of $52,813.80,

Yours truly,

NYE METALS, INC.

Robert E. Nye

Robert E. Nye
President

REN:ah

abstract made & delivered with check case

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 9 1966

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	120 m
	~~120~~

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	Johnson	110
	Selfridge	120
		220

Mr. Robert Nye
Nye Metals, Inc.,
Room 527, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract No. 2149

Dear Mr. Nye:

As requested in your letter of January 28, 1966, we are extending the time for filing the final report on the subject project until March 14, 1966.

In reference to our letter of January 27, 1966, we urge you to make prompt payment in the amount of $2,640.69 due the Government on production from your property.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Nye Metals, Inc.
Black Hawk, Colorado

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III
OME CA&A file
OME Mr. Selfridge

FEJohnson/bih 2/4/66

23263

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

527
ROOM XX MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA
632 6163

January 28, 1966

OFFICIAL
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O. M. E.
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United States
Department of the Interior
Office of the Minerals Exploration
Washington, D. C.

Att: Mr. Frank E. Johnson

Gentlemen:

This is to request a thirty day extension for the filing of the final report.

I am sorry this has not been taken care of before this date and your correspondence. I have not been in the office very frequently this year because of the mining operation in Colorado. This is a very small company, you might say a one man operation and I have been trying to set up a mill and mining operation single handed and trying to fill a pressing contract.

Charles E. Melbye, our geologist, is not in his office very often and trying to get together with him to compile the data is also very difficult. Mr. Melbye has been on trips for the last month and is expected to be gone another three weeks and this is the reason we would like to request this last extension.

Thank you for bearing with us in this matter and hope you will see clear to grant the thirty day extension.

Yours truly,

NYE METALS, INC.

Robert E. Nye

Robert E. Nye
President

REN:ah

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/27	Johnson	110
	Selfridge	120
1/27	cal	220
		120M

JAN 27 1966

CERTIFIED MAIL
Return Receipt Requested

Mr. Robert Nye
Nye Metals, Inc.,
Room 1017, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract No. 2149

Dear Mr. Nye:

We have been informed by Lenvey Mining and Development Corporation, San Francisco, California, that because of overpayment to Nye Metals, it would not pay the royalty due the Government under the subject contract on concentrates shipped December 28, 1965, covered by Settlement Sheet dated January 9, 1966, for Lot No. 169, having a gross value of $52,813.80.

Accordingly, we request that you promptly remit certified bank draft or U. S. Money Order payable to the U. S. Geological Survey in the amount of $2,640.69 due the Government on this production under the terms of the subject contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Nye Metals Company
Blackhawk, Colorado

cc: Director's reading file
Division file
Economic Geology file

OME file
OME reading file
OME Region III
OME Mr. Selfridge

FEJohnson/bih 1/27/66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Denver Federal Center -- U. S. Geological Survey
Building 25 - Room 2284
Denver, Colorado 80225

January 21, 1966

Memorandum

To: Chief OME

From: Field Officer, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 24 1966
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110

Enclosed is a letter to Region III Office of Minerals Exploration from Mr. Earl G. Sweeney, General Manager of Lenway Mining and Development Corporation regarding collection of royalties from Nye Metals. The letter is self-explanatory and I am forwarding it to you for appropriate action. I am retaining a copy of the letter and settlement sheets in my files.

J. William Hasler

LENWAY MINING AND DEVELOPMENT CORPORATION

EXECUTIVE OFFICES
100 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111

MILL NEAR
BOULDER, COLORADO

AREA CODE 415
TELEPHONE DOUGLAS 2-8560

January 11,1966

Office of Minerals Explorations
Denver District Office

Gentlemen:

As you know, we have since the fall of 1964 financed Nye Metals Inc. production of molybdenite ores and concentrates.

We have sent you copies of all settlement sheets together with a check of 5% of the payments due to Nye Metals.

Please be advised that our arrangement with Nye Metals came to an end as of 31 December 1965 at which time we took delivery of the last accumulation of concentrates.

Unfortunately, however, we found out, after the last lot was weighed, sampled and analysed, that the amount which we had advanced Nye Metals to produce these concentrates under our contract with them exceeded by $3,591.66 the value of said shipment.

Under the circumstances, we are unable to pay you the 5% that would be normally due you and we suggest you endeavour to collect the amount due you directly from Nye Metals as we are trying to collect from Nye Metals the amount they now owe us.

For the completion of your files, we are enclosing our last settlement sheet which is self-explanatory.

Very truly yours,

LENWAY MINING AND DEVELOPMENT CORPORATION

Earl G. Sweeney

Earl G. Sweeney
General Manager

egs/gg
encl;

LENWA[illegible] MINING & DEVELOPMEN[illegible] CORPORATION

MARION MILL
BOULDER, COLORADO

HEAD OFFI[illegible]
100 CALIFOR[illegible]
SAN FRANCISCO [illegible]

Ore and Concentrates
Purchase Order and Settlement

Seller:
Name [illegible]
Address [illegible]

Date 1/9-66

P.O. **Nº** 169 ~~1067~~

Mill Lot No. [illegible] Seller's Lot No. NL

Containers _____ Type Material [illegible]

Analysis

MoS_2	61.69%
Mo	37.01%
WO_3	
Sn	
Cu	
As	
Bi	
Sb	
P	
S	
Mn	
Pb	
Zn	
Ni	
Nb	
Ta	
Ti	

Gross Weight	72,990
Tare	4,170
Net Weight	68,820
H_2O%	[illegible]
Net Dry Weight	[illegible]
Assay Mo	37.01%
Assay	
Pounds Mo	[illegible]
Price Per Pound	[illegible]
Gross Value	52,813.00
Less Penalties	

Material Value $ 52,813.00

Deductions:

_____ $ _____

Net Value $ 52,813.00

Certificate:
We/I hereby certify that the ore and/or concentrate identified above and hereby sold, was produced from the To applicant's claims. _____ Mine, located at _____ and that we/I have full authority to remove and sell the same and that said ore and/or concentrate is not encumbered by any lien or attachment and that payment in full is hereby acknowledged.

_____
Seller

By _____

LENWA MINING & DEVELOPMEN CORPORATION

MARION MILL
BOULDER, COLORADO

HEAD OFFICE
100 CALIFORNIA ST.
SAN FRANCISCO 11, CALIF.

Ore and Concentrates
Purchase Order and Settlement

Seller:
Name: Mye Metals Inc.
Address: Black Hawk Colo.

Date 1/9-66

P.O. **Nº** 169

Mill Lot No. Shipped 11/28-65

Seller's Lot No. N6

Containers

Type Material Moly Concentrate

Analysis

MoS_2	61.69 %
Mo	37.01 %
WO_3	
Sn	
Cu	
As	
Bi	
Sb	
P	
S	
Mn	
Pb	
Zn	
Ni	
Nb	
Ta	
Ti	

Gross Weight	72,999
Tare	4,193
Net Weight	68,806
H_2O%	15.0 %
Net Dry Weight	59,485
Assay Mo	37.01 %
Assay	
Pounds Mo	21,615
Price Per Pound	@ $2.44
Gross Value	$52,813.60
Less Penalties	

Material Value $52,813.60

Deductions:

$

Net Value $52,813.00

Certificate:
We/I hereby certify that the ore and/or concentrate identified above and hereby sold, was produced from the In addition above, Mine, located at and that we/I have full authority to remove and sell the same and that said ore and/or concentrate is not encumbered by any lien or attachment and that payment in full is hereby acknowledged.

Seller

By

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Tye Metals, Inc

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*

C55—16—71548-5—F GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

INDIANAPOLIS, IND. JAN 18 1966 REGISTRY SEC.

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER Office of Minerals Explor U.S.Geological Survey, Department o the Interior
CERTIFIED NO. 133025	STREET AND NO. OR P. O. BOX
INSURED NO.	CITY, STATE, AND ZIP CODE Washington, D. C. 20242

POD Form 3811 Sep. 1963

C55—16—71548-6—F

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/14	Selfridge	120
"	Johnson	110
1/14	Cole	220
		120M

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JAN 14 1966

Mr. Robert Nye
President
Nye Metals, Inc.
Room 1017, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Approved work under the subject contract was completed in July 1964. As our letter of June 23, 1965, to you was unsuccessful in closing the subject contract, you were sent on September 20, 1965, a unilateral termination agreement in which three copies of a final report and accounting were requested. To date, the final report has not been received.

Your attention is respectfully called to Article 5(a) Compliance with requirements, which provides the Government for withholding approval and payment of any vouchers relating to incomplete or lacking reports. In the circumstances, the Government will procure the preparation or completion of a final report as an expense of the work and will withhold $300.00 from the final settlement if an acceptable final report is not received within thirty days from the date of this letter.

Sincerely yours,

(signed) FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

GCSelfridge/gla (1-14-66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/14	Selfridge	120
1/14	Johnson	110
		220
		120M

JAN 14 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

In a letter of today's date, we have written the subject Operator informing it that the Government will withhold $300.00 from the final settlement if an acceptable Operator's final report is not received within thirty days. It is our understanding from preliminary audit that more than this amount will be available.

Will you please request a final audit review of the subject contract in accordance with the instructions of OME Circular No. 2 and our recent discussion in Washington. The project has already been certified.

(signed) FRANK E. JOHNSON

Frank E. Johnson

cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Denver Federal Center-Geological Survey
Building 20 - Room D2211

November 23, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 26 1965

INITIALS	CODE
Cal	210
pent	

MEMORANDUM

To: Chief, OME

From: Field Officer, Region III

Subject: OME 6231 (Moly)
Nye Metals, Inc.
Gilpin County, Colorado
Contract 2149

I do not have the royalty settlement sheet on the subject contract dated September 25, 1965. Will you kindly send me a copy.

J. William Hosler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/24	[illegible]	120
9/27	[illegible]	110
		220
		120M

SEP 27 1965

Mr. Robert Nye
President
Nye Metals, Inc.
Room 1017, Merchants Bank Building
Indianapolis, Indiana

Re: GMM-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

In reply to your letter of September 14, 1965, with reference to Mr. Sweeney's letter of June 30 to Mr. Connors, Article 7 of the subject contract, in part, states:

> "The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) (emphasis added) 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."

In this particular case Nye Metals, Inc., is milling the ore and selling concentrates to Lenway Mining and Development Corporation for which the latter's payments include coverage for certain costs of the producer, Nye Metals. These extra payments can be considered only as a form of a bonus or premium under the terms of the contract and, therefore, subject to royalty payment.

23263

Also, if these extra payments were exempted from royalty payments, the procedure would have the effect of allowing the Operator to deduct certain of its costs in arriving at the "gross proceeds" as that term is used in this contract. The exemption would not be in keeping with the last sentence of that part of Article 7 quoted above.

In the circumstances the OME could not modify the present manner of royalty payment which is in keeping with the contract terms.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

GCSelfridge/gla (9-24-65)
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

September 17, 1965

Mr. Robert Nye
Nye Metals, Inc.
Room 1017
Merchants Bank Building
Indianapolis, Indiana

CENTRAL COPY

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

120 m
120

Dear Mr. Nye:

Your letter of September 14, 1965 is being forwarded the Washington Office OME for reply.

No one in this office has any authority to change the royalty due the Government under the contract.

Yours very truly,

ORIGINAL SIGNED BY
Hugh M. Conners

HMC: 9-16-65

cc: Chief, OME
2149
chron

NYE METALS, INC.
FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

1017
ROOM XX, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA
ME 2-6163

September 14, 1965

OME
U. S. Dept. of Interior
Bldg. 20-Federal Center
Denver, Colorado

ATT: Mr. Hugh M. Connors

Dear Mr. Connors:

On June 30, 1965, Mr. Earl Sweeney wrote you a letter concerning the Government OME loan 2631.

As he stated in his letter the payments we are making were under protest for reasons given in the June 30, 1965 letter. We would appreciate a reply what the Government's feelings are on this.

Respectfully,

NYE METALS, INC.

Robert E. Nye

Robert E. Nye
President

REN:ah

Copy to Chief, OME

Note: Our file shows that you have the original letter dated June 30, 1965.
HMC

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS LORATION

TO:	DATE	INITIALS
1. Assoc. Sol.-MR - thru 6042		
2. Mr. Selfridge, Rm. 4459		
3.		
4.		
5.		
FROM: George C. Selfridge		

FOR: Check items for action desired

___ Action	___ Reply for signature of ___	
X Approval	___ Investigate	___ Surname
___ Comment	___ Recommendations	___ Signature
___ Conference	___ Rewrite	___ File
___ Instructions	Your information	

REMARKS:

OME-6231 - Nye Metals, Inc.

Project certified May 18, 1965; no Government property involved.

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT
GCSelfridge/gla 9/8/65

CERTIFIED MAIL

OME docket copy

Mr. Robert Nye
Nye Metals, Inc.
Room 1017, Merchants Bank Building
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

In our letter of June 23, 1965, to you we set forth the status of the work under the subject contract and requested that the proposed Termination Agreement sent you February 12, 1965, be returned. To date, we have not had a reply to our letter.

As it is no longer in the interest of the Government to hold this contract in an "in force" status, you are hereby notified that the Government is terminating the contract under the provisions of Article 9 thereof without affecting the Government's rights with respect to royalty and liens to secure the payment thereof as provided for in Articles 2 and 7 of the contract.

As required by the contract, will you please submit a final report and accounting. In the report it will not be necessary to duplicate all of the drill logs and maps previously submitted. A summary of the general geology, of the work done and the costs thereof, and the results obtained, including an estimate of ore reserves indicated, will be sufficient.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

GCSelfridge/gla
cc to: Director's Reading File
Division File
Economic Geology File
Budget and Finance, Rm. 5408
OME File
OME Reading File
OME Region III
Mr. Selfridge (2)

LENWAY MINING AND DEVELOPMENT CORPORATION

EXECUTIVE OFFICES
100 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111

MILL NEAR
BOULDER, COLORADO

AREA CODE 415
TELEPHONE DOUGLAS 2-8560

PLEASE REPLY TO:
Earl G. Sweeney
1061 Grant Place
Boulder, Colorado

(See folder #4 Settlement Sheets)

OME
DEPARTMENT OF THE INTERIOR
JUL 6 - 1965
REGION III
DENVER, COLORADO

June 30, 1965

Mr. Hugh M. Conners
OME
U.S. Dept. of Interior
Bldg. 20 - Federal Center
Denver, Colorado

Dear Mr. Conners:

I am enclosing a check for $2,165.14 to apply as royalty from Nye Metals, Inc. on OME Loan #6231.

This payment is made under protest for the following reasons:

As you know, we have been purchasing crude Moly ore from Nye Metals, FOB, the mine, and hauling it to our Boulder Mill for processing. The average price paid for this Moly was $1.023 per lb. Our mill loss of 15% made the cost of recovered Moly $1.176. We have since increased the price paid to Nye Metals by 25¢ per lb., for material produced through the rest of 1965. This places a value of $1.426 per lb. of recoverable Moly in crude ore at the mine, and is the value we believe should be the basis for calculating the royalty.

Beginning about March, 1965, Nye Metals began producing more ore than we could process in our Boulder Mill. We then amended our contract to make it possible for Nye Metals to process the ore in a larger mill near Idaho Springs. To be able to do this, we are giving him an allowance of about $1.00 per lb. This breaks down to about 77 cents for milling, 20 cents for hauling, and 3 cents for steel packing drums. As this is close to actual extra cost involved, we don't feel the royalty should be paid on this extra $1.00. It is common practice, when shipping ores to smelters, to deduct smelter and freight charges, before calculating royalty.

As you know, the going market price for finished Moly concentrates is $1.55 per lb. We are able to pay a premium for a limited time because of a shortage of concentrates. Because of the small tonnages involved, the Nye Metal's operation is a high cost one, and they need all the help possible, if they are to continue to operate and get out a maximum tonnage at this premium price.

Sincerely,

Earl G. Sweeney

Earl G. Sweeney
General Manager

2149 Nye Metals

Issued Sept 1964
Issued 23, 1969

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Lauret Nye

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

C. C. Hart

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*
6/5/65	

C55—16—71548-5—F GPO

6231

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

INDIANAPOLIS, IND. IA
PM
25 JUN
1965

FIFTIETH
ANNIVERSARY
U.S. NAVAL RESERVE

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598301	DEPT OF INTR(MIN EXPL)
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	18th AND C.N.W.
INSURED NO.	CITY, STATE, AND ZIP CODE
	WASHINGTON,D.C.

POD Form 3811 Sep. 1963

C55—16—71548-6—F

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	125
6/22	Johnson	110
	[illegible]	160
6/23	Call	220
		120m

CERTIFIED MAIL

JUN 23 1965

Mr. Robert Nye
Nye Metals, Inc.
Room 1017
Merchants Bank Building
Indianapolis, Indiana

Re: (MME-4231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Approved work under the subject contract was completed in July 1964. Approval for additional surface drilling, Holes Nos. II-811 and II-812, was denied in Mr. Connors' letter of August 24, 1964, to you.

As results of the exploration work to the end of 1964 indicated that it was no longer in the interest of the Government to participate in additional work, you were sent a proposed termination agreement by Mr. Connors on February 12, 1965, partly in keeping with Article 9 of the contract. Our file indicates that subsequently he had spoken to you about it.

Because we cannot hold a contract open indefinitely, will you please return the proposed termination agreement to us, either executed or with your reasons for not doing so.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/mm (6/22/65)
cc: Director's Reading File
Region III
Docket
Mr. Selfridge

23263

5/11/65

Perhaps we should write direct to Nye, explaining the necessity of signing termination agreement and requesting final report. Otherwise a default and remedial action required.

FEJohnson

OK

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 6, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 10 1965

INITIALS	CODE
EEB	800
	120
	120
	110
	100

120M

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

I had planned on going to see Nye today but he telephoned me last night at my home.

He stated that he has leased the Jackpine mill on Chicago Creek above Idaho Springs. He has just made the first shipment of ore to the mill.

The deep hole Nye had been drilling with his own money was not satisfactory, he said, because the hole was not straight. He plans to drill a new deep hole near hole No. 9.

I again reminded him that he has not signed the Termination Agreement and he said he was "not going to sign it for a while."

It might be well if you terminated the contract by other means.

Hugh M. Connors

Hugh M. Connors

HMC (5-6-65)
cc: File
Chron

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 5 1965

INITIALS	CODE
	120
	220

Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Gentlemen:

Attached is a copy of the Report of Royalty Review dated April 30, 1965.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosures

H. M. Connors (5/3/65)

cc: G. C. Selfridge
C. E. Fisher
2149
Chron

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 3, 1965

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary, Washington, D. C.

From: Acting Field Officer, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Attached is the original Report of Royalty Review dated April 30, 1965.

ORIGINAL SIGNED BY

Hugh M. Connors

Attachments

H. M. Connors (5/3/65)

cc: G. C. Selfridge
C. E. Fisher
2149
Chron

OFFICIAL FILE COPY

Date	Surname	Code
4/30		130
		800
		110
		100
		220
		120M

MAY 3 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Thank you for your memorandum of April 28, 1965, informing us of what the postal inspector wanted.

On February 12 you sent Mr. Nye a proposed Termination Agreement which has not been returned. Will you please remind him of it and let's see if we cannot get this docket closed.

With regard to the Operator's final report, it would not be necessary to duplicate all of the drill logs and maps previously submitted. A summary of the general geology, of the work done, and of the results obtained, including an estimate of ore reserves indicated, would be sufficient.

George C. Selfridge (gla)

GCSelfridge/gla (4-30-65)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		120 M

APR 30 1965

Memorandum

To: Acting Field Officer, Region III

From: Contract Administration and Audit Division
/s/ C. E. Fisher

Subject: CMS-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, Department of the Interior, Washington, D. C. 20240;

(b) One copy for the Operator; and

(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the copy of the report to the Operator should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosure

CEFisher:fh
4/30/65

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

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

AIR MAIL

April 28, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
APR 29 1965
INITIALS | CODE
LEF | 800
120 M
120
110
came 1062
120M

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Mr. Frank Liddl, Postal Inspector from Indianapolis, Indiana, came to the OME office today. His mission was to find out all he could about Robert Nye and the Nye Metals Co.

Mr. Liddl had just come from San Francisco where he had interviewed the president of the Lenway Mining Corporation regarding Mr. Nye. The Lenway Mining Corporation has been purchasing ore from Nye Metals.

Mr. Liddl said that a group of Nye stockholders in Indianapolis were becoming disgruntled after putting in money for eleven years and getting no dividends. Some of these disgruntled stockholders would like to prove that Nye used the mails to defraud.

Mr. Liddle did not ask to see our file. He did ask me to verify the amount of royalty paid the Government which had been given him by Lenway Mining Corporation. It was the same as our records show.

Hugh M. Connors

Hugh M. Connors

H. M. Connors (4-28-65)

cc: 2149
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

April 8, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
APR 12 1965
INITIALS CODE
ama 800
FAM 120
120

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

I noted that we have not received royalty from Nye lately. I called Chuck Melbye and he said that Nye is taking over the Black Pine Mill of Doug Watrous on Chicago Creek above Idaho Springs. As I understand it he will mill his own ore and sell the Moly concentrates to the Lemway Corporation, the same outfit who has been buying the Nye ore, but at a higher price.

I will get my own information, first hand, as soon as he gets the mill started.

Hugh M. Connors

Hugh M. Connors

H. M. Connors - 4-8-65
cc: 2149
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

February 12, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1965
INITIALS | COPIES
ama | 8 0
FMM | 120
| +20

Mr. Robert Nye
Room 1017
Merchants Bank Bldg.
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

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

If the proposed Termination Agreement is satisfactory to you please sign and return all copies except yours, the Operator's Copy.

If any part of the proposed Termination Agreement does not have your approval, please return the original and all copies to this office together with the proposed changes for consideration.

Please note that a final report is requested in paragraph 3 of the proposed Termination Agreement.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: G. C. Selfridge
2149
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/8	Murphy	120 M
		130
2/8		110
		100
2/9	cac	220
		120 M

FEB 9 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Enclosed are the original and four copies of a proposed Termination Agreement, signed by the Acting Director for the Government. Also enclosed is an extra copy for field use.

If the proposed Termination 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 Termination 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.

A few days before receiving your memorandum of January 29, 1965, we had sent the draft of this Termination Agreement to the Solicitor's office. The Operator should be requested to submit its final report.

George C. Selfridge (gla)

Enclosures

FMMurphy/mm (2/8/65)
cc: Director's Reading File
Review Committee
Docket

23263

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor, 6042~~		
2. F. M. Murphy, 4455		
3.		
4.		
5.		
FROM: George C. Selfridge	1/29	/65

FOR: Check items for action desired

x Action ___ Reply for signature of ___
x Approval ___ Investigate ___ Surname
___ Comment ___ Recommendations ___ Signature
___ Conference ___ Rewrite ___ File
___ Instructions ___ Your information

FEB 5 1965

REMARKS:

FOR SIGNATURE

B-65-2007.11

RECEIVED
FEB 1 1964
Division of Mineral Resources
and General Legal Services

INTERIOR DEPT.
FEB 1 - 1965
SOLICITOR

INT.-DUP. SEC., WASH., D.C. M56300-62

2149 NYE METALS, INC. OME-6231

ORE SHIPMENTS - AUG. - DEC. 1964

MONTH	DRY TONS		% MoS_2
AUGUST	13975	13975	1.23
SEPTEMBER	28650		1.12
	124125		1.11
	18300		1.35
	86775		-
	545875		1.25
	28225		-
	37475	2663275	1.15
OCTOBER	433375		1.00
	536125		1.21
	578125		1.26
	729625		.96-1.25
	28850		1.13
	59600		1.45
	57600		1.38
	73750		1.40
	57525	5050500	1.50
NOVEMBER	694375		1.30
	576250		1.50
	851250		1.58
	439625		1.15
	761375		1.20
	45800		1.11
	57950		1.22
	30225	4642625	1.15
DECEMBER	569125		1.08
	90300		1.22
	356375		1.26
	304375		1.14
	775375		1.37
	293125		1.30
	603875	3805250	1.53
		16301400	

DRAFT 1/29/65
FMMurphy/mm

Docket Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Nye Metals, Inc., hereinafter called the "Operator," parties to that certain Amended Exploration Contract No. 2149 (OME-6231), dated effective June 6, 1962, as amended, hereinafter called the "Contract," that:

1. Effective September 1, 1964, 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~~ will contribute only to the allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of 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 related 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 relleases 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 _____
Acting Director, Office of
Minerals Exploration

NYE METALS, INC.

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

January 29, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 1 1965

INITIALS	CODE
ama	840
	120
	120

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

This has further reference to your memoranda dated November 20, 1964 and December 1, 1964 on the subject contract.

Mr. C. E. Melbye now informs me that the driller was unable to pull the stuck rods at 1,050 feet and has abandoned the hole for the winter.

In view of this turn of events do you wish me to request the Operator's final report and a final Report of Review at this time?

Hugh M. Connors
Hugh M. Connors

cc: 2149
Chron

Before your memorandum of 1/29/65 was received

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

December 31, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

I talked to Melbye today. He said the hole was down 1,050 feet just before Christmas when the drill stuck. He now estimates the hole won't be completed until the end of January. The hole will bottom at 2,000 feet.

Melbye said that Bear Creek is still interested in the property and close to making a deal with Nye to drill six more holes.

Hugh M. Connors

Hugh M. Connors

cc: 2149
Chron

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 4 1965

DATE	INITIALS	CODE
1/4	ama	800
		120
		120
1/5		
1-8		

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/1	GC	130
		120M
12/1	Johnson	110
		100
"		220
		120M

DEC 1 - 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OMX-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

In reply to your inquiry of November 25, 1964, we can wait until the deep hole the Operator is now drilling is finished. At that time the company should be asked to submit its final report as expeditiously as possible so the contract may be closed.

George C. Selfridge (gla)

GCSelfridge/gla (12-1-64)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

November 25, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

This responds to your memorandum dated November 20 on the subject contract.

The Operator is presently drilling a deep hole from surface at his expense. He is now down about 1,000 feet and he hopes to bottom the hole near 1,500 feet before the end of December 1964.

Because a sizeable sum of money remains in the contract I would like to see the results of the hole now being drilled before we close this contract, as not much more time would be involved.

Will you please advise if you concur.

Hugh M. Connors

Hugh M. Connors

cc: 2149
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 30 1964

DATE	INITIALS	CODE
11/30	GEG	800
		120
		~~120~~
11/30		110
		100

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/20	Murphy	120 M
11/20	[illegible]	800
	[illegible]	130
11/20	[illegible]	110
"	[illegible]	100
11/20	[illegible]	220
		120 M

NOV 2 0 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

According to the Operator's narrative report for July, all the authorized underground drilling under the contract has been completed. Its request for two additional surface holes in the Mountain Chief area was denied in your letter of August 24, 1964, to the Operator.

In view of this, the Operator should be requested to submit its final report. Also, you should request a final Report of Review by the Audit Division and submit your recommendations regarding certification.

George C. Selfridge
[illegible]

FMMurphy/mm
11/20/64
cc: Director's Reading File
Review Committee
Docket

23263

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 28 1964
DATE | INITIALS | CODE
8/27 | | 120

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

August 24, 1964

Mr. Robert Nye
Room 1017
Merchants Bank Bldg.
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Mr. Melbye's request to drill holes Nos. II-S11 and II-S12 has been reviewed and we believe it is quite possible that these proposed holes might traverse better mineralized areas than did Holes II-S4 and II-S9 in the fault areas; however, the widths of the sub-grade MoS_2 traversed by the two holes drilled indicate that even if the MoS_2 values might be higher in the proposed holes, it is unlikely that a commercially exploitable deposit of molybdenum ore would be found.

As Mr. Selfridge previously stated, unless the last surface hole indicated something considerably better than had been indicated to date, no further consideration for additional surface drilling would be given.

In our opinion the information disclosed by Hole II-S9 has not indicated this area has exceptional possibilities and we therefore must deny your request to drill holes Nos. II-S11 and II-S12.

Yours very truly,

ORIGINAL SIGNED BY
Hugh M. Connors
Acting Field Officer, OME

cc: C. E. Melbye
Box 309
Golden, Colo.

G. C. Selfridge
Contract 2149
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/18	Talbot	800
	Cordeare	130
8/18	Johnson	110
		100
8/18	Cole	220
		120 m

Memorandum

AUG 18 1964

To: Acting Field Officer, Region III

From: Acting Chief, Division of Exploration Operations

Subject: CME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

We have reviewed the Operator's letter of August 10, 1964, in which it requests authorization to drill holes Nos. II-S11 and II-S12 to further explore the S-4 fault and Paton fault areas near their intersection.

It is quite possible that these proposed holes might traverse better mineralized areas than did Holes II-S4 and II-S9 in the fault areas; however, the widths of the sub-grade MoS_2 traversed by the two holes drilled indicate that even if the MoS_2 values might be higher in the proposed holes, it is unlikely that a commercially exploitable deposit of molybdenum ore would be found.

As mentioned in Mr. Selfridge's memorandum of March 10, 1964, unless the approved pending surface drilling indicated something considerably better than had been indicated to date, no further consideration for additional surface drilling would be given. Since in our opinion the information disclosed by Hole II-S9 (the last authorized surface hole) has not indicated this area has exceptional possibilities, will you please advise the Operator its request to drill holes Nos. II-S11 and II-S12 is denied.

s/F. M. Murphy

FMMurphy/mm
8/18/64
cc: Director's Reading File
Review Committee
Docket

23263

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 13 1964

DATE	INITIALS	CODE
8/14	EW	800
		120 M
		~~120~~

August 10, 1964

Mr. Hugh M. Connors
Acting Field Officer, OME
Denver Federal Center
Denver, Colorado

Re: OME-6231
Amended Contract No. 2149
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

Since we have now completed all the authorized surface holes under the contract, a review of these results is in order with respect to what additional work appears justified. Assay results were completely listed and summarized in the June report, and this will not be repeated.

Hole II-S9 was the best hole to date. The interval from 750'-820' averaged .208% MoS_2, which is very encouraging but at present molybdenum prices is not ore. However, 5 feet ran 1.2% MoS_2 and 10 feet (true width 7 feet) averaged .911%. This is very definitely ore at present prices. The intense sericite alteration at this depth of 750 feet casts an entire new outlook on the Mountain Chief area, since the best disseminated as well as high-grade mineralization encountered to date occurs in this sericitic zone. Strong sericite alteration accompanies nearly all substantial known molybdenum deposits. The best geological inference that can presently be made is that the small dacite porphyry stock and numerous dikes (See revised geologic map) extend from a larger intrusive at depth; and as deeper drilling approaches this main intrusive, we are finding stronger mineralization and alteration. This must be a primary control, since the Apex quartz monzonite stock outcrops for a few square miles and some disseminated molybdenite is found throughout, but most of the really substantial mineralization has been found related to the dacite porphyry stock and dikes in the Mountain Chief area.

The fault control is now pretty well established, which has been a difficult task in view of the almost total lack of outcrops. The Hole II-S4 mineralized zone (True width 7'-.498% MoS_2) and the upper zone in Hole II-S9 (Two veins each 3.5' T.W.-.184% and .193%) are both along the S-4 fault. These intervals are only 440 and 215 feet, respectively, below the surface and neither in the sericitic zone; therefore, deeper drilling has a good chance of finding ore. The holes are 750 feet apart, thereby offering a substantial unexplored strike length.

2020 FOOTHILLS ROAD

P. O. BOX 309 [redacted] CRestview 9-1542

GOLDEN, COLORADO

Mr. Hugh M. Connors August 10, 1964

The most promising location is the intersection of the S-4 fault with the Paton fault, since the ore found in Hole II-S9 is along the Paton fault. There is a 500-foot unexplored length of vein between Hole II-S9 and this intersection, and there is an additional 475 feet of unexplored fault to the mineralized intercept in Hole II-S7 (3.5' T.W.-.185% MoS_2). Although this intercept is not ore, it again is quite shallow at only 200 feet. A further favorable aspect is the aplite dike complex which is projecting from Hole II-S7 toward this intersection.

In evaluating the grade of ore required for an economic operation, it should be noted that Nye Metals is currently mining and selling crude ore to a custom mill. After hauling, milling, and producing a concentrate, the price paid would be equivalent to from $1.62-$1.92/lb Mo, depending on grade, compared to the world market price of $1.55/lb. It is presently possible to get as high as $2.25/lb Mo in the foreign market. This considerably lowers the necessary minimum ore-grade.

In summation, we are therefore requesting 2 additional surface holes, the first to pierce the fault intersection zone at from 1000-1100 feet below the surface, and the second to be drilled between the intersection and Hole II-S9 and to explore the Paton fault at a depth of about 1000 feet below surface. Locations are shown on the magnetic map, and the specifications are as follows:

For locations see map below

Hole No.	Angle	Bearing	Depth
II-S11	-70°	S17°E	1100'
II-S12	-70°	S25°E	1100'

A total of $58,902.50 is allowed for drilling under Stages I and II of the contract. With the added amount on the July voucher, the total used will be about $43,000. leaving a more than adequate amount for these 2 holes of nearly $16,000.

Your consideration of this request will be appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Nye Metals, Inc.

Mr Selfridge

Will you please advise

As far as I am concerned we can certify more and have fair enough money in the project

HMC

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
July 24, 1964
RECEIVED JUL 27 1964

DATE	INITIALS	CODE
		120
		110
		190
		120M

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Amended Contract 2149
Nye Metals, Inc.
Gilpin County, Colorado

We should soon be receiving royalty from the subject project. I am advised that the Lindway Chemical Company has purchased the Sweeney Mill in Boulder County and has entered into an agreement with Robert Nye to purchase 50 tons of ore per day. Nye is to mine the ore and deliver it to the portal of the adit where Lindway will load it into trucks and haul it to the mill.

The agreed price for the ore at the adit portal is $12.00 per ton based on 1% molybdenum.

Nye has contracted with his old mine foreman to mine and tram the ore to the portal of the adit for $6.00 per ton. ?

Hugh M. Connors

Hugh M. Connors

cc: R. W. Geehan
E. D. Talbert
2149
Chron

JUN 19 1964

Memorandum

To: FILES

From: Chief, Division of Field Operations

Subject: OME-6344, W.S. Moore
OME-6314, Gas Hills Uranium Company
OME-6231, Nye Metals, Inc.
OME-6250, Frank O. Richardson

On June 17 Mr. Connors called the writer to apologize for not sending the teletypes stating that W. S. Moore, OME-6344 and the Gas Hill Uranium Company, OME-6314 contracts had been signed. Inadvertently the starting date was not entered on the latter contract and he requested that we insert the date July 1, 1964. Work actually had started on June 22.

Mr. Connors had visited the Nye Metals, Inc., OME-6231 project and had examined the core from the last surface hole. Assays were not available. To be sure he asked if the underground drilling previously agreed upon was still okey. He was informed that the company could do that underground drilling should it wish.

With reference to the Frank O. Richardson, OME-6250 project, Mr. Connors stated that work was being actively undertaken.

George C. Selfridge

GCSelfridge/bih
(6/19/64)

cc to: Dir. reading file
Mr. Selfridge
500

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 25 1964

DATE	INITIALS	CODE
5/25	[illegible]	800
		720
5/26	[illegible]	500

May 21, 1964

OME
DEPARTMENT OF THE INTERIOR
MAY 2[illegible] 1964
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region III
Denver Federal Center
Denver, Colorado

Re: OME-6231
Amended Contract 2149
Nye Metals, Inc.
Gilpin County, Colorado

Dear Mr. Connors:

This letter is to inform you that on May 11, Boyles Bros. Drilling Company started assembling their equipment and waterline on the Nye property and started actual drilling on May 14.

This is in accordance with the authorized winter recess which called for commencement of drilling again by May 15.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Nye Metals, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

April 21, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 27 1964

DATE	INITIALS	CODE
4/27		8 00
4/27		500

Mr. Robert Nye
Room 1017
Merchants Bank Bldg.
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

The Government concurs in drilling surface hole II-89 at the location and to the depth proposed in Mr. Melbye's letter to me dated April 3, 1964.

Will you please advise when this hole will be started.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME

cc: Mr. Charles E. Melbye
Box 309, Golden, Colo.
G. C. Selfridge
Contract 2149
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/13	Murphy	500
		500
4/13	Talbert	800
	GCS	130
4/13	Hunter	110
4-14		100
4/14	Col	220
		500

Memorandum

APR 14 1964

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: CME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

With reference to your memorandum of April 6, 1964, we concur in drilling surface hole II-89 at the location and to the depth proposed in the Operator's letter of April 3, 1964, to you.

George C. Selfridge (gla)

FMMurphy/mm (4/13/64
cc: Director's Reading File
Review Committee
Docket

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

April 10, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 8 1964

DATE	INITIALS	CODE
4/9	[illegible]	800
		120
		500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Amended Contract 2149
Nye Metals, Inc.
Gilpin County, Colorado

Attached is the original of the Operator's request for drilling hole II-S9, to a depth of 900 feet.

Since this is the last surface hole you approved, I would recommend the 900 foot depth.

Hugh M. Connors

Hugh M. Connors

cc: Contract Corres. 2149
Chron

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

April 3, 1964

OME
DEPARTMENT OF THE INTERIOR
APR 6 1964
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region III
Denver Federal Center
Denver, Colorado

Re: OME-6231
Amended Contract 2149
Nye Metals, Inc.
Gilpin County, Colorado

Dear Mr. Connors:

The following request is in accordance with a conference held between Messrs. Johnson and Selfridge and Messrs. Nye and Melbye in the Washington OME office on March 9.

We are requesting that the surface hole, II-S9, originally approved for the north edge of the Mountain Chief area, be drilled as shown in the magnetic-geochemical anomaly at the southeast corner of the area. The enclosed map is a portion of the magnetic map previously submitted. This hole is planned to cut both the major mineralized NE and NW faults as well as explore the heart of the magnetic low anomaly and the substantial geochemical anomaly. It is proposed at a bearing of S40°W, at a -45° angle, and to a maximum depth of 900 feet.

The hole, II-S9, was previously approved for 750 feet. However, out of the 5200 feet of surface drilling allowed under the latest Amended Contract, 4298 feet have been drilled, leaving a balance of 902 feet.

Your consideration of this request will be appreciated.

Respectfully submitted,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

2020 FOOTHILLS ROAD

P. O. BOX 309 CRestview 9-1542

GOLDEN, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 20 1964

DATE		
3/23	Murphy	500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D.C. 20240

From: Acting Field Officer, OME, Region ~~III~~

Subject: OME-6231 (Molybdenum)
Contract No. 2149
Nye Metals, Inc.
Gilpin County, Colo.

Attached are the Government's, Fiscal Section's, and Audit's executed copies of Amendment No. 6 to the subject contract.

Hugh M. Connors

Hugh M. Connors

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 16 1964

DATE	INITIALS	
3/16	[illegible]	800
~~3/16~~ Murphy		~~500~~

March 13, 1964

Mr. Robert Nye
Room 1017
Merchants Bank Bldg.
Indianapolis, Indiana

Re: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Dear Mr. Nye:

Attached are the original and five copies of Amendment No. 6 for your signature.

If the proposed amendment is satisfactory to you please sign all copies, retain the Operator's Copy, and return the original and four copies to this office.

If any part of the proposed amendment does not have your approval, please return the original and five copies to this office with your proposed changes for consideration.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: George C. Selfridge
Contract 2149
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 16 1964

DATE		
3/16	HCC	800
		120
3/17 Murphy		~~500~~

March 12, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

This responds to your memorandum of March 10, 1964 on the subject docket.

I had no knowledge of the visit to your office of Messrs. Nye and Melbye or I would have notified you.

All of the core has been boxed and stored in a shed at the mine. The mineralized core has been split and half has been retained for our use.

Hugh M. Connors
Hugh M. Connors

cc: 2149
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	GCS	120
"	Johnson	110
"	[illegible]	100
3/11	Gilbert	800
3/10	Murphy	500

March 10, 1964

Memorandum

To: The File

From: Chief, Division of Field Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

On Monday, March 9, 1964, Messrs. Nye and Melbye dropped in unexpectedly to discuss their January request for the transferral of funds for underground drilling to surface drilling. Pursuant to a previous request, the subject contract was amended by Amendment No. 4, dated November 27, 1963, which provided for that additional drilling thought warranted based upon results secured. A summary relating to the project was written by the writer under date of February 11, 1964.

The gentlemen placed great emphasis upon the importance of magnetic lows. They contended that all of these should be tested even though some of those that had been did not exhibit anything of a near economic nature either tonnage or grade-wise. The philosophy of exploration was explained to them and the differences between the former DMEA program and the OME one were pointed out. Nye and Melbye were informed that something considerably better than had been found to date would have to be indicated to give consideration for additional work than now approved at the property. Mr. Melbye displayed a map which he said indicated that three of the copper properties developed in Arizona in recent years occur at magnetic lows.

The Urad property recently purchased by Climax Molybdenum was mentioned. Data discussed by Mr. Melbye were as follows:

The purchase price for the property was $2 million;
There was a reserve of 10 million tons of ore of 0.4% MoS_2 and that was all unless a new ore body was discovered;
A 5*ton-a-day mill will be built;
The ore will be mined by block caving;
40,000 feet of diamond drilling had been done, of which approximately 20,000 had been done by Climax; and that someone mentioned a million dollars might either be made or lost by the operation.
The company will build a reservoir, using the City of Golden's water rights, and will turn the reservoir over to Golden, cost free, at the end of 20 years.

*5,000

During the conversation it was pointed out to Messrs. Nye and Melbye that the mineralization and rock structure lack continuity, the mineralization was confined to relatively narrow fault zones, and that brecciated structures as shown by drill logs contain only small hot spots of better mineralization whereas the remainder of the structure carried only a few thousandths of a percent MoS_2. Mr. Melbye explained that there were three periods of brecciation, one post mineral, and that time was not taken in the logging of the core to differentiate between pre- and post-mineralization brecciation.

Mr. Melbye thought that the magnetic low shown in the southwest corner of the magnetic map had a better potential than the one at the northwest corner where Hole II-S9 is scheduled to be drilled. He pointed out that there are two cross structures, a high chemical anomaly and a magnetic low present. At this time the writer mentioned that it would seem best to drill a hole at the intersection of the two faults. Mr. Melbye mentioned that one couldn't be quite sure of the intersection because of overburden and that the intersection as shown was an approximation. From what he had said just previously, the location of the stronger northwestward-trending fault is pretty well located by trenching and older pitting. . The northwestward-trending fault is exposed only in a trench approximately where it was intersected at depth by Hole II-S4 and this area is almost a magnetic high. As shown on the map, it was drawn based largely on a geophysical survey.

Mr. Nye thought that the northwestern geophysical low would also have to be drilled. It was explained to them that it would be immaterial to OME whether they drilled the remaining available footage at the north anomaly or the southern one, whichever they thought might furnish the best results. If they decide to drill Hole II-S9 at the southern anomaly rather than the northern one, they will so request.

Mr. Nye brought up the possibility of another recess while the company might be doing surface drilling on its own before completing the presently-approved underground drilling. The writer mentioned that it would not be necessary unless OME work were put off for more than a couple of months.

The matter of specularite occurring with the molybdenum mineralization was also discussed. While the amount of specularite present is not an indication of the molybdenite grade, Mr. Melbye stated that he would not drill an area for molybdenite unless some specularite were present.

As Mr. Melbye is also involved in the Summitville application (OME-6344, W. S. Moore Co.), the matter was discussed with him more or less as written to the field on March 5. As copper is ineligible and drilling in and below and close to old workings is not considered exploration, it was suggested that the application be revised to test virgin or relatively undeveloped areas where gold and silver might possibly occur. This might confine some of the exploration solely to the oxidized zone. Part of the area covered by the current application was drilled under a copper-gold DMEA contract and the project certified.

George C. Selfridge

GCSelfridge/gla (3-10-64)
cc to: Director's Reading File
Docket OME-6231
Docket OME-6344
Mr. Selfridge

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	[illegible]	130
	[illegible]	500
3/10	[illegible]	800
"	[illegible]	110
"	[illegible]	100
		220
3/10	[illegible]	500

AIRMAIL

MAR 10 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149
and
OME-6344 (Gold-Silver)
W. S. Moore Co.
Summitville Mines
Rio Grande County, Colorado

Messrs. Nye and Melbye called unexpectedly at the office on March 9, 1964, to discuss their recent request for additional surface drilling. In essence, they were told that unless the approved pending surface drilling footage indicated something considerably better than had been indicated to date, no further consideration for additional surface drilling would be given. They were told that it would be immaterial to OME whether Hole II-89 were drilled at the northwest anomaly or at the southwest one, whichever they considered might be the better.

A possible summer recess was also discussed in case the company wished to do surface drilling before completing the underground drilling. They were told that unless the delay might be for more than two months, an amendment to the contract allowing such recess would not be necessary.

The matter of drilling a hole at the narrowest part of the southwestern anomaly to probe the area of intersection of the two faults was discussed. One would think that the strongest mineralization in this area might occur at the intersection of the faults.

We take it for granted that the mineralized core to date has been split and that half of such core is available for Government inspection and use if deemed necessary.

23263

The Summitville application (OME-6344, W. S. Moore Co.) was discussed with Mr. Melbye more or less as written you in our memorandum of March 5.

George C. Selfridge (gla)

GCSelfridge/gla (3-10-64)
cc to: Director's Reading File
Review Committee
Mr. Selfridge
Docket OME-6231
Docket OME-6344

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	Murphy	500
	Durand	500
3/10	Taylor	800
	GCS	130
3/10	Johnson	110
	Frank	100
		220
		500

MAR 1 0 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: GME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

In accordance with the Operator's request of December 20, 1963, enclosed are the original and four copies of Amendment No. 6, for your signature. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by you and an authorized representative of 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 (gla)

Enclosures

MMerrithew/mm (3/10/64)
cc: Director's Reading File
Review Committee
Docket

23263

DRAFT
3/4/64
GCSelfridge/gla

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 6

It is agreed this _____ day of _____, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Nye Metals, Inc., hereinafter called the "Operator," that Amended Exploration Contract No. 2149 (OME-6231), dated as of June 6, 1962, as amended, is further amended effective December 21, 1963, as follows:

1. (a) Work under the contract shall be suspended during the period beginning December 21, 1963, and ending not later than May 15, 1964.

(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 the 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.

This amendment shall not be construed to increase the [redacted] 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.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

NYK METALS, INC.

By_____

Title_____

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/11	GCS	120
2/13	J Swan	110
"	[illegible]	100
2/14	Talbot	800
2/14	Murphy	500

February 11, 1964

Memorandum

To: The File

From: Chief, Division of Field Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Surface Work

In a memorandum of January 17, 1964, the Acting Field Officer, OME Region III, forwarded and recommended a request by the subject Operator for a transferral of funds allotted to underground work to additional diamond drilling on the surface in the Mountain Chief area at the north end of the Nye property. The Operator in support of its request submitted a report entitled Evaluation of Magnetic Survey and Drilling Results of the Mountain Chief Area, Nye Molybdenum Property, by Charles E. Melbye, dated January 14, 1964. Based upon the results of a ground vertical magnetic survey, the Operator requests seven additional surface holes, six of which are shown on the Magnetic Map, Mountain Chief Area, November 1963, at a total cost of $32,800, which includes 6,000 feet of drilling, 400 hours for casing and cementing time, 80 hours for bulldozing drill sites, and 600 core boxes. The report discusses the reasons why the holes should be drilled where indicated.

Previous surface drilling in the Mountain Chief area has been based upon chemical anomalies indicated by soil sampling and on fault zones. To date the Operator has drilled eight holes aggregating 5,045 feet, of which 672 feet in Hole II-S3 was drilled at the Operator's expense. Complete or partial data have been submitted on all holes. The magnetic map previously referred to shows the location of the holes drilled with notations concerning the better molybdenite-bearing sections of the cores. A description of the individual holes from north to south and the results obtained follow:

Hole II-S1 was drilled due south at -35° to a total depth of 745 feet to test the Mountain Chief fault zones. It traversed Precambrian gneiss and aplite and later intrusive dikes and masses of Tertiary diorite porphyry, all locally cut by breccia zones. Core recovery averaged only 81.6% because of vuggy mineralized areas. Two molybdenite zones were indicated, the first occurring between 430 and 555 feet which averaged 0.08% MoS_2, 0.10% Cu, and 0.009 oz. Au, The section from 525 to 555 feet averaged 0.126% MoS_2, 0.075 Cu, and 0.018 oz. Au. The second zone occurring from 670 to 745 feet averaged 0.082% MoS_2 . From 430 feet to the end of the hole at 745 feet, the core averaged 0.066% MoS_2. Only ten of the 63 samples of this core section assayed higher than 0.10% MoS_2, the highest being 0.23%. As can be noted on the magnetic map, Hole II-S1 passed directly under the magnetic low anomaly shown at the northeast end of the map.

Hole II-S3 was drilled at the Operator's expense due south at -45° for 675 feet to test the Mountain Chief fault zone. Core recovery averaged 99.7%. The hole traversed Precambrian gneiss and aplite intruded by Tertiary diorite porphyry and quartz monzonite. The Operator reported the results of the drilling as disappointing, with the better values occurring on the Mountain Chief fault zones cut at 125 and 190 feet. The rock was brecciated in the fault zone and from 457 to 550 feet. No assays were submitted for the latter section. Fifty-seven 5-foot core samples between 150 and 435 feet averaged 0.020% MoS_2.

Hole II-S2 was drilled due east at -45° to a total depth of 842 feet to cut a southwestward-trending fault zone. Core recovery amounted to 96.2%. The hole traversed Precambrian gneiss and Tertiary diorite porphyry and quartz monzonite. A cross section of the hole shows that the rock was brecciated from 45 feet to 455 feet. Significant MoS_2 mineralization was indicated from 35 to 355 feet. The magnetic map shows that the hole passed approximately through the center of a magnetic low immediately adjacent on the east side of the fault zone. As the magnetic map shows, a 150-foot section between 175 and 325 feet averaged 0.111% MoS_2. The best MoS_2 values, averaging 0.154% MoS_2, occurred in the 45-foot section of the fault zone between 120 and 165 feet. Sixty-four 5-foot samples from 35 to 355 feet through a brecciated zone where significant mineralization was noted averaged 0.085% MoS_2. Twenty of these

were over 0.100% but less than 0.200. Two were over 0.300, 5-foot sections at 125 and 235 feet averaging 0.382 and 0.364% MoS_2, respectively. The sample from 500 to 505 feet assayed 0.215% MoS_2, while the samples from 505 to 600 feet averaged 0.019%. The samples from 500 to 600 feet assayed 0.029%. Thus, the higher-grade sample from 500 to 505 feet raised the over-all average for the 100-foot length by 0.01%. Gold, silver, and copper values in the lower section of the core of this hole were very low, the copper averaging 0.01%.

Hole II-S8, collared at approximately 185 feet west of Hole II-S2, was drilled due east at -50° to a total depth of 570 feet to test at greater depth the mineralized fault zone encountered in Hole II-S2. Although a great deal of cementing time was used in the section 460 to 480 feet, core recovery averaged 92.7% throughout. The hole traversed Tertiary diorite porphyry and quartz monzonite before terminating in Precambrian gneiss. Breccia was indicated to a depth of 482 feet. The fault zone was encountered from 462 to 482 feet. Significant MoS_2 mineralization was indicated from 265 to 400 and from 482 to 507 feet, respectively. Values comparable to those found in Hole II-S2 300 feet higher were not found. Five samples from 120 to 145 feet averaged 0.056% MoS_2. Where significant MoS_2 mineralization was indicated in the interval from 265 to 400 feet, 27 samples averaged 0.037% MoS_2. In the interval 480 to 500 feet, 4 samples averaged 0.014% MoS_2. Sludge from the fault zone of interest from 460 to 489 feet averaged 0.017% MoS_2. Based on the results of Hole II-S8, Mr. Melbye concluded that further exploration of the anomalous zone extending southwest from the Mountain Chief mine should be confined to near the mine. The degree of brecciation and alteration over wide areas is stronger near the old workings.

Hole II-S6 was drilled due east at -45° to a total depth of 577 feet to test the fault zone and values indicated by Hole II-S2. The hole cut dominantly Tertiary quartz monzonite carrying small residual lenses of Precambrian gneiss intruded by minor Tertiary diorite porphyry dikes before terminating in Precambrian gneiss. Zones of significant MoS_2 mineralization from 125 to 185 feet and of brecciation from 75 to 280 feet were indicated. Reportedly the molybdenite content of the core was low. The magnetic map shows that the hole passed closely to the southern end of the magnetic low cut by Hole II-S2. The 60-foot section from 125 to 185 feet designated as bearing significant MoS_2 mineralization averaged 0.017% MoS_2. The assays from 100 to 185 feet

averaged 0.019% MoS_2. The remainder of the assays have not been reported. Alteration and brecciation were generally less intense in the rock traversed by this hole.

Hole II-S7 was drilled on a bearing S. 60° E. at -45° to a depth of 601 feet to check the mineralized fault zone indicated by Hole II-S2. Core recovery averaged 86.2%. The magnetic map shows that this hole traversed the northern end of the magnetic low at the south end of the area, with 20 feet of core averaging 0.146% MoS_2. Wide Tertiary aplite dikes were present between 66 and 212 feet along with Tertiary quartz monzonite and diorite porphyry. The last 250 feet was in Tertiary quartz monzonite intruded by one Tertiary diorite porphyry dike. The cross section of the hole indicates a breccia zone extending about 35 to 370 feet. Twenty-eight 5-foot samples from 70 to 210 feet averaged 0.055% MoS_2. This was part of a section indicated as exhibiting significant MoS_2 mineralization. According to the assay map, the 20-foot section from 190 to 210 feet averaged 0.121% MoS_2 instead of the 0.146% indicated by the magnetic map. The remainder of the assays are pending. Finely disseminated specularite was thought to be molybdenite in this hole. Possibly this may have been true for some of the prior holes.

Hole II-S4 was drilled approximately S. 21.5° W. at -45° to test a chemical anomaly and a cross structure as was later learned. At first it was thought that the hole was drilled within or very close to the shear structure tested by Holes II-S2 and II-S6. Although this shear was not the primary target, the hole is close enough to it that the values indicated in Hole II-S4 could have been influenced by it. The magnetic map shows that this hole traverses the east end of the magnetic low indicated at the south end of the Mountain Chief area. A chemical anomaly, a magnetic low, a fracture zone, and a crosscutting Tertiary diorite porphyry dike are involved in this area. The magnetic map notes that 100 feet of 0.152% and 25 feet of 0.103% MoS_2, respectively, were indicated by the lower section of the core.

The initial part of the hole traversed dominantly Tertiary quartz monzonite to 350 feet before cutting a Tertiary diorite porphyry dike exhibiting nearly continuous brecciation cemented by quartz and molybdenite from 350 to 560 feet before terminating in Tertiary quartz monzonite. Significant mineralization was indicated between 350 and 655 feet. Sixty-

two 5-foot samples from 345 to 655 feet averaged only 0.080% MoS_2. Of these samples, only 13 averaged more than 0.100% MoS_2 but less than 0.200%, while four other samples assayed 0.200, 0.284, 0.464, and 0.532% MoS_2, respectively. Twenty samples from 465 to 565 feet averaged 0.152% MoS_2. The Operator also indicated that the 60 feet from 500 to 560 feet averaged 0.197% MoS_2 with a 10-foot section from 520 to 530 feet averaging 0.498% MoS_2, which checks with the assay map and is the only section of core approaching commercial values. The section of core from 465 feet to 640 feet averaged 0.108% MoS_2. All of the hole where significant mineralization was indicated from 345 to 655 feet averaged 0.080% MoS_2. Considerable specularite was noted in the core. This Hole II-S4 was the most encouraging of all of the holes drilled, yet it indicates insufficient grade for either narrower or wider widths to be commercial. If the diorite porphyry dike had been favorable for mineralization, it should have assayed better than an average of 0.080% MoS_2 throughout.

Hole II-S5 was drilled S. 7° E. at -55° to a depth of 348 feet to test the Indiana vein zone projected northeastward. The hole traversed a narrow series of dikes or sills of Tertiary quartz monzonite and diorite porphyry before terminating in a wider body of Tertiary diorite porphyry. The cross section of the hole shows significant mineralization indicated between 70 and 180 feet and 250 and 280 feet. A breccia zone is indicated between 70 and 280 feet. The Operator reported assays from a 110-foot section as disappointing. From 70 to 180 feet, the first mineralized section, the core averaged 0.019% MoS_2.

From all of the surface drilling that has been done, 5,045 feet including Hole II-S3, only one-10-foot section in Hole II-S4 assayed 0.498% MoS_2, comparable to the values found in the underground work. Other better values are as follows:

Hole No.	Feet	Grade - %MoS_2
II-S1	5	0.230
II-S2	5	0.215
	5	0.364
	5	0.382
	45	0.154
II-S4	100 (60)	0.152 (0.197)

Underground Work

As of December 31, 1963, work done under the contract cost $161,491.75. Part of this cost applied to 2,708 feet of drifting, 163.5 feet of crosscutting, and 1,670.5 feet of timbering, costing in all $110,995.00.

In July 1963 the Operator, at the request of the Government, submitted longitudinal sections dated February 1963 which showed underground ore reserve blocks as of that date.

When the main adit was first driven at the Operator's expense, it intersected approximately in the middle an ore shoot on the Indianapolis vein extending northward to station T 25 minus 7 feet and southward to station T 24 plus 18 feet. To calculate ore reserves, the Operator allowed 50 feet both above and below the adit level for indicated* ore and 100 feet above and 50 feet below the indicated ore for inferred* ore. Based on these assumptions, the Operator calculated that this block 240 feet in length contained 9,800 tons of indicated ore averaging 1.26% MoS_2 over a width of approximately 4.2 feet and 12,600 tons of inferred ore. As the old drift faces both north and south were beyond this ore shoot, it cannot be counted as an OME discovery. Immediately adjoining this ore block on the south, there is a 48-foot block of ground which carries similar values over a width ranging from one to two feet. The Operator assigned 1,400 tons of indicated ore and 2,100 tons of inferred ore, respectively, to this block.

Shortly after drifting started to the south on the Indianapolis vein under the OME contract, an ore shoot was encountered at station T 47 plus 13 feet which continued for 185 feet to station T 54 plus 13 feet. On the same basis, the Operator estimated that the block contained 6,133 tons of indicated ore averaging 0.61% MoS_2 over a width of 3.8 feet and 9,199 tons of inferred ore. One hundred twenty-eight feet of low-grade material lies between these ore blocks. Continuing southward, the drifting encountered only spotty values to station T 58. From there to the end, muck samples assayed only a few hundredths of a percent MoS_2. The southern end of this Indianapolis vein drift cut the Nos. 1 and 2 cross veins and the Oregon fault present at the surface.

Drifting northward on the Indianapolis vein exposed 125 feet of low-grade or barren material north of the ore shoot first cut by the adit level. Part of this drifting was done under the OME contract. Then there is 65 feet of vein material averaging 0.437% MoS_2 over a width of 5.5 feet followed by 155 feet (between stations T 34 and T 38) of vein material averaging approximately 0.040% MoS_2. Reserves for the 65-foot section of higher-grade material are estimated at 2,979 tons of indicated ore and 4,469 tons of inferred ore.

*Assumed throughout

Drifting on the Indiana vein was done only to the north. The first 203 feet of OME drifting averaged 0.160% MoS_2 over a width of 5.4 feet. Apparently because of faulting or a split, a crosscut from near the end of the first section of the drift was driven to pick up the vein. From station T 44 plus 12 feet there is a 100-foot section of drift which averages 0.272% MoS_2 over a width of 5.71 feet. Eight feet beyond this, or station T 45 plus 52 feet, the Operator has indicated an OME ore shoot 255 feet in length. As before, indicated ore was calculated as 50 feet both above and below the level while inferred ore was calculated 120 and 50 feet above and below the indicated ore, respectively. The Operator estimated that the block contained 7,650 tons of indicated ore averaging 1.111% MoS_2 over a width of 3.5 feet and 10,680 tons of inferred ore.

The writer checked the basic calculations of this Indiana vein ore reserve estimate, and it appears reasonable. The assays and widths were checked against the assay maps previously submitted, and it was found that individual higher-grade assays over narrower widths had been changed to lower-grade assays over wider widths to calculate the estimated reserves. This made checking more difficult. The usual procedure is to calculate the reserves based on original grade and width and then recalculate only the totals for a mining width and grade. North of this ore shoot there is a 60-foot block of vein material starting at station T 61 plus 21 feet which averages 0.970% MoS_2 over 3.3 feet. Muck samples from the same area average approximately 0.550% MoS_2. Only low-grade values were found in the remaining part of the drift. Reserves for this 60-foot block are estimated at 1,650 and 2,475 tons of indicated and inferred ore, respectively.

The underground work done at the subject property indicates an ore reserve of 29,612 and 41,523 tons of indicated and inferred ore, of which 11,200 and 14,700 tons of indicated and inferred ore are assigned to the ore shoot that existed before the OME work was done. Thus, some 18,412 and 26,823 tons of indicated and inferred ore, or 45,235 tons in all averaging 0.82% MoS_2, can be attributed to the OME drifting. Including the original ore blocks, approximately 71,000 tons of indicated and inferred ore are estimated. Attention is called to the fact that no raises have been driven on any of the possible ore shoots. Thus, too much reliance should not be placed upon the values and tonnages indicated.

In addition to the underground drifting and crosscutting, five holes were diamond drilled into the walls from the new OME work. These underground holes are shown in plan on a map designated "Underground

Geological Map 10,300' Level, Scale 1" = 200' August 1963," which was submitted with a letter from the Operator dated November 4, 1963. These five holes were drilled to test the vein walls as it was thought after starting the drifting that a large low-grade molybdenite deposit might be present. Drilling of these holes proved otherwise as did muck sampling. Hole No. 1, 202 feet in length, found nothing. Hole No. 2, 108 feet in length, intersected a 5-foot segment assaying 0.450% MoS_2. The remainder of this hole assayed less than 0.040%. Hole No. 3, 200 feet in length, assayed less than 0.020% MoS_2. In Hole No. 4, 200 feet in length, a 1-foot segment was found that assayed 0.170% MoS_2. Hole No. 5, 200 feet in length, indicated values of less than 0.100% MoS_2. Thus, in 910 feet of drilling, only 5 feet were found that assayed anywhere near an ore value.

Later additional drilling (4 holes) was done underground to test structures at depth. These four holes were designated with Roman numerals. The first three were drilled from the same station in the main adit (see map previously referred to).

Hole II-5 was drilled at -40° southeastward to a depth of 900 feet to test the ore shoot on the Indianapolis vein intersected by the main adit. The drilling indicated three zones of significant mineralization, one of which extended from 235 to 625 feet. The core from 225 to 475 feet averaged 0.029% MoS_2. Seemingly the vein had split and values had died out before reaching the elevation of this hole.

Hole II-4 was drilled eastward at -20° to a depth of 694 feet to test the Indianapolis vein at lesser depth than that of Hole II-5. This hole intersected the vein just north of the north end of the indicated ore shoot. The same mineralized zones as found in Hole II-5 were present. Twenty-two feet of core in the vein area assayed 0.041% MoS_2. A 3-foot interval of this assayed 0.081% MoS_2. There was one assay of 0.320% MoS_2. The core from 575 to 597 feet averaged 0.041% MoS_2. This hole intersected the Indianapolis vein 220 feet down the dip of the vein.

Hole II-3 was drilled northward at -45° to a depth of 600 feet to test the vicinity of the Dakota fault. Four small zones of significant mineralization were indicated. The core from 119 to 140 feet averaged 0.440% MoS_2, with an interval therein of 6.5 feet averaging 1.130% MoS_2. Sixteen and a half feet of the core from 119 to 135.5 feet averaged 0.531% MoS_2. The mineralization found by this hole is considered as representing a new vein.

After completing the drifting and crosscutting at the south end of the Indianapolis vein which exposed vein Nos. 1 and 2 and the Oregon fault, the Operator drilled Hole II-10 southward at -20° to a depth of 1,105 feet under Oregon hill to explore for the cross structures indicated on the hill. Much of the hole paralleled the drift and added nothing to information previously secured by the drifting. Core recovery amounted to 84.3%. Three zones of mineralization were indicated to a depth of 1,085 feet. The hole intersected vein Nos. 1, 2, and 3 and the Oregon fault. No assay values have been submitted. Description of the core was pessimistic. The hole was drilled for such a length in lieu of surface drilling.

Only diamond drilling remains to be done underground. The Operator has requested four holes in the vicinity of the Indiana vein, three of which will explore the possible new vein indicated by Hole II-3. The holes will comprise 970 feet in all. Everyone is agreed that a large disseminated molybdenite deposit does not exist in the immediate area of the underground Nye workings.

Over-all exploration to date at the subject property has not furnished anticipated results for the amount of money spent. Underground drifting and diamond drilling have indicated that the better molybdenite values occur in narrow widths along fracture zones. Wall rock values are too low to be considered for mass mining. Drilling on the surface has shown limited continuity of rock types and molybdenite values. In over 5,000 feet of drilling only one 10-foot section of core assayed 0.498% MoS_2 . Although 45 feet of core in Hole II-S2 averaged 0.154% MoS_2, comparable values were not found in the three other holes testing the same structure. In Hole II-S4 a 100-foot section of core averaged 0.152% MoS_2. This is less than half what the grade should be for a mass-mining operation. Admittedly, selection of surface hole sites has been difficult for lack of outcrop. However, they were selected on the basis of chemical anomalies, prior drilling, and projections from known locations.

The Operator has one more surface hole to drill which will test the magnetic and chemical anomalies at the northwest end of the Mountain Chief area. If this drilling should result comparably to the other surface holes, then the writer recommends that no more surface drilling be done. To warrant additional surface drilling, values of at least 0.400% MoS_2 over a wide width should be found in this hole, which will be II-S9.

The writer believes that the Operator has an erroneous impression regarding the percentage of molybdenite necessary for an operation. Many of the maps indicated sections of significant MoS_2 mineralization which assayed less than 0.100% MoS_2. Justification for additional holes has been based on values of less than 0.200% MoS_2 over relatively limited widths. Possibly the Operator is optimistic because many showings of molybdenite average less than 0.100% MoS_2 based on information it has received.

George C. Selfridge

GCSelfridge/gla
2-11-64
cc to: Docket
Director's Reading File
Mr. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver, Colorado 80225

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 7 1964

DATE	INITIALS	CODE
2/7	WW	800
		720
2/10	Murphy	900

February 5, 1964

AIRMAIL

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Amended Contract 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado

This responds to your memorandum of February 3, 1964 on the subject contract. My records show that the December voucher was forwarded airmail from this office on January 22, 1964.

Paid 2/3/64 WW

The project was recessed December 21, 1963. The remaining assay data on Holes Nos. II-S5, S6, S7, and S8 were included with the December voucher.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/31	GCS	130
1/31	FMM	500
		~~800~~
1/31	Johnson	110
"	Smith	100
2/3	CAC	220
2/4	Murphy	500

FEB 3 1964

AIRMAIL

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

Do you have a December voucher for the subject contract? When was the project recessed? We would be interested in receiving the rest of the assay data on Holes Nos. II-S5, S6, and S7, also data on II-S8.

George C. Selfridge (gla)

GCSelfridge/gla (1-31-64)

cc to: Director's Reading File
Review Committee
Docket
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver, Colorado 80225

January 27, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Amended Contract 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado

added for overseas

Attached is page one of the "Evaluation of Magnetic Survey and Drilling Results - Mountain Chief Area - Nye Molybdenum Property" requested in your memorandum of January 22, 1964.

Hugh M. Connors

Hugh M. Connors

Attachment

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1964

DATE	INITIALS	CODE
1/30		800
		120
1/31	Murphy	500

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/21	Selfridge	130
1/21	Murphy	500
1/21	Talbot	800
"	Johnson	110
"	Ernst	100
1/22	[illegible]	220
		500

JAN 22 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado
Amended Contract 2149

By your memorandum of January 17, 1964, you transmitted Mr. Melbye's request of January 15 for a transfer of funds and a report entitled "Evaluation of Magnetic Survey and Drilling Results - Mountain Chief Area - Nye Molybdenum Property."

Enclosed is page one of the report which pertains to the Summitville Mines in Rio Grande County, Colorado. Will you please secure the pertinent page one of the Nye report.

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla (1-21-64)
cc to: Director's Reading File
Review Committee
Docket
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver, Colorado 80225

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 20 1964

DATE	INITIALS	CODE
1/20	Murphy	~~500~~
		120
	January 17, 1964	
		500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Amended Contract 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado

Attached is Mr. Melbye's request for a transfer of funds from underground work to additional surface drilling in the Mountain Chief area.

As you know, the underground work was confined largely to drifting north on the Indiana vein and south on the Indianapolis vein which exploration disclosed ore in both veins but diamond drilling in the walls failed to find any worthwhile disseminated molybdenum mineralization.

The only disseminated molybdenum mineralization of any interest, found to date, is in the north end or Mountain Chief area, which was not reached by drifting and could only be reached by very long holes from our present location underground. It is my thought that we have done enough exploration work underground but I believe more surface drilling is justified in the Mountain Chief area and I would like to see some surface drilling in the Oregon Hill area where we haven't even bulldozed a road and where the old timers say more molybdenum float occurs than in the north area. Bear Creek found Oregon Hill to be another anomalous area.

? nothing indicated g'ground

?

It might be embarrassing to leave a "sleeper" like the R.F.C. left at the Urad Mine which is in the same general area as the Nye property.

The R.F.C. did some drilling at Urad which disclosed nothing of ore grade but was interesting enough for Climax to do further drilling resulting in the discovery of an ore body which will be block-caved from two levels.

If you do not grant the Operator's request now, I would recommend that you hold the Operator's request in abeyance until you can make a personal inspection of the property when the snow has gone.

Hugh M. Connors

Hugh M. Connors

Attachment

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

January 15, 1964

OME
DEPARTMENT OF THE INTERIOR
JAN 15 1964
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors, Acting Field Officer
Office of Mineral Exploration, Region III
Denver Federal Center- Building 20
Denver, Colorado

Re: OME-6231
Contract No. 2149
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

The accompanying report and maps constitutes a summary of all exploration drilling, bulldozer cuts, magnetics, and geological mapping completed to date in the Mountain Chief area at the north end of the Nye Metals property.

As part of this report, specific requests are made for a transfer of funds from other work categories to allow additional surface drilling.

Your consideration of these requests will be appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

2020 FOOTHILLS ROAD

P. O. BOX 309 [redacted] CRestview 9-1542

GOLDEN, COLORADO

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 20 1964

DATE	INITIALS	

EVALUATION OF MAGNETIC SURVEY AND DRILLING RESULTS

MOUNTAIN CHIEF AREA

NYE MOLYBDENUM PROPERTY

Gilpin County, Colorado

Docket 6231

Contract 2149

Charles E. Melbye

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS
2020 FOOTHILLS ROAD
BOX 309 279-1542
GOLDEN, COLORADO

January 14, 1964

EVALUATION OF MAGNETIC SURVEY AND DRILLING RESULTS

MOUNTAIN CHIEF AREA

NYE MOLYBDENUM PROPERTY

Gilpin County, Colorado
Docket 6231
Contract 2149

INTRODUCTION

In view of the completion of a magnetic survey and the temporary recess in drilling until spring, it seems well at this time to review drilling results in light of the new magnetic data and the geochemical and geological data. Recommended additional drilling in the Mountain Chief area is discussed. No discussion of the mine area is included since the presently approved work under the OME contract is believed adequate.

PURPOSE OF MAGNETIC SURVEY

A ground vertical magnetic survey was run of the entire Mountain Chief area on selected lines with stations 100 feet apart. Lines were chosen to cover the area uniformly and yet try to follow existing roads where survey control was present, thereby keeping costs to a minimum. An Askania torsion magnetometer was used. All readings were tied in to a base station morning, noon, and night, which was the same base station used by Bear Creek Mining Company in running magnetics of the southern and central part of the property. Values are contoured at 100 gamma intervals.

Purpose of the survey was to:

1) Assist in distinguishing rock types, particularly the intrusive-gneiss contact. The gneiss is generally quite magnetic with respect to the quartz monzonite.

2) Delineate the intense hydrothermally altered areas. This technique is now used extensively in non-ferrous exploration as most of the large porphyry molybdenum and copper deposits are associated with magnetic lows which have been caused by the destruction of magnetite in the intrusive rocks through hydrothermal action. Although this does not detect molybdenum deposits directly, the largest concentrations of sulphides are usually found in the highly altered zones, which is always the case of the Nye property.

MAGNETIC SURVEY INTERPRETATION

In general, the magnetics showed striking correlations with known geology from drilling and surface mapping and was an extremely useful tool.

Lithologic Interpretation

The gneiss-quartz monzonite contact was usually easily located by magnetics, since the gneiss contains abundant grains and masses of magnetite. This can readily be seen at the west and east contacts, where contrasts of over 2000 and 500 gammas were present. Another large gneiss body east of Holes II-S2 and II-S6 was delineated. Little or no contrast can be seen between the quartz monzonite and dacite porphyry.

The alaskite appears to be nearly non-magnetic and contributes to the broad low north of the Mountain Chief mine. The broad low in Jenny Lind Gulch appears related to a lithologic change but this is rather uncertain.

Faults

Based on the few known faults, the various major faults are indicated remarkably well by linear magnetic lows with substantial magnetic highs in the hanging-wall. The linear lows are due to hydrothermal alteration along the fault zones, a feature readily seen on surface and in drill holes. In some places the fault anomaly is masked by other lows and the extent is dashed in from surface geological control such as in the large SW anomaly. The pronounced highs are somewhat difficult to explain except that they must represent an introduction of hydrothermal magnetite near the faults. Some of the abundant specularite may be an alteration product of magnetite. The main Mountain Chief fault is shown as well as numerous others, all indicated on the magnetic map.

Magnetic Low Alteration Anomalies

Outside of the normal linear lows along faults, some more extensive magnetic lows can be seen which indicate large intense alteration zones. It should be emphasized that the numerical comparisons of gammas from widely scattered anomalies are not always valid but rather comparisons in the immediate vicinity. The boundary of the Mountain Chief alteration zone is indicated with the heavy orange line. For instance, the pronounced high to the south is within the quartz monzonite and indicates the higher values away from the blanket alteration zone.

SW Anomaly

This low is the most interesting as Hole II-S4 intersected a highly mineralized and altered zone at the southeast and which coincides exactly with the low and with a geochemical high Mo anomaly. Of the 210-foot significant mineralization, a 100-foot section assayed .152% MoS_2 and another 25 foot section .103% MoS_2. Within the 100-foot section, 30 feet assayed .255% MoS_2. Hole II-S7 intersected the anomalous zone at the weak northeast extremity but 20 feet ran .146% MoS_2. The northwest extent is at least 1200 feet and an intersecting NE fault accounts for a broad low extending 750 feet N-S. Rock geochemical values are higher where the NE fault crosses the cut than those at the southeast end of the zone(above Hole II-S4). Overburden, 15' - 20' thick, covers the entire zone.

Mountain Chief Anomaly

Under this discussion are included the E-W low in the footwall of the fault as well as an apparent connecting low extending SW along an intersecting fault. This SW extension encompasses the second most interesting zone, that of Hole II-S2, where 150 feet ran .111% MoS_2. The magnetics now indicate why Hole II-S6 was essentially barren. It is at the southwest end where faulting and alteration are both dying out. The lowest part of the anomaly is at the intersection of the Mountain Chief fault with the N-S fault.

Also, under this heading we may discuss the very large broad low over Hole II-S1, north of the Mountain Chief mine. Although no substantial zones over 0.1% MoS_2 were found, over 500 feet of significant visible molybdenite can be seen which roughly coincides with the broad low. Appreciable gold and copper are also present. Part of this low may be due to the alaskite intrusive. Again two major faults, NE and NW, intersect which is similar to the situation at the previous mentioned anomalies.

NW Anomaly

Although few outcrops are present, bulldozer work has indicated intensely altered dacite porphyry and gneiss and geochemical sampling disclosed a 600-foot wide anomalous zone.

The Magnetic survey has now shown an E-W low to be present between two E-W faults. Since these coincidences are remarkably favorable, Hole II-S9 was requested and approval was granted for this hole, as yet not started.

CONCLUSIONS

1. In view of having a number of drillholes completed, the magnetic

geochemical-geological data can now be interpreted with a great deal of confidence, and the following criteria seem to correlate very closely with the potential economic zones of disseminated molybdenite:

a) Intersecting major faults and widespread brecciation.
b) Dacite porphyry intrusive at least in the vicinity.
c) Magnetic lows of about 700 gammas.
d) Intense silicification, quartz veining, secondary orthoclase, and often chloritization.
e) Rock geochemical highs of at least 200 ppm Mo.

2. Drilling results thus far, while not yet of an economic width and grade, are certainly encouraging when considering that only one hole of real significance has been drilled in any one potential ore target. These are Holes II-S1, 2, and 4. Holes II-S3, 5, and 6, all essentially unfavorable, are all located where magnetic data now indicates very little potential. Substantial remaining portions of these targets have never been drilled, especially in the case of Holes II-S2, 4, and 7. Hole II-S8 has not yet been assayed but was planned to only explore below Hole II-S2.

3. Through the writer's knowledge of numerous molybdenum prospects being drilled today, the results obtained to date on the Nye property are better than the average and dictate that additional drilling must be done. The Mountain Chief portion of the property cannot be turned down after completion of the one more authorized hole, II-S9. Since the OME contract is for purposes of exploration, ample favorable exploration targets still exist and the job is not finished. Their size is sufficient to furnish the potential for an economic ore deposit. Ample funds still exist under the contract in other work categories, which results have shown to be unneeded.

RECOMMENDED EXPLORATION

The recommended holes are shown on the accompanying geologic map and are listed as follows:

Hole No.	Bearing	Angle	Depth
II-S10	S20°W	-45°	900'
II-S11	S21°W	-60°	900'
II-S12	S25°W	-45°	750'
II-S13	S37°W	-50°	1000'
II-S14	S20°W	-60°	1000'
II-S15	Due S	-45°	700'
			5250'

All holes are at new locations except for II-S11 which is at the II-S4 location and is proposed to drill the same zone about 300' below. The holes are listed in decreasing order of importance. In addition, another 750 feet is requested to allow one further hole based on results from the previous 6 holes as well as from undrilled Hole II-S9, making a total of 6000 feet.

REQUESTED OME FUND TRANSFER

Since 1700 feet of underground drilling from Stage II and 6000 feet from Stage III will not be needed, we are requesting that a transfer of funds be made from this category. Authorized bulldozer work, core boxes, and cementing-casing time are used up in Stage II. Therefore, we are requesting additional transfer of funds for these categories as well, and the extra 1700 feet of drilling is sufficient to cover casing-cementing, bulldozing, and core boxes. Under Stage III, 160 hours of casing-cementing time is already allowed. Casing-cementing time is requested at 400 hours since we have every expectancy of needing this much, based on experience to date. One hole(II-S8) alone took 166 hours.

Drilling - 6000 ft. @ $4.60	$27,600.00
Casing-Cementing time 400 hrs. @ $8.50	3,400.00
Bulldozing drill sites 80 hrs. @ $15	1,200.00
Core boxes 600 @ $1	600.00
	$32,800.00

Your consideration of this request will be appreciated.

Respectfully submitted,

Charles E. Melbye

Charles E. Melbye
Geological Engineer
Nye Metals, Inc.

January 14, 1964

SUBMITTED WITH CHARLES E. MELBYE REPORT JANUARY 14, 1964

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November 1961
General Services Administration
General Regulation No. 27

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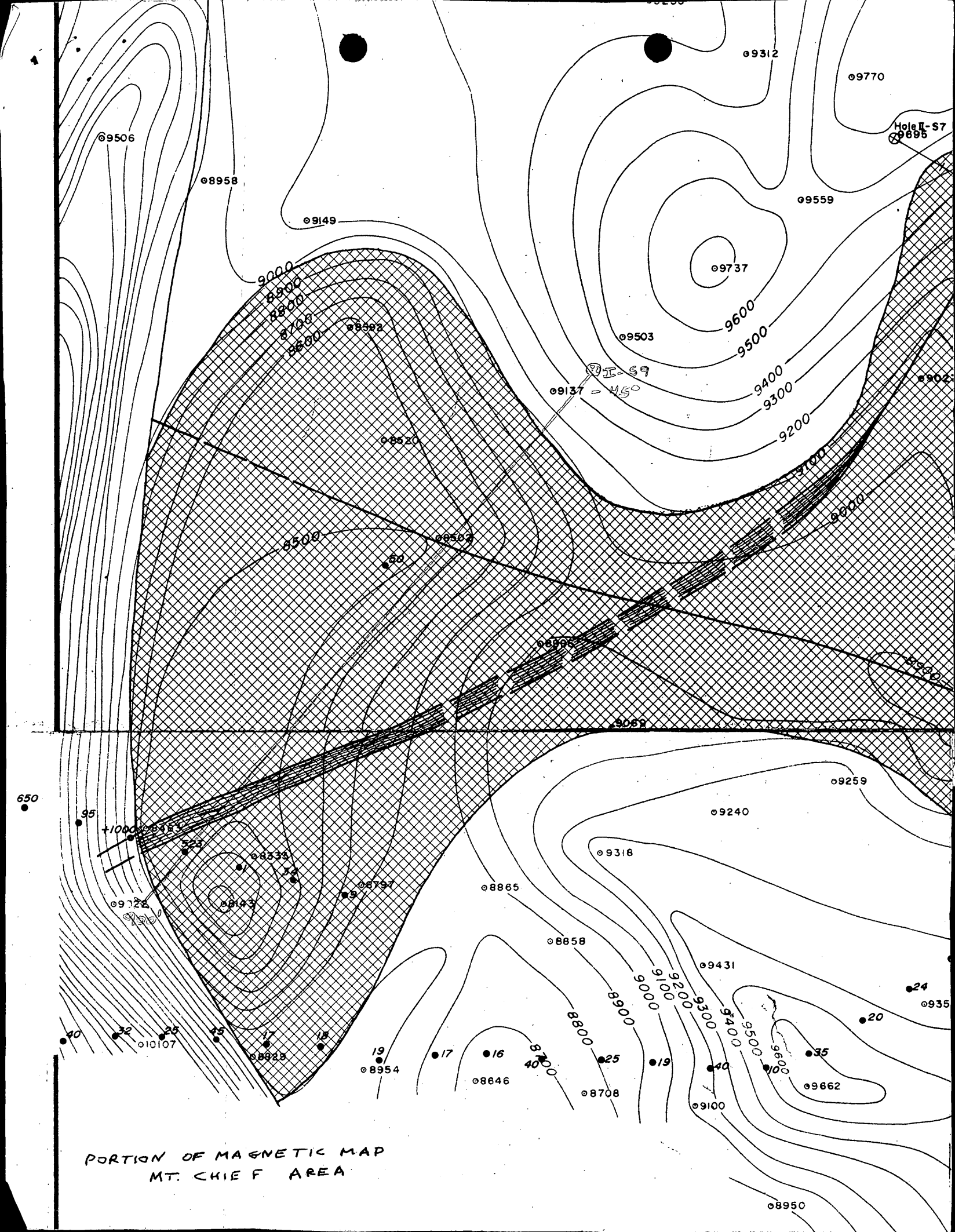
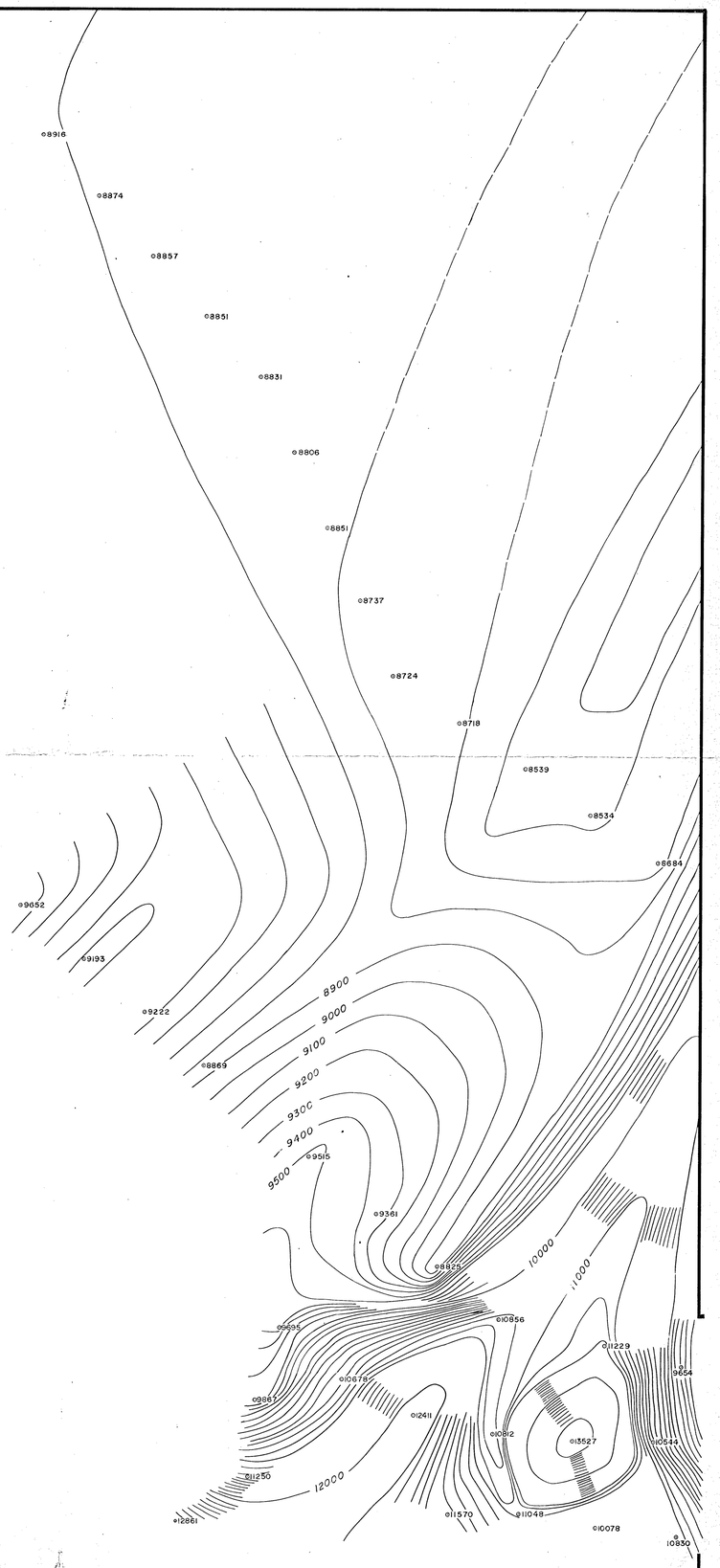


PORTION OF MAGNETIC MAP
MT. CHIEF AREA



NYE METALS, INC.

MAGNETIC MAP
MOUNTAIN CHIEF AREA

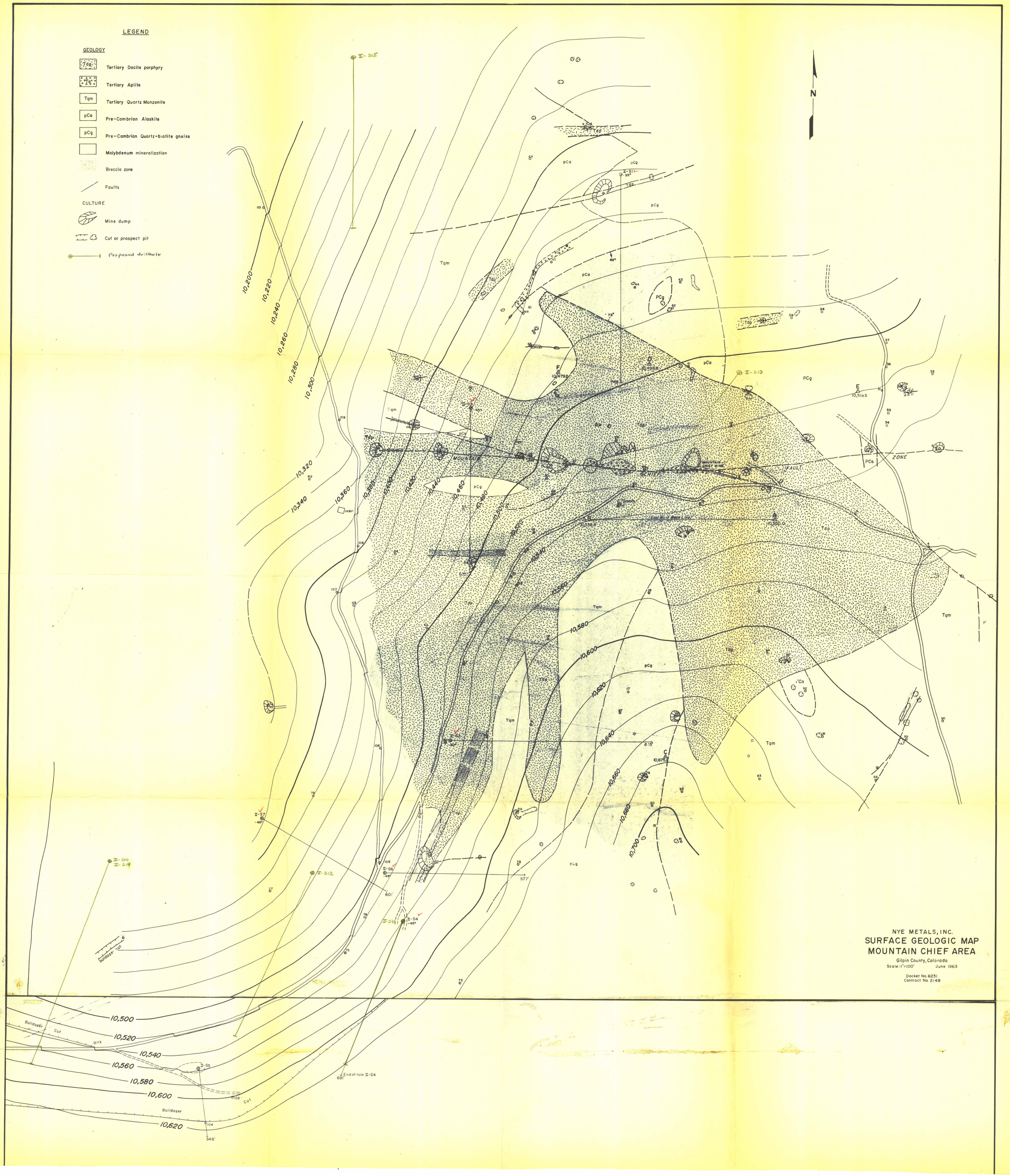
Gilpin County, Colorado

Scale: 1" = 100' November 1963

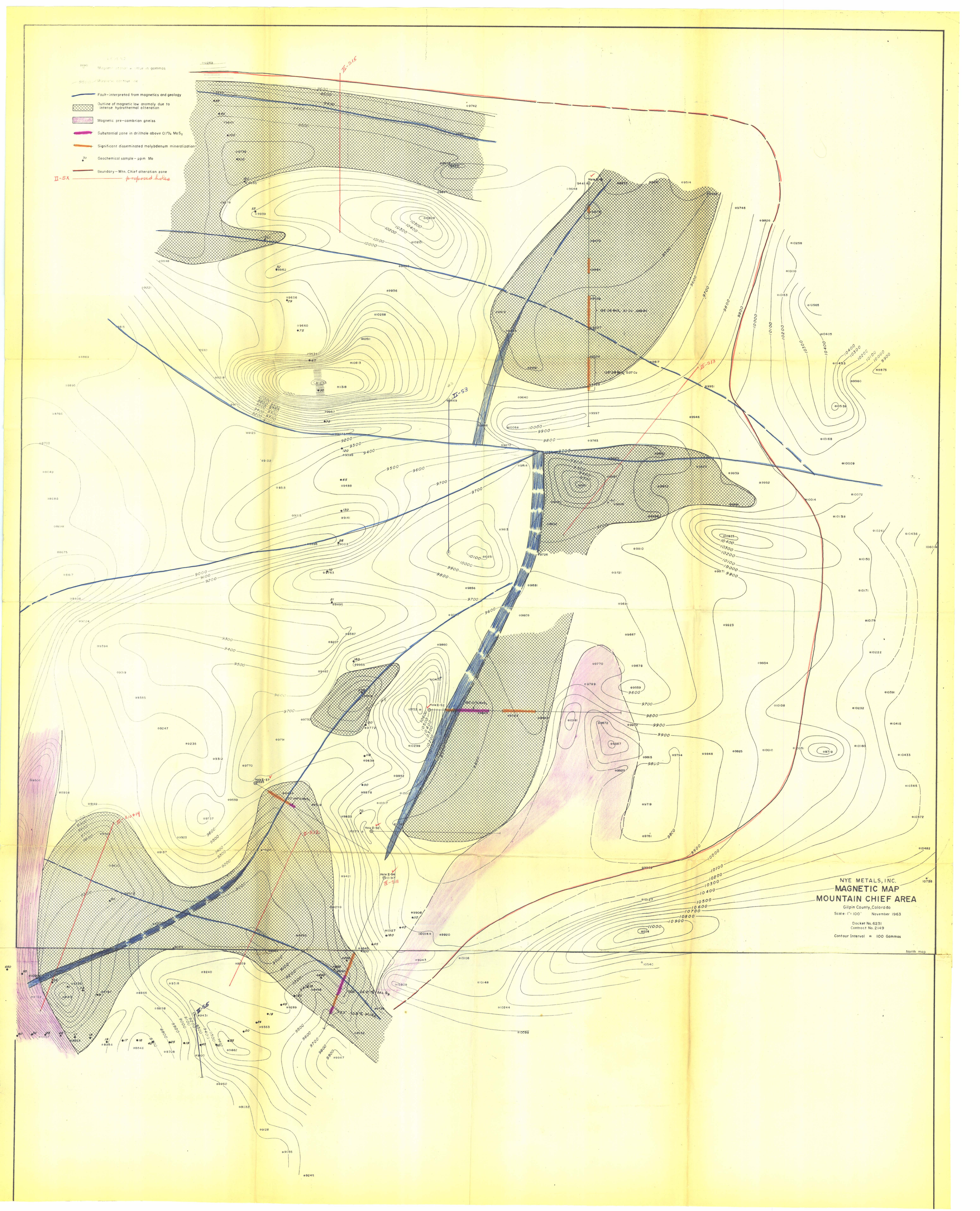
Docket No. 6231
Contract No. 2149

West map (N&S)

CHARLES E. MELBYE
Geological Engineer


LEGEND
GEOLOGY
Tdp Tertiary Dacite porphyry
Tq Tertiary Aplite
Tqm Tertiary Quartz Monzonite
pCa Pre-Cambrian Alaskite
pCg Pre-Cambrian Quartz-biotite gneiss
Molybdenum mineralization
Breccia zone
Faults
CULTURE
Mine dump
Cut or prospect pit
Proposed drillhole
N
MOUNTAIN CHIEF FAULT ZONE
MOUNTAIN CHIEF MINE
East-West Base Line
10,538.6
10,550.0
10,498.8
10,479.2
10,519.5
10,675.2
10,200
10,220
10,240
10,260
10,280
10,300
10,320
10,340
10,360
10,380
10,400
10,420
10,440
10,460
10,480
10,500
10,520
10,540
10,560
10,580
10,600
10,620
10,640
10,660
10,680
10,700
II-S7 -45°
II-S6 -45°
II-S4 -45°
II-S5
601'
577'
691
348'
End of hole II-S4
Bulldozer Cut
NYE METALS, INC.
SURFACE GEOLOGIC MAP
MOUNTAIN CHIEF AREA
Gilpin County, Colorado
Scale: 1"=100'
June 1963
Docket No. 6231
Contract No. 2149

LEGEND
Magnetic station w/value in gammas
Magnetic contour line
Fault-interpreted from magnetics & geology
Outline of magnetic low anomaly due to intense hydrothermal alteration
Magnetic pre-cambrian gneiss
Substantial zone in drill hole above 0.1% MoS2
Significant disseminated molybdenum mineralization
Geochemical sample - ppm Mo
Boundary-Mtn. Chief alteration zone
NYE METALS, INC
MAGNETIC MAP
MOUNTAIN CHIEF AREA
Gilpin County, Colorado
Scale 1"=100'
November, 1963
Rev. August, 1964
Docket No 6231
Contract No 2149
Contour Interval = 100 Gammas
CHARLES E. MELBYE
Geological Engineer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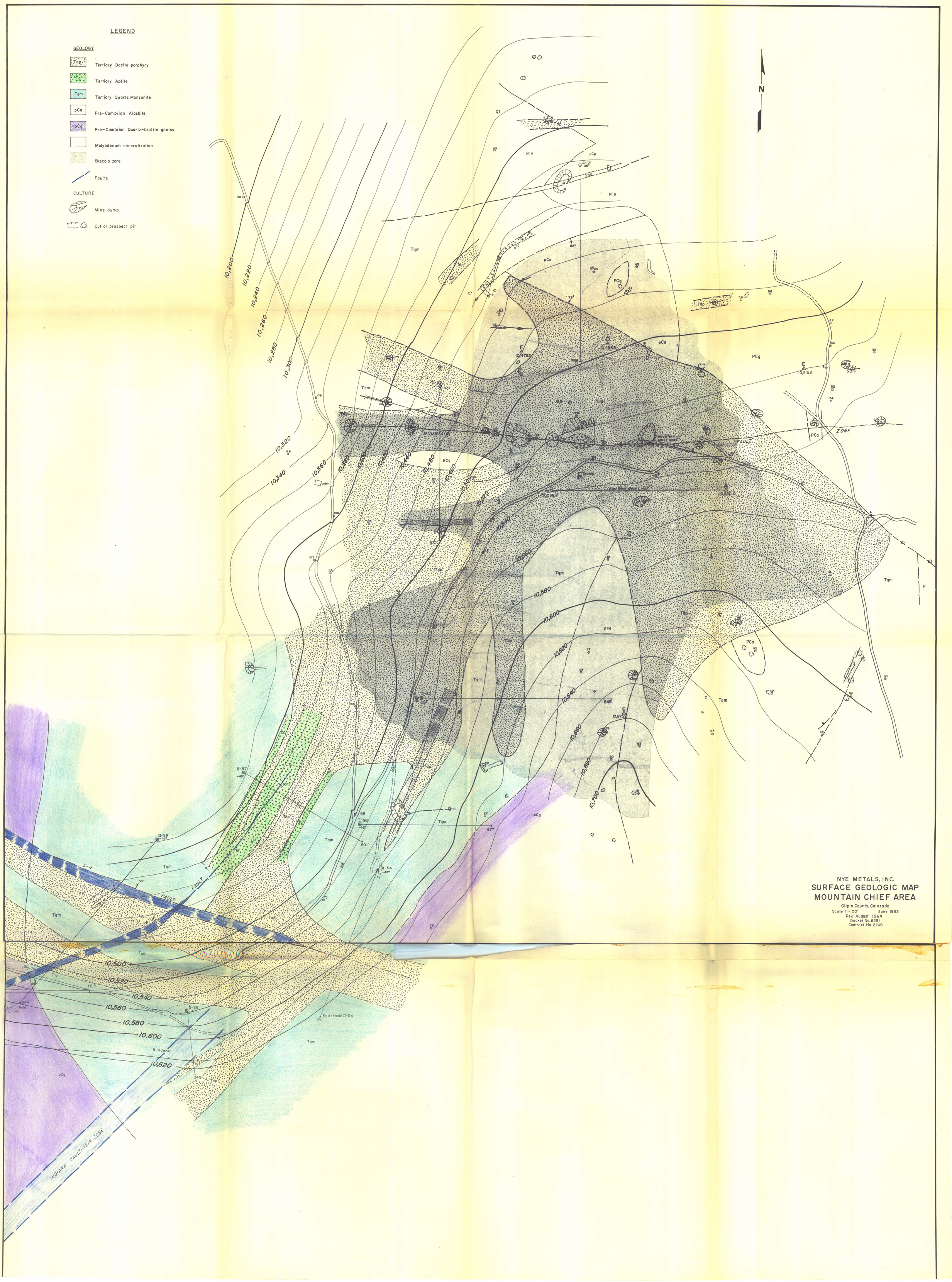
Magnetic pre-cambrian gneiss
Substantial zone in drillhole above 0.1% MoS2
Significant disseminated molybdenum mineralization
Geochemical sample - ppm Mo
Boundary - Mtn. Chief alteration zone
II-SX proposed holes
II-S15
II-S13
II-S3
II-S14
II-S12
II-S11
II-S6
Hole II-52
Hole II-57
Hole II-56
Hole II-54
NYE METALS, INC.
MAGNETIC MAP
MOUNTAIN CHIEF AREA
Gilpin County, Colorado
Scale: 1" = 100'
November 1963
Docket No. 6231
Contract No. 2149
Contour Interval = 100 Gammas
North map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MOUNTAIN CHIEF FAULT ZONE
MOUNTAIN CHIEF MINE
East West Base Line
INDIANA FAULT-VEIN ZONE
S-4 FAULT
PATON FAULT
Bulldozer Cut
End of hole II-S9
End of hole II-S4
Bulldozer
10,200
10,220
10,240
10,260
10,280
10,300
10,320
10,340
10,360
10,380
10,400
10,420
10,440
10,460
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10,640
10,660
10,680
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NYE METALS, INC.
SURFACE GEOLOGIC MAP
MOUNTAIN CHIEF AREA
Gilpin County, Colorado
Scale: 1"=100'
June 1963
Rev. August 1964
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