DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
Office of Mineral Exploration

OFFICIAL DOCKET FILE Idm-E NO. 2149 ~~DMEA~~ NO. 623

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

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

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes 6-6-62
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments (Amended 12-6-62)

✓ SEE FOLDER 1-A Correspondence beginning January 1, 1964

Right Side

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

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) 3-14-66
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 3 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

✓ Folders No. 2 : Maps (Use pocket folder ~~or envelope~~)

Folders No. 4 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Extra Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OMI-6231

TERMINATION AGREEMENT

It is agreed this 8th day of February, 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 (OMI-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 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 releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

Not Executed

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 _____

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

February 8, 1965

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer
Division of Exploration Operations

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

Justification for terminating contract

All approved work under the subject contract has been finished, and all favorable potential targets have been drilled. Therefore, it is recommended that the subject contract be terminated at this time.

F M Murphy

F. M. Murphy

FMMurphy/mm
2/8/65
cc: Director's Reading File

23263

Docket copy

United States
Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF THE CHIEF AUDITOR

GEOLOGIC DIVISION

OFFICE OF MINERALS EXPLORATION

WASHINGTON, D.C.

Report of Review - Amended Contract 2149
Docket No. OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado

Report Issued: May 1966

United States
Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF THE CHIEF AUDITOR

GEOLOGIC DIVISION

OFFICE OF MINERALS EXPLORATION

WASHINGTON, D.C.

Report of Review - Amended Contract 2149
Docket No. OME-6231 (Molybdenum)
Nye Metals, Inc.
Nye Molybdenum Mine
Gilpin County, Colorado

Report Issued: May 1966

Auditor-in-Charge: Clarence E. Fisher

Report Approved: William T. McClelland, Chief Auditor

Audit Performed During Period: March 23 to 24, 1966

IN REPLY REFER TO:

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

OFFICE OF THE DIRECTOR

May 17, 1966

Memorandum

To: 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

We have made a cost and repayment review of Amended Contract 2149, examining the contract and accounting records and files of the Office of Minerals Exploration and the Branch of Budget and Finance. We examined the Contract Operator's reimbursement vouchers from July 1962 to July 1964. Also, we reviewed the settlement sheets and royalty computations and payments to the Government applicable to sales of ore and concentrate production from the mine during the period August 1964 through December 1965.

Our examination disclosed that the Contract Operator 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 the Contract Operator and not previously claimed on reimbursement vouchers. Our examination indicated that the Government received royalty payments in the amount of $14,649.46. A determination of additional royalty should be made by the Office of Minerals Exploration.

We recommend that if the Contract Operator should claim reimbursement for the omitted costs, appropriate withholding be made for any royalty found to be due and unpaid.

William T. McClelland

William T. McClelland

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REPORT OF REVIEW - AMENDED CONTRACT 2149
DOCKET NO. OME-6231 (MOLYBDENUM)
NYE METALS, INC.
NYE MOLYBDENUM MINE
GILPIN COUNTY, COLORADO

INTRODUCTION

On February 15, 1966, the Chief, Office of Minerals Exploration (OME), Geologic Division, requested a report of review of Contract 2149. The audit was authorized by the Chief Auditor on March 23, 1966, under Audit Assignment No. 58. A review of the OME contract files and an examination of the Bureau's disbursement and repayment records in the Branch of Budget and Finance, Administrative Division, were made at Washington, D.C., on March 23 and 24, 1966.

This exploration contract was entered into on June 6, 1962, with Nye Metals, Inc., an Indiana corporation, hereinafter referred to as the Contract Operator. Subsequently the contract was superseded by an amended contract with the same company. This amended contract was made effective as of the date of the original contract. The amended contract has been amended 6 times.

The purpose of the exploration project was to explore for molybdenum-bearing ore bodies by drifting from the main tunnel of the Nye Molybdenum Mine along the Indiana and Indianapolis vein systems, crosscutting from the drifts, and raising from the south Indianapolis drift to the surface. From the drifts, crosscuts, and main adit, and from the surface in the Oregon Hill and Mountain Chief mine areas, diamond drilling was to be performed. The work was to be performed on 68 patented and 98 unpatented lode mining claims owned by the Contract Operator and listed in Annex I of the contract. The work was to begin

on or before June 25, 1962 and was to be performed in 3 stages. The contract was to be completed within 40 months from the date of the original contract.

In a letter to the Contract Operator dated September 20, 1964, OME stated that it was no longer in the interest of the Government to hold this contract in an "in force" status; that the contract was terminated under provisions of Article 9 of the amended contract; and that the Government was relieved of all obligations to contribute to costs incurred after September 1, 1964.

The results of the work performed prior to the termination of the contract were such that OME, in a letter to the Contract Operator dated May 18, 1965, certified that mineral or metal production from the property may be possible as a result of the exploration work and that royalty would be payable to the Government on any such production during the period June 6, 1962 to June 6, 1987, or until the amount of the Government's contribution to costs in the sum of $84,984.36 (subject to audit) had been fully repaid with interest at the rate of 6 percent per annum, whichever occurred first.

SCOPE OF THE AUDIT

Our examination of Amended Contract 2149 with Nye Metals, Inc. included: (a) a review of the official accounting records and contract files, (b) a detailed examination of the Contract Operator's vouchers previously paid, and (c) a review of costs eligible for Government participation and which was omitted from vouchers previously paid. All of the costs

were compared to the amounts allowed by the amended contract, and a determination was made of the reasonableness and propriety thereof. Also, our examination included an analysis of the royalty repayment records and related settlement sheets issued by the purchaser of the ore or concentrates sold.

The principal objective of our examination was to ascertain whether or not the Contract Operator had complied with the provisions of the amended contract, and to determine the effectiveness of contract administration and supervision by OME as well as the degree of compliance with the laws, policy determinations, and administrative regulations and procedures governing the Geological Survey and its predecessor minerals exploration agencies. The report presents our findings and conclusions.

AUDIT FINDINGS

Accepted Costs

The exploration work provided in Stages I and II of the amended contract was completed at claimed costs for Government participation amounting to $169,968.75. All of the claimed costs were accepted and the Government paid to the Contract Operator amounts aggregating $84,984.36, based on 50 percent of the accepted costs for work accomplished under the amended contract.

All of the work under Stage I and a major portion of the work under Stage II was performed under contract provisions calling for Government participation based on agreed unit cost rates for the various items of work. Most of the remaining work provided by Stage II related to underground and surface diamond drilling to be performed by a drilling contractor. The Government's participation in the cost was limited to

overall amounts not to be exceeded and to certain maximum rates for each unit of work accomplished. Stage II also provided for Government participation in actual costs of an estimated 800 necessary core boxes and an estimated 500 assays for Mo.

Our review disclosed that all of the monthly reimbursement vouchers on the basis of which settlements were made with the Contract Operator have been certified by his representative as being correct and just. Also, the Government's field representative, the Acting Field Officer, Region III, Denver, Colorado, has certified that to the best of his knowledge and belief the work had been performed and payment of the Government's 50 percent participation was approved. We have further reviewed the Contract Operator's monthly narrative reports, copies of billing contractors invoices, invoices from assayers, and any other available documentation indicative of the progress of the work.

We find that the settlements made and the payment to the Contract Operator of amounts aggregating $84,984.36 to be valid and proper, provided OME is satisfied that the various work specifications in the amended contract have been followed and the work is otherwise accepted by them as having met the terms of the amended contract.

Unclaimed Costs

We find that invoices from Boyles Bros. Drilling Company, who performed the underground and surface drilling provided in Stage II of the amended contract, have included charges for 685 hours of cementing and casing time at $8.50 per hour and for 941 cardboard core boxes at actual costs estimated at $1.00 each. The Contract Operator has claimed and has been reimbursed for 300 hours of cementing and casing and 800 cardboard core boxes based on its understanding that the quantities were maximums

for Government contributions. The only maximum for Government participation applicable to these items is the $8.50 per hour rate and the proviso that certain overall cost estimates may not be exceeded.

We find that should the Contract Operator claim all of these costs none of the maximums would be exceeded. Thus the Contract Operator is entitled to claim additional Government participation in exploration costs as follows:

385 hours cementing and casing @ $8.50 per hour	$3,272.50
141 core boxes @ $1.00 each	141.00
Total eligible for Government participation	$3,413.50
Government participation - 50% basis	$1,706.75

We recommend that if additional payment is made to the Contract Operator, he be advised that the amount thereof will increase the sum of $84,984.36 repayable as royalty referred to in OME letter dated May 18, 1965.

Royalty

Our review disclosed that sales of ore and concentrates have been made from this property during the period August 1964 through December 1965, on which the Government has received royalty amounting to $14,649.46. These sales were made to Lenway Mining & Development Corporation, Marion Mill, Boulder, Colorado. The royalty remittances have been accompanied by copies of Lenway Mining purchase orders and settlement sheets designated as P.O. Nos. 104 through 169. A brief summary of the sales and royalty computation follows:

	Ore	Concentrates
Period Covered	Aug. 1964/Mar. 1965	May 1965/Dec. 1965
P.O. Nos.	104 to 162	163 to 169
Dry Weight - Pounds	6,466,667	266,326
Pounds - Mo	49,214	98,708
Average Assays	.76%	33.31%
Gross Value	$50,341.93	$242,636.83
Average Price Per Pound	$1.02	$2.46
Royalty Paid - 5% Basis	$2,517.61	$12,131.85

We noted an erroneous computation of royalty 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. Also, we noted that the file does not contain copies of P.O. Nos. 105 and 141 and that no royalty has been received applicable to such purchase orders.

The OME docket files indicate that Lenway Mining discontinued purchases from the Contract Operator as of December 3, 1965, and that P.O. No. 169 represents the last settlement.

We recommend that OME ascertain whether or not any additional royalty may be due to the Government and that appropriate adjustment be made with respect to royalty prior to or at the time of any final settlement relating to the exploration costs.

B-65-2007.11

FILE COPY
Surname:

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

GEOLOGICAL SURVEY

Long
Johnson
Smith
Fisher
9/15
9/16
9/17

CERTIFIED MAIL

SEP

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, the United States of America, acting through the Department of the Interior, Geological Survey hereby terminates Amended Contract No. 2149, OME-6231 under the provisions of Article 9 thereof.

The Government is relieved of all obligations to contribute to costs incurred after September 1, 1964.

The Operator shall furnish the Government three copies of a final report and accounting which shall include a summary of the general geology, of the work done and costs thereof, the results obtained and an estimate of ore reserves indicated.

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.

RWLong/jfg:9/14/65
CC: 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)

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FROM SOLICITOR
SEP 1 1 1965
FOR SIGNATURE

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	130
	Lang	140
	App'n. Sec. Off.	
5/18	Johnson	170
	Fisher	800
		~~130~~
		100
5/18	Cue	220
		130

MAY 18 1965

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

B-65-2007.11

INTERIOR DEPT.
MAY 14 1965
SOLICITOR

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

Gentlemen:

Pursuant to Articles 7 and 16 of the contract, as amended, referred to above, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract and on all production transported through workings to the cost of which the Government contributed in accordance with the "Special Agreement Concerning Royalty" of Article 16(b) of the contract from June 6, 1962, to June 6, 1987, or until the sum of $84,984.36 (subject to audit) is fully repaid with interest at the rate of 6 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

As presently is being done, royalty payments computed as provided in the contract should be made in favor of the Office of Minerals Exploration and should be mailed or delivered by the purchaser to the Field Officer, Office of Minerals Exploration, Region III, Building 20, Federal Center, Denver, Colorado 80225. As heretofore, each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom.

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

FROM SOLICITOR
MAY 17 1965
FOR SIGNATURE

RECEIVED
MAY 14 1965
Division of Mineral Resources
and General Legal Services

23263

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

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/gla (5-13-65)
cc to: Director's Reading File
Docket
CA&A Division
Fiscal Section
Region III
Review Committee (2)
Mr. Selfridge
Mr. Johnson

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to amended Contract 14-23-090-2149, Docket OME-6231 (Molybdenum) dated as of June 6, 1962, with

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

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Nye Molybdenum Mine located in Gilpin County, Colorado, during the period June 6, 1962, through April 30, 1965.

In accordance with Articles 7(b)(1) and 16(b) of the amended contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract or transported through any workings or portions of workings to the cost of which the Government has contributed from the date of the contract until the lapse of time within which the Government may issue a certification of possible production (not later than six months after a sufficient final report and final accounting have been furnished) or until the total net amount contributed by the Government with interest at 6 percent is fully repaid, whichever occurs first. 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 status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found the total sales subject to the Government's royalty for the period to be $50,341.93. Royalty payable to the Government at the rate specified in the contract is $2,517.11.

As of April 30, 1965, the royalty account of this project was found to be:

Total Royalty Payable	$2,517.11
Total Royalty Paid	2,517.61
Overpayment of Royalty	$ .50

C. E. Fisher

C. E. Fisher, OME Auditor

April 30, 1965

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The exploration work contemplated by this contract has not been completed, final reports pertaining thereto have not been furnished to the Government, and final settlement with the Operator for exploration costs incurred has not been accomplished as of the date of this Report of Royalty Review.

The land referred to in Article 2 of the contract consists of 68 patented and 98 unpatented lode mining claims in secs. 9, 10, 15, 16, 21, and 22, T. 23., R. 73 W., 6th PM, Gilpin County, Colorado. The Operator is the owner of the claims.

Since July 1964 ore has been mined from the property and sold to Lenway Mining and Development Corporation, Marion Mill, Boulder, Colorado, which company has remitted the Government's royalty together with copies of the applicable settlement sheets. A summary of the settlements and royalty received by the Government in connection with settlements through the buyers P. O. No. 160, dated March 11, 1965, follows:

Net Dry Weight	6,466,667 lbs.
Weight MO	49,213.9 lbs.
Value	$50,341.93
Royalty Paid	2,517.61
Royalty Due	2,517.11
Overpayment of Royalty	$ .50 *

* Computation error on P. O. No. 122, dated November 7, 1964

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Available records indicate that production subject to Government royalty has been reported and proper royalty paid except as noted above; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Government's Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 6

It is agreed this 13th day of March, 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 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 Hugh M. Conners
Acting Field Officer, Region III,
Office of Minerals Exploration

NYE METALS, INC.

By Robert E. Nye

Title President

Long
Asst. Sol. Off.
Murphy
Talbert
Selfridge
Johnson

Government's Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 5

It is agreed this 19th day of December, 1963, 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 June 6, 1962, as follows:

1. In Amendment No. 4, Item 2 is revised to read as follows:

In Article 1(b) of the contract the figures $278,225.00 and $139,113.00 are revised to read $274,235.00 and $137,118.00, respectively.

2. In Amendment No. 4, Item 4, under Estimated Cost of the Work, Stage II and Stage III:

(a) Under Actual Costs, the words and figures for "Compressed air for drilling" are deleted with a corresponding reduction in the Total Estimated Actual Costs for each stage.

(b) Under Fixed Unit Costs, the following items are added under Stages II and III, respectively, with a corresponding increase in the Total Estimated Fixed Unit Costs for each stage:

(i) Compressed air for drilling 7300 feet @ $0.55/ft.	$4,015.00
(ii) Compressed air for drilling 6000 feet @ $0.55/ft.	$3,300.00

(c) The Total Estimated Cost for Stages II and III are revised to read $118,055.00 and $79,530.00, respectively.

3. In Amendment No. 4, Item 4, the SUMMARY is deleted and replaced a s follows:

SUMMARY

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 @ 50% (rounded)	$137,118.00

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

THE UNITED STATES OF AMERICA

By George Turnick
Acting Director, Office of
Minerals Exploration

NYE METALS, INC.
By Robert E Nye
Title President

Long
Mighty
Talbot
Selfridge

Government's Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 4

It is agreed this 27th day of November, 1963, 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 June 6, 1962, as follows:

1. Amendments Nos. 1 and 3 are deleted in their entirety.

2. In Article 1(b) of the contract the figures $278,225.00 and $139,113.00 are revised to read $276,230.00 and $138,115.00, respectively.

3. In Exhibit A of the amended contract under Description of the Work, the descriptions for Stage II and Stage III are deleted and replaced as follows:

Stage II

"The work under Stage II of this amended contract shall consist 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. With prior Government approval the alloted footage for exploring either vein may be transferred to the other. Also, an aggregate of not more than 200 feet of drifting or crosscutting from the vein drifts may be performed to explore favorable structures indicated in the drifts or adjacent drill holes. The Government will contribute to the cost of not more than 1,000 feet of drifting on the Indianapolis and Indiana veins and 700 feet of timbering of the drifts and crosscuts under Stage II.

"Five (5) diamond drill stations aggregating not more than 120 feet in length shall be excavated along the Main Adit, the Indianapolis vein, or Indiana vein at locations agreed upon by the Operator and Government. From these stations approximately 8 holes aggregating not more than 6600 feet shall be drilled.

"On the surface access roads and 8 drill stations in the Oregon Hill and Mountain Chief Mine areas shall be prepared at locations agreed upon by the Operator and the Government. Not more than 80 hours of bulldozing for access roads and drill sites shall be allowed under this contract.

"From the prepared drill sites, 8 holes aggregating not more than 5400 feet shall be drilled in the Oregon Hill area to explore Nos. 3, 4, 5, and the Golden Chief veins and/or in the Mountain Chief area to explore the fracture zones and veins in the vicinity of the Mountain Chief fault. The attitude and depth of each hole shall be agreed upon by the Operator and Government.

"The locations of the drifts and tentative locations and directions of the underground holes are shown colored red on Plate 2, entitled "Geologic Map, Nye Mine and Vicinity, showing proposed O.M.E. exploration . . . .," attached hereto and made part hereof.

"The structures to be explored from the surface are shown on Plate 1, entitled "Geologic Map, Nye Metals, Inc., Property . . . .," attached hereto and made part hereof."

Stage III

"The work shall consist of not more than 600 feet of drifting and crosscutting along the south Indianapolis vein, 400 feet of timbering in the drifts and crosscuts, 267 feet of raising on the Indianapolis vein, 120 feet of crosscutting for drill stations, and 6,000 feet of diamond drilling from the underground openings at locations mutually agreed upon by the Operator and Government.

"The raises shall have two compartments, consisting of a combination manway and timberslide and a chute for the muck. The raises shall be timbered with 4" thick cribbing and each compartment shall not be less than 4' x 4' in the clear of the timber."

4. In the Amended Contract all words and figures for Estimated Cost of the Work are deleted and the following is substituted in lieu thereof.

"Stage I

Fixed Unit Costs

1700 feet drifting, @ $34.00/ft.	$57,800.00
60 feet crosscutting for drill stations, @ $30.00/ft.	1,800.00
1200 feet timbering, @ $8.00/ft.	9,600.00
1000 feet core drilling, BX standard core size, @ $5.65/ft. AX standard core size, @ $5.20/ft.	5,650.00
20 hours cementing and redrilling, or reaming and casing drill holes, @ $10.00/hr.	200.00
100 cardboard core boxes, @ $1.00 each	100.00
300 assays for molybdenum, @ $5.00/assay	1,500.00
Total Estimated Cost of Stage I	$76,650.00

Stage II

Actual Costs

Category (1), Independent Contracts

Core Drilling (Underground):

6600 feet	$29,112.50
0 to 500 foot depths	
@ $4.15/ft. NX core size	
$3.80/ft. BX core size	
$3.60/ft. AX core size	

500 to 750 foot depths

@ $4.40/ft. NX core size

$4.05/ft. BX core size

$3.80/ft. AX core size

Depths in excess of 750 feet

@ $4.95/ft. NX core size

$4.60/ft. BX core size

$4.40/ft. AX core size

Cementing and drilling out and/or reaming and casing hole

200 hours @ $8.50/hr.	$ 1,700.00	
Surveying hole and standby time		
50 hours @ $8.50/hr.	425.00	
Compressed air for drilling		
7300 feet @ $0.70/ft.	5,110.00	
Total underground drilling		$36,347.50

Core drilling (Surface):

Drilling overburden cased		
200 feet @ $5.70/ft.	$ 1,140.00	
Core drilling		
5200 feet @ $4.60/ft. NX core size	23,000.00	
@ $4.00/ft. BX core size		
@ $3.60/ft. AX core size		

Cementing and drilling out and/or reaming and casing		
100 hours @ $8.50/hr.	$ 850.00	
Surveying hole and standby time		
25 hours @ $8.50/hr.	212.50	
Total surface drilling		$25,202.50
Total Independent Contracts Stage II		$61,550.00
Category (7), Miscellaneous		
None except		
800 cardboard core boxes @ $1.00 ea.	$ 800.00	
500 assays for Mo @ $4.00/assay	2,000.00	$2,800.00
Total Estimated Actual Costs Stage II		$64,350.00
Fixed Unit Costs 1/		
Bulldozing access roads and drill sites		
80 hours @ $15.00/hr. for D-8	$ 1,200.00	
$12.00/hr. for D-7 dozer		
120 feet crosscutting for drill stations @ $30.00/ft.	3,600.00	
1200 feet drifting and crosscutting @ $34.00/ft.	40,800.00	
700 feet timbering in drifts and crosscuts @ $8.00/ft.	5,600.00	
Incidental allowance for each foot of drilling 12,000 feet @ $0.30/ft.	3,600.00	
Total Estimated Fixed Unit Costs Stage II		$54,800.00
Total Estimated Cost Stage II		$119,150.00

Stage III

Actual Costs

Category (1), Independent Contracts

Core drilling (Underground):

6000 feet	$26,325.00	
0 to 500 foot depths		
@ $4.15/ft. NX core size		
$3.80/ft. BX core size		
$3.60/ft. AX core size		
500 to 750 foot depths		
@ $4.40/ft. NX core size		
$4.05/ft. BX core size		
$3.80/ft. AX core size		
Over 750 foot depths		
@ $4.95/ft. NX core size		
$4.60/ft. BX core size		
$4.40/ft. AX core size		
Cementing and drilling out and/or reaming and casing hole		
160 hours @ $8.50/hr.	$ 1,360.00	
Surveying hole and standby time		
40 hours @ $8.50/hr.	340.00	
Compressed air for drilling		
6000 feet @ $0.70/ft.	4,200.00	
Total Independent Contracts Stage III		$32,225.00

Category (7), Miscellaneous

None except

250 cardboard core boxes @ $1.00 ea.	$ 250.00	
400 assays for Mo @ $4.00/assay	1,600.00	$ 1,850.00
Total Estimated Actual Costs Stage III		$34,075.00

Fixed Unit Costs 1/

120 feet crosscutting for drill stations @ $30.00 per ft.	$ 3,600.00	
600 ft. drifting and crosscutting @ $34.00 per ft.	20,400.00	
400 ft. timbering in drifts and crosscuts @ $8.00 per ft.	3,200.00	
267 ft. raising @ $65.00 per ft.	17,355.00	
Incidental allowance for each foot of drilling, 6000 ft. @ $0.30 per ft.	1,800.00	
Total Estimated Fixed Unit Costs Stage III		$46,355.00
Total Estimated Cost Stage III		$80,430.00

SUMMARY

Total Estimated Cost Stage I	$76,650.00
Total Estimated Cost Stage II	$119,150.00
Total Estimated Cost Stage III	$ 80,430.00
Total Estimated Cost of Project	$276,230.00
Government Participation at 50%	$138,115.00

1/ Includes all costs whatever that would otherwise be allowable under categories (2) through (7) except core boxes and assays for Mo."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick Jr.
Acting Director, Office of
Minerals Exploration

Long
App'd. Col. Off.
Murphy
Gaillard
Selfridge
Johnson

NYE METALS, INC.

By Robert E. Nye

Title President

Government's Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 3

It is agreed this 31st day of July, 1963, 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 the date of the Amended Contract as follows:

1. In Amendment No. 1, item 2, under Stage II, Actual Costs, Category (1), Independent Contracts, the first item under the words Core Drilling (Surface) is deleted and the figures $21,802.50, $55,040.00, and $57,640.00, for Total surface drilling, Total Independent Contracts Stage II, and Total Estimated Actual Costs Stage II, respectively, are revised to read $20,602.50, $53,840.00, and $56,440.00, respectively.

2. In Amendment No. 1, item 2, under Stage II, Fixed Unit Costs, the following is added:

Bulldozing access roads and drill sites		
80 hours @	$15.00/hr. for D-8	$1,200.00
	$12.00/hr. for D-7 dozer	

and the figure $57,015.00 for Total Estimated Fixed Unit Costs Stage II is revised to read $58,215.00.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

Long
APP'D. AS. ON.
Murphey
Talbutt
Selfridge
Johnson

NYE METALS, INC.

By Robert E. Nye

Title President

Government's Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 2

It is agreed this 23rd day of May, 1963, 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 June 6, 1962, as follows:

1. In Exhibit A, under the heading General Provisions, the second paragraph on page 2 is deleted and the following is substituted:

> "Under Stages II and III of the work the diamond drill holes shall be started using either standard or wire line NX size and may be reduced if necessary to complete a hole to either the standard BX or AX core size, or to the BX or AX wire line size."

2. In Exhibit A, under the heading Estimated Cost of the Work, pages 6, 7, 8, and 9 of Exhibit A, wherever cost specifications appear for core size, such specifications shall apply equally to both standard and wire line work.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

Long
App'd. Sol. Off.
Murphey
Talbot
Selfridge
Johnson

NYE METALS, INC.

By Robert E. Nye

Title President

Government's Copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 1

It is agreed this 7th day of May, 1963, 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, is amended effective the date of the amended contract as follows:

1. In Article 1(b) of the contract the figures $278,225.00 and $139,113.00 are revised to read $276,230.00 and $138,115.00, respectively.

2. Under Estimated Cost of the Work, Stages II and III are deleted and the following is substituted in lieu thereof:

Stage II

Actual Costs

Category (1), Independent Contracts

Core Drilling (Underground):

0 to 500 foot depths

4800 feet @	$4.15/ft. NX core size	$19,920.00
	$3.80/ft. BX core size	
	$3.60/ft. AX core size	

500 to 750 foot depths

2150 feet @	$4.40/ft. NX core size	9,460.00
	$4.05/ft. BX core size	
	$3.80/ft. AX core size	

Depths in excess of 750 feet		
350 feet @ $4.95/ft. NX core size	$ 1,732.50	
$4.60/ft. BX core size		
$4.40/ft. AX core size		
Cementing and drilling out and/or reaming and casing hole		
200 hours @ $8.50/hr.	1,700.00	
Surveying hole and standby time		
50 hours @ $8.50/hr.	425.00	
Total underground drilling		$33,237.50
<u>Core Drilling (Surface):</u>		
Bulldozing access roads and drill sites		
80 hours @ $15.00/hr. for D-8	$ 1,200.00	
$12.00/hr. for D-7 dozer		
Drilling overburden cased		
200 feet @ $5.70/ft.	1,140.00	
Core drilling - Bedrock to 500'		
4000 feet @ $4.60/ft. NX core size	18,400.00	
$4.00/ft. BX core size		
$3.60/ft. AX core size		
Cementing and drilling out and/or reaming and casing		
100 hours @ $8.50/hr.	850.00	

Surveying hole and standby time

25 hours @ $8.50/hr.	$ 212.50	
Total surface drilling		$21,802.50
Total Independent Contracts Stage II		$55,040.00

Category (7), Miscellaneous

None Except

600 cardboard core boxes @ $1.00 each	$ 600.00	
500 assays for Mo @ $4.00/assay	2,000.00	$ 2,600.00
Total Estimated Actual Costs Stage II		$57,640.00

Fixed Unit Costs 1/

120 ~~105~~ feet crosscutting for drill stations @ $30.00/ft.	$ 3,150.00	
1200 feet drifting and crosscutting @ $34.00/ft.	40,800.00	
700 feet timbering in drifts and crosscuts @ $8.00/ft.	5,600.00	
Compressed air for drilling, 7300 feet @ $0.55/ft.	4,015.00	
Incidental allowance for each foot of drilling ~~11,500~~ 12 000 feet @ $0.30/ft.	3,450.00	
Total Estimated Fixed Unit Costs Stage II		$57,015.00
Total Estimated Cost Stage II		$114,655.00

Stage III

Actual Costs

Category (1), Independent Contracts

Core drilling (Underground):

0 to 500 foot depths

3000 feet @ $4.15/ft. NX core size	$12,450.00
$3.80/ft. BX core size	
$3.60/ft. AX core size	

500 to 750 foot depths

1466 feet @ $4.40/ft. NX core size	$ 6,450.00	
$4.05/ft. BX core size		
$3.80/ft. AX core size		
Over 750 foot depths:		
1500 feet @ $4.95/ft. NX core size	$ 7,425.00	
$4.60/ft. BX core size		
$4.40/ft. AX core size		
Cementing and drilling out and/or reaming and casing hole		
160 hours @ $8.50/hr.	1,360.00	
Surveying hole and standby time		
40 hours @ $8.50/hr.	340.00	
Total Independent Contracts Stage III		$28,025.00

Category (7), Miscellaneous

None Except

250 cardboard core boxes @ $1.00 each	250.00	
400 assays for Mo @ $4.00/assay	1,600.00	$ 1,850.00
Total Estimated Actual Costs Stage III		$29,875.00

Fixed Unit Costs 1/

120 feet crosscutting for drill stations @ $30.00 per ft.	$ 3,600.00
600 ft. drifting and crosscutting @ $34.00 per ft.	20,400.00

400 ft. timbering in drifts and crosscuts @ $8.00 per ft.	$ 3,200.00	
300 350 ft. raising @ $65.00 per ft.	22,750.00	
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 per ft.	1,800.00	
Total Estimated Fixed Unit Costs Stage III		$55,050.00
Total Estimated Cost Stage III		$84,925.00

SUMMARY

Total Estimated Cost Stage I	$76,650.00
Total Estimated Cost Stage II	$114,655.00
Total Estimated Cost Stage III	$ 84,925.00
Total Estimated Cost of Project	$276,230.00
Government Participation at 50% (rounded)	$138,115.00

1/ Includes all costs whatever that would otherwise be allowable under categories (2) through (7) except core boxes and assays for Mo.

Long

App'l, Sol. Off.

Murphy
Russell
Talbert
Selfridge
Johnson

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick Jr
Director, Office of Minerals Exploration

NYE METALS, INC.

By Robert E. Nye

Title President

Government's Copy

MME Form 50
Feb. 1959

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

AMENDED EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6231	Molybdenum	14-23-090-2149	Gilpin	Colorado

It is agreed as of June 6, 1962 (Date) 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., an Indiana corporation

whose mailing address is Room ~~711~~ 517, Merchants Bank Building, Indianapolis, Indiana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), ~~Exhibit A~~ Annex II (work and costs), ~~and the maps~~ Exhibit B and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 25, 1962 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 40 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 278,225.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 139,113.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest computed annually at the rate of 6 8% percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

Amended application note: Please forward all mail to the company at Blackhawk, Colorado.

Government's Copy

MME Form 50
Feb. 1959

FEB 12 1963 O.M.E.

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

AMENDED EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6231	Molybdenum	14-23-090-2149	Gilpin	Colorado

It is agreed as of June 6, 1962 (Date) 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., an Indiana corporation

whose mailing address is Room 711, Merchants Bank Building, Indianapolis, Indiana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 25, 1962 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 40 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

Annex II Exhibit B

(b) The total allowable cost of the work set forth in Exhibit A is $278,225.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $139,113.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

Amended Contract

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

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

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

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

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

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

(2) if the Government issues a certification of possible production--for a period of ~~ten~~ See Article 16(a) years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~XXXXXXXXXX~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

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

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 16 (c)

~~ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

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

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

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

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U.S.C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U.S.C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

(a) In Article 7(b)(2) of the contract, substitute the period "twenty-five years" for the period "ten years".

(b) Special Agreement Concerning Royalty. Notwithstanding the certification provisions of this Article 7, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on production, regardless of where it is produced, which is transported through any workings or any portion of any workings to the cost of which the Government has contributed, for the period described in Article 7(b)(2) above, and pursuant to the terms of Article 7(c) et seq. However, in no event shall more than one royalty be due or paid under this contract on the same production."

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

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

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

Executed in quintuplicate this 6 day of Feb., 1963.

Nye Metals, Inc. (Operator) — THE UNITED STATES OF AMERICA

By Robert E. Nye — By George Turnick
Director, Office of Minerals Exploration

Title President

I, DONALD A. O'MARA (Name), certify that I am

the ——— secretary of the corporation

named as Operator herein; that ROBERT E. NYE (Name),

who signed this contract on behalf of the Operator was then

PRESIDENT (Title) of said corporation, that

said contract was duly signed for and in behalf of said corporation by

authority of its governing body, and is within the scope of its corporate

powers.

Donald A. O'Mara

Griswold
Talbot
Selfridge
Johnson

[CORPORATE SEAL]

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

ANNEX I

The land referred to in Article 2 of the contract consists 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. The Operator is the owner of the claims. Patent and recording data of the claims are as follows:

Patented Claims

Name of Claim	U. S. Patent No.
Smart No. 2	16584
Ideal	17185
Klondyke	17185
Dawson	17185
St. Patrick No. 2	9881
Black Hawk	9881
Duke	11854
Wellington	11854
Dolly Varden	11854
Jumbo	19595
Arlington	19595
Becktell	12420
Belcher	12420

Patented claims (continued)

Name of Claim	U. S. Patent No.
Balmoral	12420
Crown Point	12420
Cordova	12420
David B.	12420
Hildalgo	12420
Kimberly	12420
Pacific	12420
Tioga	12420
Magdalena	12420
Fairview No. 1	19021
Fairview No. 2	19021
Fairview No. 3	19021
J. H. B.	19021
H. C. B.	19021
Hoosier Boy	11355
Josephine	13873
Aurora	13873
Annex No. 1	13873
Annex No. 2	13873
Annex No. 3	13873
Edna	14955

Patented claims (Continued)

Name of Claim	U. S. Patent No.
Golden Forest	14955
Water Lily	14955
Columbine	14955
Iron Shoe	14955
Leon Boy	14955
Little Topsy	14955
Redemption	12627
Mattie D.	12627
Eliza M.	12627
Little Bennie	12627
Golden Cliff [Golden Chief]	12627
Sun Flower	12627
Hard Pan	12292
Exchequer	12292
Gold Belt	12292
E. G. R.	12292
American	12530
Yankee Doodle	12413
Prospect	12413
Hope	12413
Union	13873
Missing Link No. 2	13873

Patented claims (Continued)

Name of Claim	U. S. Patent No.
Fly	13873
Intersection	13873
Home	13873
Home No. 1	13873
Home No. 2	13873
Home No. 3	13873
Home No. 4	13873
Beatrice No. 4	13873
Brightside No. 1	13873
Brightside No. 2	18373
Brightside No. 3	13873
Beatrice No. 3	13873

Unpatented Claims

Recorded at the Office of the County Clerk and Recorder, Central City, Gilpin County, Colorado

Name of Claim	Book	Page
Wilma No. 1	226	43
Wilma No. 2	226	42
Wilma No. 3	226	44
Wilma No. 4	226	46
Wilma No. 500	226	45
Nettie Hazel No. 6	226	47

Unpatented claims (Continued)

Name of Claim	Book	Page
Nettie Hazel No. 7	226	48
Nettie Hazel No. 8	226	49
Nine	226	97
Ten	226	96
Eleven	226	95
Twelve	226	94
Thirteen	226	93
Fourteen	226	92
Fifteen	226	91
Sixteen	226	90
Seventeen Lode	226	107
Eighteen	226	108
Nineteen	226	111
Twenty	226	112
Twenty One	226	113
Twenty Two	226	114
Alvin No. 1	226	318
Alvin No. 2	226	317
Alvin No. 3	226	316
Alvin No. 4	226	315
Alvin No. 5	226	314
Alvin No. 6	232	79

Unpatented claims (Continued)

Name of Claim	Book	Page
Ni's No. 1	239	426
Ni's No. 2	239	427
Ni's No. 3	239	428
Ni's No. 4	239	429
Ni's No. 5	239	430
Ni's No. 6	239	431
Ni's No. 7	239	432
Ni's No. 8	239	433
Ni's No. 9	239	434
Ni's No. 10	239	435
Ni's No. 11	239	436
Ni's No. 12	239	437
Ni's No. 13	239	438
Ni's No. 14	239	439
Ni's No. 15	239	440
Ni's No. 16	239	441
Ni's No. 17	239	442
Ni's No. 18	239	443
Ni's No. 19	239	444
Ni's No. 20	239	445
Ni's No. 21	239	446

Unpatented Claims (Continued)

Name of Claim	Book	Page
Ni's No. 22	239	447
Ni's No. 23	239	448
Ni's No. 24	239	449
Ni's No. 25	239	450
Ni's No. 26	239	451
Ni's No. 27	239	452
Ni's No. 28	239	453
Ni's No. 29	239	454
Ni's No. 30	239	455
Nye's No. 1	239	456
Nye's No. 2	239	457
Nye's No. 3	239	458
Nye's No. 4	239	459
Nye's No. 5	239	460
Nye's No. 6	239	461
Nye's No. 7	239	462
Okey No. 1	239	463
Okey No. 2	239	464
Okey No. 3	239	465
Dan No. 1 through 30	242	201-230

The claims are shown in green on Plate 1 (amended) entitled, "Mining Property of Nye-Mathews Mining, Inc., Apex Mining Dist., Gilpin Co., Colorado . . .," attached hereto and made part hereof.

The Operator is the owner of the claims.

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

ANNEX II

This Amended Contract amends and except as otherwise provided herein supersedes an earlier contract between the same parties, Contract 2149 (OME-6231) dated June 6, 1962, as amended, hereinafter called the "Prior Contract."

NOW THEREFORE, it is mutually agreed that:

1. Effective as of June 6, 1962, the date of the Prior Contract, it is amended and superseded by this Amended Contract in all respects except as otherwise provided. The total contribution of the Government under both the Prior Contract and this Amended Contract shall be repayable under the royalty provisions of this Amended Contract.

The Operator releases and agrees to save the Government harmless from all claims and demands arising out of the Prior Contract except as otherwise provided herein.

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

EXHIBIT A

The purpose of this project is to explore for molybdenum-bearing ore bodies by drifting from the Main Tunnel of the Nye Molybdenum Mine along the Indiana and Indianapolis vein systems, crosscutting from the drifts, and raising from the south Indianapolis drift to the surface. From the drifts, crosscuts, and main adit, and from the surface in the Oregon Hill and Mountain Chief mine areas, diamond drilling will be performed.

The work shall be divided into three stages. The Operator shall perform all of Stage I and Stage II work and as much of Stage III work as is approved in advance by the Government.

General Provisions

No work under this contract may be performed at distances less than 200 feet from exterior property boundaries.

All drifts, crosscuts, and drill stations shall not be less than 6' by 7' in cross section in the clear of timber and shall be timbered as necessary, using standard drift sets of not less than 8" by 8" timber, or equivalent round timber.

All drill stations shall be cut to a depth of not more than 15 feet from the wall of the drift.

Mine rails shall not be less than 30-lbs., air lines of not less than 3-inch and water lines of not less than 1-inch diameter.

The drifts, crosscuts and raises shall be ventilated using not less than 12-inch diameter vent pipe.

All significantly mineralized areas traversed by the drifting, crosscutting and raising shall be sampled normal to their trends at intervals of not more than ten feet. Likewise a representative bulk sample shall be taken of each round broken, in areas showing significant mineralization, in work under Stages II and III.

Under Stage I of the work diamond drill holes shall be started using not less than BX standard core size (1 5/8" diameter) and may be reduced to AX standard size (1 1/8" diameter) if necessary to complete a hole.

Under Stages II and III of the work the diamond drill holes shall be started using standard NX core size (2 1/8" diameter) and may be reduced if necessary to complete a hole to either the standard BX or AX core size.

Core from the diamond drilling shall be properly boxed, marked, and stored for later inspection by the Government. With prior Government approval, the Operator may later dispose of such core. Significantly mineralized core shall be split and sampled and the sample assayed for molybdenum. No sample shall represent a core length of greater than five feet.

Facilities shall be provided for the sampling of diamond drill sludges and such sludges shall be retained when drilling in significantly mineralized areas. Whenever the core recovery is found to have been less than 60 per cent the corresponding retained sludges shall be sampled by quartering as necessary and the sample assayed as indicated above, in addition to the sampling and assaying of such core segments as may have been recovered.

All samples, from whatever source, shall be assayed for molybdenum but before being sent for assay shall be split and one split set aside and made available to the Government, properly marked as to source and location.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period and showing the locations of all samples taken. The map or sketch should also show the general geological formations and structures traversed by the work performed.

All holes shall be logged geologically and copies of the logs of the completed holes shall likewise be furnished monthly, with the Operator's monthly report.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

The location, direction and extent of each work item shall be subject to prior Government approval.

The bulldozer used for preparation of access roads and drill sites shall be either of a D-8 or D-7 size, or equivalent dozer of other make.

Description of the Work

Stage I

On the Main Tunnel level the north and south drifts on the Indianapolis vein system and the north drift on the Indiana vein system shall be extended to such distances as are approved in advance by the Government. With prior Government approval the Operator may drive crosscuts from these drifts to explore for splits and may continue the principal drifts along such splits.

From the east face of the Main Tunnel, one hole shall be diamond drilled to a depth of approximately 200 feet on the same bearing as the tunnel in this area. With prior Government approval four drill stations shall be excavated in the advanced sections of the drifts on the Indianapolis and Indiana veins. From each station a hole shall be diamond drilled to a depth of about 200 feet in a direction normal to the drift and inclined slightly upward. No hole diamond drilled shall be closer than 200 feet to any other hole diamond drilled under this contract. The location of the drill stations and the direction of each hole shall be mutually agreed upon by the Operator and the Government.

The Government will contribute to no more than 1700 feet of drifting, 60 feet of crosscutting for four drill stations, 1200 feet of timbering in the drifts and crosscuts, 1000 feet of core drilling, 20 hours of cementing and redrilling, or reaming and casing drill holes, 100 core boxes, and 300 assays for molybdenum. Stage I work is indicated in black on Plate 2.

Stage II

The work under Stage II of this amended contract shall consist 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. With prior Government approval the alloted footage for exploring either vein may be transferred to the other. Also, an aggregate of not more than 200 feet of drifting or crosscutting from the vein drifts may be performed

to explore favorable structures indicated in the drifts or adjacent drill holes. The Government will contribute to the cost of not more than 1,000 feet of drifting on the Indianapolis and Indiana veins and 700 feet of timbering of the drifts and crosscuts under Stage II.

Seven (7) diamond drill stations aggregating not more than 105 feet in length shall be excavated along the Main Adit, the Indianapolis vein, or Indiana vein. From these stations approximately 12 holes aggregating not more than 7,300 feet shall be drilled.

Approximate Locations and Attitudes of Drill Holes:

UNDERGROUND

Hole No.	Location Station	Project Area	Bearing Degrees	Vertical Angle	Length (Feet)
1	Sta. 1	Main Adit	N.5 W.	-45	500
2	Sta. 1	" "	S.86 E.	-20	900
3	Sta. 1	" "	S.64 E.	-40	900
4	Sta. 2	Indiana Vein	S.35 E.	-12	800
5	Sta. 4	Indianapolis Vein	N.42 W.	-20	700
6	Sta. 4	Indianapolis Vein	S.80 E.	-45	400
7	Sta. 9	" "	N.55 W.	-30	500
8	Sta. 9	" "	S.60 W.	-30	500
9	Sta. 10	" "	East	-5	400
10	Sta. 10	" "	S.5 E.	-20	600
11	Sta. 11	" "	West	-5	400
12	Sta. 7	Indiana Vein	S.60 E.	-30	700

SURFACE

On the surface access roads and 8 drill stations in the Oregon Hill and Mountain Chief Mine areas shall be prepared at locations mutually

agreed upon by the Operator and the Government. Not more than 80 hours of bulldozing for access roads and drill sites shall be allowed under this contract.

From the prepared drill sites, 8 holes aggregating not more than 4,200 feet shall be diamond drilled in the Oregon Hill area to explore Nos. 3, 4, 5, and the Golden Chief veins and in the Mountain Chief area to explore the fracture zones and veins adjacent to the Mountain Chief fault. The bearing, vertical angle, and depth of each hole shall be mutually agreed upon by the Operator and the Government.

The locations of the drifts and underground drill holes are shown colored red on Plate 2, entitled "Geologic Map, Nye Mine and Vicinity, showing proposed O.M.E. Exploration . . . . ," attached hereto and made part hereof. The locations and attitude of the drill holes as shown on Plate 2 are approximate and may be changed with prior Government approval.

The structures to be explored in the Oregon Hill and the Mountain Chief mine areas are shown on Plate 1, entitled "Geological Map, Nye Metals, Inc. Property . . .," attached hereto and made part hereof.

Stage III

The work shall consist of not more than 600 feet of drifting and crosscutting along the south Indianapolis vein, 400 feet of timbering in the drifts and crosscuts, 300 feet of raising on the Indianapolis vein ~~from the adit level to the surface~~, 120 feet of crosscutting for drill stations, and 6,000 feet of diamond drilling from the underground openings at locations mutually agreed upon by the Operator and Government.

The 300-foot raise shall have two compartments, consisting of a combination manway and timberslide and a chute for the muck. The raise shall be cribbed with 4" thick lumber and each compartment shall not be less than 4' x 4' in the clear of the crib timber.

Estimated Cost of the Work

Stage I

Fixed Unit Costs

1700 feet drifting, @ $34.00/ft.	$57,800.00
60 feet crosscutting for drill stations, @ $30.00/ft.	1,800.00

1200 feet timbering, @ $8.00/ft.	$ 9,600.00
1000 feet core drilling, BX standard core size, @ $5.65/ft.	5,650.00
AX standard core size @ $5.20/ft.	
20 hours cementing and redrilling, or reaming and casing drill holes, @ $10.00/hr.	200.00
100 cardboard core boxes @ $1.00 each	100.00
300 assays for molybdenum @ $5.00/assay	1,500.00
Total Estimated Cost of Stage I	$76,650.00

Stage II

Actual Costs

Category (1), Independent Contracts

Core Drilling (Underground): $31,112.50

7300 feet

0 to 500 foot depths

~~4800 feet~~ @ $4.15/ft. NX core size ~~$19,920.00~~

$3.80/ft. BX core size

$3.60/ft. AX core size

500 to 750 foot depths

~~2150 feet~~ @ $4.40/ft. NX core size 9,460.00

$4.05/ft. BX core size

$3.80/ft. AX core size

Depths in excess of 750 feet

~~350 feet~~ @ $4.95/ft. NX core size ~~1,732.50~~

$4.60/ft. BX core size

$4.40/ft. AX core size

Cementing and drilling out and/or reaming and casing hole		
200 hours @ $8.50/hr.	$ 1,700.00	
Surveying hole and standby time		
50 hours @ $8.50/hr.	425.00	
Compressed air for drilling		
7300 feet @ $0.70/ft.	5,110.00	
Total underground drilling		$38,347.50
Core Drilling (Surface): ~~[illegible]~~		
Bulldozing access roads and drill sites		
80 hours @ $15.00/hr. for D-8	$ 1,200.00	
$12.00/hr. for D-7 dozer		
Drilling overburden cased		
200 feet @ $5.70/ft.	1,140.00	
Core drilling ~~(Bedrock to 500')~~	21,050.00 ? low	
62,00 ~~4000 feet~~ @ $4.60/ft. NX core size	~~18,400.00~~	
@ $4.00/ft. BX core size		
@ $3.60/ft. AX core size		
Cementing and drilling out and/or reaming and casing		
100 hours @ $8.50/hr.	850.00	
Surveying hole and standby time		
25 hours @ $8.50/hr.	212.50	
Total surface drilling		23,252.50 ~~$21,802.50~~
Total Independent Contracts Stage II		~~$60,150.00~~ $61,600.00

Category (7), Miscellaneous

None Except

600 cardboard core boxes @ $1.00 each	$ 600.00	
500 assays for Mo @ $4.00/assay	2,000.00	$ 2,600.00
Total Estimated Actual Costs Stage II		~~$62,750.00~~ 64,200.00

Fixed Unit Costs 1/

Marion type Bulldozing access roads from page 7 here	$ 1,200.00	
120 ~~105~~ feet crosscutting for drill stations @ $30.00/ft.	$ 3600.00 ~~$ 3,150.00~~	
1200 feet drifting and crosscutting @ $34.00/ft.	$40,800.00	
700 feet timbering in drifts and crosscuts @ $8.00/ft.	5,600.00	
Incidental allowance for each foot of drilling ~~11,500 feet @ $0.30/ft.~~ 12,000 " " "	3600.00 ~~3,450.00~~	
Total Estimated Fixed Unit Costs Stage II		54,800.00 ~~$53,000.00~~
Total Estimated Cost Stage II		~~$115,750.00~~ 119,000.00

Stage III

Actual Costs

Category (1), Independent Contracts

Core drilling (Underground):

0 to 500 foot depths

3000 feet @ $4.15/ft. NX core size	$12,450.00
$3.80/ft. BX core size	
$3.60/ft. AX core size	

500 to 750 foot depths		
1466 feet @ $4.40/ft. NX core size	$ 6,450.00	
$4.05/ft. BX core size		
$3.80/ft. AX core size		
Over 750 foot depths:		
1500 feet @ $4.95/ft. NX core size	7,425.00	
$4.60/ft. BX core size	✓	
$4.40/ft. AX core size		
Cementing and drilling out and/or reaming and casing hole		
160 hours @ $8.50/hr.	1,360.00	
Surveying hole and standby time		
40 hours @ $8.50/hr.	340.00	
Compressed air for drilling		
6000 feet @ $0.70/ft.	4,200.00	
Total Independent Contracts Stage III		$32,225.00

Category (7), Miscellaneous

None Except

250 cardboard core boxes @ $1.00 each	250.00	
400 assays for Mo @ $4.00/assay	1,600.00	$ 1,850.00
Total Estimated Actual Costs Stage III		$34,075.00

Fixed Unit Costs 1/

120 feet crosscutting for drill stations @ $30.00 per ft.	$ 3,600.00	
600 ft. drifting and crosscutting @ $34.00 per ft.	20,400.00	
400 ft. timbering in drifts and crosscuts @ $8.00 per ft.	3,200.00	
300 ~~350~~ ft. raising @ $65.00 per ft.	~~22,750.00~~ 19,500.00	
Incidental allowance for each foot of drilling, 6000 ft. @ $0.30 per ft.	1,800.00	
		48,500.00
Total Estimated Fixed Unit Costs Stage III		~~$51,750.00~~
Total Estimated Cost Stage III		~~$85,825.00~~ 82,575.00

SUMMARY

Total Estimated Cost Stage I	$ 76,650.00
Total Estimated Cost Stage II	~~115,750.00~~ 119,000.00
Total Estimated Cost Stage III	~~85,825.00~~ 82,575.00
Total Estimated Cost of Project	$278,225.00
Government Participation at 50% (rounded)	$139,113.00

1/ Includes all costs whatever that would otherwise be allowable under categories (2) through (7) except core boxes and assays for No.

EXHIBIT B

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

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

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

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

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

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART D—SANCTIONS AND PENALTIES

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

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

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

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

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

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

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

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

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

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

SUBPART E—CERTIFICATES OF MERIT

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

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

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

PART IV—MISCELLANEOUS

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

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

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

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

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

Government's Copy

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 2

It is agreed this 16th day of October, 1962, 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 Exploration Contract No. 2149 (OME-6231), dated June 6, 1962, as amended, is further amended, effective June 6, 1962, as follows:

1. In Amendment No. 1, dated September 17, 1962, item 3 is deleted and in Exhibit A under Description of the Work, as amended by Amendment No. 1, the first three paragraphs are deleted and there is substituted in lieu thereof the following:

"On the Main Tunnel level the north and south drifts on the Indianapolis vein system and the north drift on the Indiana vein system shall be extended to such distances as are approved in advance by the Government. With prior Government approval the Operator may drive crosscuts from these drifts to explore for splits and may continue the principal drifts along such splits.

"From the east face of the Main Tunnel, one hole shall be diamond drilled to a depth of approximately 200 feet on the same bearing as the tunnel in this area. With prior Government approval four drill stations shall be excavated in the advanced sections of the drifts on the Indianapolis and Indiana veins. From each station a hole shall be diamond drilled to a depth of about 200 feet in a direction normal to the drift and inclined slightly upward. No hole diamond drilled shall be closer than 200 feet to any other hole diamond drilled under this contract. The location of the drill stations and the direction of each hole shall be mutually agreed upon by the Operator and the Government."

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

McSkillaney
Appt. Sol. Off.
Murphy
Bischoff
Selfridge
Johnson

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnich
Director, Office of Minerals Exploration

NYE METALS, INC.

By Robert E. Nye

Title Pres.

October 23, 1962

Memorandum to the File

From: F. M. Murphy, Mining Engineer, Division of Minerals

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

JUSTIFICATION FOR AMENDMENT NO. 2

In a memorandum dated October 16, 1962, Region III advised that the Indianapolis vein system in the north drift is now only a series of fractures and is getting weaker in fault and mineralization intensity. The Operator requested and the field recommends that the remaining footage provided for the Indianapolis north heading be transferred to the north, ~~and south~~ and the south heading of the Indianapolis vein headings of the Indiana vein. Both these headings are now in ore and extension of these drifts might well indicate a significant ore body, hence, the writer concurs in the Region III recommendation.

Government's Copy

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 1

It is agreed this 17th day of September, 1962, 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 Exploration Contract No. 2149 (Docket OME-6231), dated June 6, 1962, is amended, effective September 1, 1962, as follows:

1. In Exhibit A the first paragraph is deleted and there is substituted in lieu thereof the following:

"The purpose of this project is to explore for molybdenum-bearing ore bodies by drifting from the Main Tunnel of the Nye Molybdenum mine along two vein systems, crosscutting from the drifts, and diamond drilling from the drifts or crosscuts into the surrounding Tertiary quartz monzonite."

2. Where the words "drift", "drifts", or "drifting" are written in Exhibit A under General Provisions, Description of the Work, and Estimated Cost of Project, the words "and crosscut", "and crosscuts", or "and crosscutting" are added where applicable.

3. In Exhibit A under Description of the Work, the first paragraph is deleted and there is substituted in lieu thereof the following:

"On the Main Tunnel level the north drift shall be continued on the Indianapolis vein structure an additional 1200 feet or to the intersection of the Indianapolis and Indiana veins, whichever is the lesser. With prior Government approval the Operator may drive crosscuts from the drift to explore for splits of the Indianapolis vein and may continue the principal drift in a northerly direction along such a split. With prior Government approval any unused drift or crosscut footage remaining in the Contract when the intersection of the Indianapolis and Indiana veins is reached may be used to explore either of these veins."

4. The first paragraph of Article 14, of the Contract, is deleted, and the following is substituted in lieu thereof as subparagraph "(A)":

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

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

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

The second paragraph of said Article 14 referring to the new subparagraph (i) of Article 6 is designated subparagraph "(B)".

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

McPhillamy 9-13-62
Appd. Col. Off.
Murphy
Hirsch
Talbert
Johnson

NYE METALS, INC.

By Robert E. Nye

Title Pres.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

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

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

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

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

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART D—SANCTIONS AND PENALTIES

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

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

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

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

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

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

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

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

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

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

SUBPART E—CERTIFICATES OF MERIT

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

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

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

PART IV—MISCELLANEOUS

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

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

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

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

September 12, 1962

Memorandum to the File

From: F. M. Murphy, Mining Engineer
Division of Minerals

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

JUSTIFICATION FOR AMENDMENT NO. 1

In a memorandum, dated September 4, 1962, Region III advised that the Operator, at its cost, had driven a 60-foot crosscut to the west and found that the hanging wall of the Indianapolis structure carried a stronger vein than the one on the footwall which the drift had been following.

In view of this the Operator requested permission to continue the drift north on the hanging wall vein, also, that it be allowed to use some of the drift footage for possible additional crosscuts.

Since the object of the project is to discover molybdenum ore bodies, the proposed work has merit as it will explore the strongest vein. Also, the possible splitting of the Indianapolis vein structure as it nears the Indiana should be explored by crosscutting as well as diamond drilling.

The subject amendment provides such work with prior approval by the Government, therefore, it is recommended that Amendment No. 1 be approved.

F M Murphy

43683

Operator's Indianapolis office requested in their letter June 20, 1962 to Mr. Connors that all mail concerning this contract be sent to:

Nye Metals, Inc.
Black Hawk, Colorado

MME Form 51
Feb. 1959

JUN 21 1962
O.M.E.

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

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6231	Molybdenum	14-23-090-2149	Gilpin	Colorado

It is agreed JUN 6 1962 (Date), 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., an Indiana corporation

whose mailing address is Room 711, Merchants Bank Building, Indianapolis, Indiana, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before JUN 25 1962 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $76,650.00. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $38,325.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 5 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

Original Contract

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

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

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

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

See Article 14

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14

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

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

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

The provisions governing performance of work under Government contracts, as set out in Section 301 of Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract, and shall be included in all contracts executed by the Operator for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Operator and the term "contractor" shall be deemed to refer to the Operator and to contractors awarded contracts by the Operator.

A new subparagraph (i) is added to Article 6 of this contract to read as follows:

"(i) Special Agreement Concerning Royalty. Notwithstanding the certification provisions of this Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on production, regardless of where it is produced, which is transported through any workings or any portion of any workings to the cost of which the Government has contributed, for the period described in Article 6(b)(2) above, and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid under this contract on the same production."

Executed in quintuplicate the day and year first above written.

Sellew 6/4/62
From 5-C
Appd. Sol. Off.
Murphy
Talbutt
Selfridge

UNITED STATES OF AMERICA

By George Turnich
Director, Office of Minerals Exploration

NYE METALS, INC.

By Robert E. Nye

Title PRESIDENT

I, Donald B. O'Mara, certify that I am
(Name)

the _____ secretary of the

corporation named as Operator herein; that ROBERT E. NYE,
(Name)

who signed this contract on behalf of the Operator, was then

PRESIDENT of said corporation, that
(Title)

said contract was duly signed for and in behalf of said corporation

by authority of its governing body, and is within the scope of its

corporate powers.

Donald B. O'Mara

[CORPORATE SEAL]

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

ANNEX I

The land referred to in Article 2 of the contract consists of sixty-seven (67) patented and sixty-eight (68) 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. The Operator is the owner of the claims. Patent and recording data of the claims are as follows:

Patented Claims

Name of Claim	U.S. Patent No.
Smart No. 2	16584
Ideal	17185
Klondyke	17185
Dawson	17185
St. Patrick No. 2	9881
Black Hawk	9881
Duke	11854
Wellington	11854
Dolly Varden	11854
Jumbo	19595
Arlington	19595
Becktell	12420
Belcher	12420

Patented claims (continued)

Name of Claim	U.S. Patent No.
Balmoral	12420
Crown Point	12420
Cordova	12420
David B.	12420
Hildalgo	12420
Kimberly	12420
Pacific	12420
Tioga	12420
Magdalena	12420
Fairview No. 1	19021
Fairview No. 2	19021
Fairview No. 3	19021
J. H. B.	19021
H. C. B.	19021
Hoosier Boy	11355
Josephine	13873
Aurora	13873
Annex No. 1	13873
Annex No. 2	13873
Annex No. 3	13873
Edna	14955

Patented claims (Continued)

Name of Claim	U.S. Patent No.
Golden Forest	14955
Water Lily	14955
Columbine	14955
Iron Shoe	14955
Leon Boy	14955
Little Topsy	14955
Redemption	12627
Mattie D.	12627
Eliza M.	12627
Little Bennie	12627
? Golden Cliff ? Golden Chief	12627
Sun Flower	12627
Hard Pan	12292
Exchequer	12292
Gold Belt	12292
E. G. R.	12292
American	12530
Yankee Doodle	12413
Prospect	12413
Hope	12413
Union	13873
Missing Link No. 2	13873

Patented claims (continued)

Name of Claim	U.S. Patent No.
Fly	13873
Intersection	13873
Home	13873
Home No. 1	13873
Home No. 2	13873
Home No. 3	13873
Home No. 4	13873
Beatrice No. 4	13873
Brightside No. 1	13873
Brightside No. 2	13873
Brightside No. 3	13873
Beatrice No 3	13878

Unpatented Claims

Recorded at the Office of the County Clerk and Recorder, Central City, Gilpin County, Colorado

Name of Claim	Book	Page
Wilma No. 1	226	43
Wilma No. 2	226	42
Wilma No. 3	226	44
Wilma No. 4	226	46
Wilma No. 500	226	45
Nettie Hazel No. 6	226	47

Unpatented claims (continued)

Name of Claim	Book	Page
Nettie Hazel No. 7	226	48
Nettie Hazel No. 8	226	49
Nine	226	97
Ten	226	96
Eleven	226	95
Twelve	226	94
Thirteen	226	93
Fourteen	226	92
Fifteen	226	91
Sixteen	226	90
Seventeen Lode	226	107
Eighteen	226	108
Nineteen	226	111
Twenty	226	112
Twenty One	226	113
Twenty Two	226	114
Alvin No. 1	226	318
Alvin No. 2	226	317
Alvin No. 3	226	316
Alvin No. 4	226	315
Alvin No. 5	226	314
Alvin No. 6	232	79

Unpatented claims (continued)

Name of Claim	Book	Page
Ni's No. 1	239	426
Ni's No. 2	239	427
Ni's No. 3	239	428
Ni's No. 4	239	429
Ni's No. 5	239	430
Ni's No. 6	239	431
Ni's No. 7	239	432
Ni's No. 8	239	433
Ni's No. 9	239	434
Ni's No. 10	239	435
Ni's No. 11	239	436
Ni's No. 12	239	437
Ni's No. 13	239	438
Ni's No. 14	239	439
Ni's No. 15	239	440
Ni's No. 16	239	441
Ni's No. 17	239	442
Ni's No. 18	239	443
Ni's No. 19	239	444
Ni's No. 20	239	445
Ni's No. 21	239	446

Unpatented claims (continued)

Name of Claim	Book	Page
Ni's No. 22	239	447
Ni's No. 23	239	448
Ni's No. 24	239	449
Ni's No. 25	239	450
Ni's No. 26	239	451
Ni's No. 27	239	452
Ni's No. 28	239	453
Ni's No. 29	239	454
Ni's No. 30	239	455
Nye's No. 1	239	456
Nye's No. 2	239	457
Nye's No. 3	239	458
Nye's No. 4	239	459
Nye's No. 5	239	460
Nye's No. 6	239	461
Nye's No. 7	239	462
Okey No. 1	239	463
Okey No. 2	239	464
Okey No. 3	239	465
DAN No 1 - Dan 30	242	201-230

The claims are shown in green on Plate 1 entitled, "Mining Property of Nye-Mathews Mining, Inc., Apex Mining Dist., Gilpin Co., Colorado . . . .," attached hereto and made part hereof.

The Operator is the owner of the claims.

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

EXHIBIT A

The purpose of this project is to explore for molybdenum-bearing ore bodies by drifting from the Main Tunnel of the Nye Molybdenum Mine along two vein systems, and diamond drilling from the drifts into the surrounding Tertiary quartz monzonite.

General Provisions

All significantly mineralized areas traversed in the drifts shall be sampled by cutting channels normal to their trends at intervals of not more than 10 feet. Each such drift sample shall be divided and one split shall be assayed for molybdenum. The remaining split of each drift sample shall be stored in a suitable container properly identified as to location. Diamond drill core showing significant mineralization shall be divided and one split shall be assayed for molybdenum; each such core sample shall represent not more than a 5-foot length of hole. The remaining split of each core sample shall be placed in a core box with the other core recovered. The core boxes shall be identified as to hole number, and markers shall be placed in the core sections to indicate the depths represented.

The stored drift samples and core shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples and core.

True copies of assay certificates for all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period. The map or sketch should show the general geological formations and structures traversed by the drifts and diamond drill holes, and the location and assay value of the samples.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

The Government will not participate in the cost of work done at locations nearer than 200 feet to any property not described in Annex I.

Description of the Work

On the Main Tunnel level the north drift shall be continued on the Indianapolis vein an additional 1200 feet or to the intersection of the Indianapolis and Indiana veins, whichever is the lesser. With prior Government approval, 200 feet of drifting from the point of intersection may be done on either vein.

From the east face of the Main Tunnel, one hole shall be diamond drilled to a depth of approximately 200 feet on the same bearing as the tunnel in this area. In the advanced section of the north drift on the Indianapolis vein four drill stations shall be excavated and from each station a hole shall be diamond drilled to a depth of about 200 feet in a direction normal to the drift and inclined slightly upward. These holes shall be drilled either east or west at intervals of not less than 200 feet. The location of the drill stations and the direction of each hole shall be mutually agreed upon by the Operator and the Government.

From the present face of the Indiana vein (portal elevation 10,543 feet) a drift shall be driven an additional 300 feet in a northeasterly direction along the vein.

All drifts and drill stations shall not be less than 6' x 8' in cross section in the clear of timber and shall be timbered as necessary using standard drift sets of not less than 8" x 8" timber, or equivalent round timber. The four drill stations shall each be cut to an approximate depth of 15 feet from the wall of the drift.

Mine rails shall be of not less than 30 pound size, air lines not less than 4 inches in diameter, and water lines not less than 1 inch in diameter. The drifts shall be ventilated, using not less than 12-inch diameter vent pipe.

Diamond drill holes shall be started not less than BX standard core size (1-5/8-inch); however, the diameter may be reduced to AX standard size if necessary to complete a hole in caving ground.

The Government will contribute to no more than 1700 feet of drifting, 60 feet of crosscutting for four drill stations, 1200 feet of timbering in the drifts and crosscuts, 1000 feet of core drilling, 20 hours of cementing and redrilling, or reaming and casing drill holes, 100 core boxes, and 300 assays for molybdenum.

The approximate location and extent of the drifts and diamond drill holes are shown in red on Plate 3 entitled, "Nye Metals, Inc., Sketch Map Showing Proposed OME Exploration . . .", attached hereto and made part hereof.

Estimated Cost of Project

Fixed Unit Costs

1700 feet drifting, @ $34.00/ft.	$57,800.00
60 feet crosscutting for drill stations, @ $30.00/ft.	1,800.00
1200 feet timbering, @ $8.00/ft.	9,600.00
1000 feet core drilling, BX standard core size, @ $5.65/ft.	5,650.00
AX standard core size @ $5.20/ft.	
20 hours cementing and redrilling, or reaming and casing drill holes, @ $10.00/hr.	200.00
100 cardboard core boxes @ $1.00 each	100.00
300 assays for molybdenum @ $5.00/assay	1,500.00
Total Estimated Cost of ~~Project~~ Stage 1	$76,650.00
Government Participation @ 50%	$38,325.00

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

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

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

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

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

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART D—SANCTIONS AND PENALTIES

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

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

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

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

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

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

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

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

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

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

SUBPART E—CERTIFICATES OF MERIT

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

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

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

PART IV—MISCELLANEOUS

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

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

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

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

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

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

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 13 1962

DATE	INITIALS

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December 10, 1962

Memorandum

To: George C. Selfridge, Chief

From: Acting Field Officer, OME, Region III

Subject: APPLICATION FOR OME AID
Nye Metals, Inc. (Molybdenum)
(Nye Molybdenum Mine)
Gilpin County, Colorado

Attached is an application for OME aid in the amount of $499,935.00. The Applicant proposes a three stage exploration program to continue upon the completion of OME-6231, Contract 2149. The three stage program consists of bulldozing, surface and underground drilling, drifting, and raising.

A review of the application indicates that careful consideration should be given to the following:

(1) The Applicant requests a time limit of five years to do the work which is too long a period of time. yes

(2) The 350 foot raise in the Stage II appears to me to be a policy decision. It is exploration but the raise is also a necessity for ventilation. ?

(3) One hundred hours of bulldozing in Stage II is written to sound like it is for prospecting and not drill site preparation and drill roads.

(4) I believe Mr. Melbye is a fine geologist but I question the advisability of hiring an assistant geologist.

(5) Should a new contract be prepared, would it be possible to extend the royalty payments 25 or 30 years to protect the Government in the event one of the larger companies should purchase the property and let it stand idle for a few years while they mine other deposits.

The exploration work to date has been very encouraging but only indicated ore reserves can be calculated at this time. This property is the best prospect for a possible big mine that we have had for a long time, as is evidenced by the interest shown by Union Carbide Nuclear Company, Bear Creek Mining Company, American Metals Climax Company, and others.

I believe that further exploration of this property is justified and I recommend that your consideration be given to a new contract along the lines suggested by the Applicant.

Hugh M. Connors

Hugh M. Connors

MME Form 40
July 1962

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

NYE METALS, INC.
Room 711
Merchants Bank Building
Indianapolis, Indiana

Note: Please forward all mail to the company at Blackhawk, Colorado.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME 6282

DATE RECEIVED: December 13, 1962

REGION: Region III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: Indiana

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Robert E. Nye	936 N. Olney, Indianapolis, Ind.	President
Robert D. Enoch	9436 Spring Mill Rd., Indianapolis	Vice-Pres.
Donald A. O'Mara	920 Markwood, Indianapolis, Ind.	Secretary
Arthur J. Pasmas, Sr.	3055 N. Meridian, Indianapolis	Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Molybdenum

ESTIMATED COST OF PROJECT: $ 499,935

PROPERTY NAME: Nye Molybdenum Mine

LOCATION — COUNTY: Gilpin — STATE: Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

December 6, 1962
DATED

Robert E. Nye
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C.11879

APPLICATION FOR FINANCIAL ASSISTANCE

IN MINERALS EXPLORATION

by

NYE METALS, INC.

Blackhawk, Colorado

December 6, 1962

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2.	Applicants Rights in Lands	Page 1
3.	Physical Description	Page 3
4.	Accessibility of Property	Page 10
5.	Exploration Work	Page 11
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7.	Estimate of Costs	Page 16

LIST OF MAPS

Plate 1 - Geologic Map - 1" = 500'

Plate 2 - Geologic Map - 1" = 200'

Plate 3 - Cross-section

Plate 4 - Drillhole Map - North Dakota Hill Area

Plate 5 - Drillhole Map -- South Utah Hill Area

Plate 6 - Underground Geologic Map - 1" = 50'

Plate 7 - Geochemical Overlay Map

Plate 8 - Property Map

APPLICATION FOR FINANCIAL ASSISTANCE

IN MINERALS EXPLORATION

by

NYE METALS, INC.

Blackhawk, Colorado

1. FINANCIAL ELIGIBILITY

a. Efforts Made to Obtain Other Financing:

Two letters from banks are attached, in which they have refused to loan money for this exploration effort in response to our applications.

b. Affiliated Companies

None

c. Manner in Which Nye Metals Will Furnish Share of Cost:

Nye Metals, Inc. share will be furnished partly in the form of usage of mining equipment and surface plant and partly with money.

2. APPLICANTS RIGHTS IN LANDS

a. Property Rights:

Nye Metals, Inc. owns a 100% interest in all of the unpatented and patented claims to be explored. There are no liens, mortgages, or encumbrances against the property.

b. Legal Description:

Patented claims - These claims are located in Sections 9, 10, 15, 16, 21, and 22, T. 2S., R. 73W., Gilpin County, Colorado.

Name	Patent No.
✓ St. Patrick No. 2	9881
✓ Black Hawk	

Name	Patent No.
Duke	11854
Wellington	
Dollie Varden	
Prospect	12413A
Hope	
Golden Gate ?	
Yankee Doodle	
American	12530
Hardscrabble	12292
Hardpan	
Exchequer	
Gold Belt	
EGR	
Home	13873
Home Nos. 1-4	
Brightside Nos. 1-3	
Intersection	
Fly	
Missing Link #2	
Union	
Josephine	
Aurora	
Annex	
Annex Nos. 1-2	
Beatrice Nos. 3-4 OK	
Fairview Nos. 1-3	19021
JHB	
HCB	
Cordova	12420
David B.	
Belcher	
Kimberley	
Balmoral	
Tioga	
? Bechtel ? Becktoll in OHE-6231 Annex I of contract and on map	
Hildalgo	
Magdalen	
Crown Point	
Pacific	
Hoosier Bar ? Hoosier Boy OK	11355

transfer on Annex OHE-6231 contract 2049

Name	Patent No.
Iron Shoe	14955
Edna	
Golden Forest	
Water Lily	
Columbine	
? Lean Boy ? Lean Boy on map - contr	
Little Topsy	
Eliza M	12627A
Mattie D	
Redemption	
Sunflower	
Golden Chief ? golden cliff	
Little Bennie	
Smart No. 2	16584
Ideal	17185
Klondyke	
Dawson	
Jumbo	19595
Arlington —	1958

Unpatented Claims - These claims are all recorded in the Gilpin County Courthouse, Central City, Colorado.

Name	Book	Page No.
Wilma Nos. 1-4	226	42, 43, 44, 46
Wilma No. 500	226	45
Nettie Hazel Nos. 6-8	226	47-49
Nine thru Twenty-Two Lodes	226	90-97, 107-108 and 111-114
Okey Nos. 1-3	239	463-465
Ni's Nos. 1-30	239	426-455
Nye's Nos. 1-7	239	456-462
Alvin Nos. 1-5	226	314-318
Alvin No. 6	232	79
Dan Nos. 1-30	242	201-230

c. Lien and Subordination Agreements:

Since no exploration will take place on leased land, no Lien and Subordination Agreements are required.

3. PHYSICAL DESCRIPTION

a. Description of Past and Present Operations:

Earliest work on the property consisted of scattered prospect pits for gold-silver exploration, probably dating from the 1870-1880 period when the Central City district was first developed.

Nye-Mathews Mining, Inc. was organized on July 29, 1954 and proceeded with location of 22 claims for molybdenum. Since July, 1956 the company has actively carried on exploration by geochemical soil sampling, surface bulldozer cuts, and underground cross-cutting and drifting. Considerable additional land holdings have been acquired. The company name was changed to Nye Metals, Inc. in 1962.

In June, 1962 the present O.M.E. Contract #2149 was approved and work was started immediately and is continuing. Results of this work have been completely summarized in the monthly reports and will be referred to later in this application. This application is intended, if approved, as a continuation of present work contract which should be completed in December or January. A competent mine crew has been assembled and the surface plant is set up for a continuous operation. Therefore, it would now be very costly and inconvenient to terminate operations for any period of time, and is both to the government's and the operator's benefit to have uninterrupted operations.

The earliest underground work consisted of a 170-foot adit on the Indiana vein. This was followed by the main 1750-foot crosscut adit. Subsequent drifting on the Indianapolis and Indiana veins have totaled about 1160 feet and 580 feet, respectively. Drifting is presently continuing south on the Indianapolis and north on the Indiana vein systems. Two drill holes have been completed and three are yet to be drilled. Detailed and reconnaissance geological mapping of a large part of the property has now been completed by the company geologist. Extensive geochemical sampling and geological mapping have been completed by Union Carbide Nuclear Corp. and Bear Creek Mining Co. this summer, and these results will soon be available to the company. Each of these companies, in addition to American Metal Climax, Inc., has spent considerable time on the property. Union Carbide had new low-level aerial photographs taken which have been very helpful in geological mapping, as well as detailed petrographic studies of rock types and alteration.

Very few changes have been made to the surface plant, which remains in excellent condition and very adequate to handle contemplated operations under this application.

b. Company Interest in Operations

Nye Metals, Inc. has a 100% interest in all operations conducted since 1954. No interest assignments, exploration agreements or options have been entered into with any other company.

c. Production

There has been no production, although some development ore has been stock-piled on the dump.

d. Ore Reserves

No ore reserves are claimed at this time, although drifting to date on both the Indianapolis and Indiana veins has disclosed substantial veins for which at least indicated ore reserves could be calculated. Ore reserves will be calculated at the end of the present contract, and will be substantially greater than at the beginning.

e. Geology

Throughout the geology discussion, please refer to Plate 1, 500 scale map of the property and Plate 2, 200 scale geologic map of the Nye mine area. The 500 scale map is based on mapping by Charles E. Melbye, company geologist, on thesis mapping by Paul Lohman at Colorado University, and on a compilation of U. S. Geological Survey maps. One striking, but difficult, factor in evaluating the geology of Nye Metals property is the lack of outcrops, in spite of rather steep terrain. Landslides, talus slopes, and thin but extensive soil cover have all contributed to this factor.

Rock Types:

Quartz Monzonite - Considerable new information has been gained with regard to the main rock type of economic importance, the quartz monzonite of the Apex stock. Its composition varies markedly from one portion to another, but a very detailed petrographic study would be necessary to properly subdivide every type. Some petrographic work has been done which shows that, at least in the mine area, the rock was originally a diorite but a flooding of quartz and microperthite has changed the composition to a quartz monzonite, a granodiarite, or even to a granite in places. From the top of Oregon Hill southward, the rock is a diorite, but from Oregon Hill north to North Dakota Hill, it is either a quartz monzonite or a granodiorite. No sharp contacts have been seen, indicating that this change is due to the later quartz and feldspar alteration effects rather than separate intrusives. This factor is regarded as extremely important since it is an alteration phase, which is very intense and which is related to the mineralization sequence in age. Wallrock alteration is discussed under a later section.

Dacite Porphyry - One subdivision of the Apex stock can easily be made, megascopically, which is not due to alteration. This is the dacite porphyry which occurs as dikes and irregular small intrusives. The porphyry is very distinctive with laths of

plagioclase and hornblende in a fine-grained light gray groundmass of microcrystalline feldspars. The laths are usually about ¼" long but occasional much longer ones can be seen. This type comprises the crest and north sides of Oregon Hill and also the continuous E-W dike in the North Dakota Hill area. It is present elsewhere, as evidenced by float, but no outcrops were found, and it undoubtedly represents a later intrusive which comprises many of the dikes and small intrusives throughout the Apex stock. The mineralized dikes of the Evergreen mine probably fall under this category.

Pre-Cambrian Gneiss and Schist - The pre-Cambrian metamorphic rocks show the normal wide variation in composition in this district but two main types are recognizable; biotite gneiss and pegmatite gneiss. The biotite gneiss is finer grained, more banded, and contains a higher percentage of biotite. Sometimes the rock, as drilled in Hole No. 2, is at least 75% biotite. On the other hand, the pegmatite gneiss is mostly coarse-grained masses of quartz orthoclase and muscovite with less biotite, but definitely gneissic in character. Occasional small areas of biotite schist may be seen, but overall the rock is more properly termed a gneiss.

Hydrothermal Alteration - Based on petrographic studies by Union Carbide, the following alteration effects have been observed to accompany molybdenum mineralization:

1) Recrystallization and increased crystal size of feldspar and quartz

2) K-feldspathization, i.e., alteration of plagioclase to orthclase.

3) Biotitization, i.e., replacement of hornblende by secondary biotite.

4) Silicification, i.e., introduction of silica in the form of quartz.

Other common types of alteration, such as sericitic and argillic, are weak or absent. Chloritization varies from weak to moderate in the stock, except along the veins where it is usually intense. Veinlets and irregular masses of quartz and microperthite are fairly evident from geological mapping, but their magnitude and importance were not clearly understood. Microperthite has been mapped as secondary orthoclase.

Structure:

The structural setting is quite complex and hence very favorable. The northeast system, represented by the Dakota and Smith Gulch faults, strikes from E-W to N50°E. At least the Dakota fault,

since it is exposed in the mine workings, is a reverse fault with horizontal and vertical displacement of 240 and 100 feet, respectively. Its known strike length is 5000 feet and the main fault zone is 10-20 feet wide with additional fracturing beyond. Movement has been both pre- and post-mineral. The northwest fault system is represented by the Oregon fault, the Mountain Chief fault and another northwest of Dakota Hill. The Mountain Chief fault represents the southwest end of a major mineralized fault zone extending through the Perigo area for 2½ miles northeast. A third system is represented by the north-south Apex fault along which the Pine Creek drainage has been cut for 2 miles. In addition to these, numerous faults of lesser importance were mapped underground and on surface.

Throughout the intrusive, and especially near the important veins, are sheeted zones or zones of close parallel fractures, from ½" to 2" apart. These usually dip from 60° to vertical and are striking at various directions. These sheeted zones are particularly important with respect to presence of large tonnages of low-grade ore as they contain the quartz-molybdenite veinlets. Most of the quartz-molybdenite veins are emplaced along faults or there has been post-mineral movement, but these will be discussed under Mineralization and Ore Deposits. Fracture zones in the monzonite are particularly well developed near the Indianapolis vein system, on the north slope of Oregon Hill, in the North Dakota Hill area, and south of Utah Hill. A feature that appears to be a breccia pipe is developed on the north side of Smith Gulch. Completely fractured gneiss has been cemented with quartz. Fracturing associated with the Apex fault has very likely influenced the deposition of sulphides at the Evergreen mine, even though previous writers give the deposit a magmatic origin.

Mineralization and Ore Deposits:

Vein Deposits - Drifting under the present O.M.E. contract has revealed considerable information about the nature of the veins. The veins become the widest in the quartz monzonite, compared to the gneiss, but structural control is also important within the intrusive, as evidenced by the pinching of the north Indianapolis vein where the strike swung 10°-15° NE. Each vein is a system composed of 2 or more splits which join or branch off at various places. These splits may be as much as 50 feet apart. Widths vary from 2 inches to 5 feet, but 550 feet of the Indianapolis vein and 330 feet of the Indiana are 1.5 feet or more in width and generally carrying values near 1% MoS_2 or more. Additional substantial values are often present in the walls for at least the width of the drift. Oblique highly mineralized fractures are well-developed along the Indianapolis vein and contribute greatly to wallrock grade. Correlation of the surface and under-

ground mapping now proves a 400-foot vertical vein continuity on the Indianapolis and 200 feet on the Indiana vein. The conclusion is now indisputable that grade has increased from the surface to tunnel level, but any similar change at greater depths is purely conjecture at this point and will be proven under the proposed drilling. No formation change is expected that would cause any lower values.

Mineralogy remains very simple, consisting of molybdenite and pyrite in quartz veins. Minor chalcopyrite, specularite, and galena may occasionally be seen. As a feature of alteration, intense chloritization of the quartz monzonite has nearly always occurred near the veins. On the other hand, only occasional blanket silicification has occurred in the walls but quartz veining is usually strong.

Plate I shows the veins now known and many others are undoubtedly present. Three types are evident:

1. the NE system, represented by the Indiana, the Paton, and most of the veins on Oregon Hill.

2. the N-S Indianapolis vein system,

3. a series of scattered N-W veins of probable lesser importance,

4. the E-W and NE veins consisting of pyritic fracture zones with molybdenite in the North Dakota Hill area.

The first two appear most promising for higher grade ore, but the last two appear important in relationship to large tonnages of disseminated ore. The abundance of veins throughout the Nye property is particularly encouraging in furnishing many worthwhile exploration targets.

Disseminated Deposits - Although very little attention has been directed in the present program towards the disseminated molybdenite mineralization, the favorable potential is readily recognizable. Nearly every fracture in the 900 feet of quartz monzonite cut by the main tunnel shows at least a film of molybdenite. The walls of the veins, as far as visible in the drifts, contain appreciable values. Grade is pretty well related to intensity of fracturing and, of course, areas in which fractures are widely spaced will be very low-grade. Zones of quartz veining on the surface, with little or no visible molybdenite, show increased molybdenite content at tunnel level thereby indisputably showing the increased grade with 200'-400' of depth. The sparsity of molybdenite at the surface is believed by the writer to be due to a temperature gradient effect rather than to oxidation leaching. In other words, it is doubtful that appreciably higher molybdenum content was ever present at

surface since the upper limits of the necessary temperature gradient for molybdenite deposition was probably near the present surface level.

Favorable areas are those in which fractures are closely spaced, quartz veining is intense, and microperthite veining and masses are abundant. Primary areas of interest are those in the quartz monzonite stock, although values extend into the gneiss. The presence of molybdenite in these favorable zones is, of course, particularly favorable, but based on the mine area, molybdenite veining can be very weak on surface and yet considerable at depth. High geochemical values are also indicative of areas of greater mineralization and soil samples profiles by Union Carbide have correlated quite well with known concentrations in bedrock, at least where landslides have not occurred.

Areas in which these favorable factors occur are 1) Indianapolis vein system, 2) Indiana vein system, 3) North slope of Oregon Hill along ridge, 4) North Dakota Hill west and north of Mountain Chief mine, and 5) South Utah Hill. Generally, these areas extend from the Oregon fault northward and beyond the Mountain Chief fault, a distance of at least 8500 feet. Known surface occurrences of molybdenite are very widespread and are indicated on the geologic maps.

f. Reasons for Expecting to Find Ore

Vein Deposits - We expect to continue discovering new ore on the Indianapolis and Indiana vein systems as well as make new ore discoveries on the Nos. 1 through 5 veins and the Golden Chief vein on Oregon Hill. These new veins have been discovered by surface mapping and some of them are just as strong on surface as the presently explored veins. A composite of No. 1 Vein material assayed .33% MoS_2, and visible molybdenite or the yellow oxide, ferri-molybdite, can be seen in most of the others. The Indianapolis ore shoot has been delimited on the north but not to the south, making a present length of 550 feet. The Indiana vein has been in gneiss most of the way, but has shown a surprisingly wide, well-mineralized vein for over 300 feet. It has now entered the intrusive where width and grade have already increased. Sampling of the new areas has consisted mainly of geochemical rock and soil samples and these are shown on Plate VII. For sampling of present drifts, please refer to assay maps included with each monthly report.

Disseminated Deposits - We expect to find substantial deposits of lower-grade disseminated ores in conjunction with vein exploration, thereby providing a dual objective to all exploration work. Of most encouragement are the large areas of numerous veins, with the wallrock over widths of several hundred feet showing quartz veining, fracturing, and micro-perthite veining,

together with varying but persistent molybdenite. The main tunnel has crosscut the Apex stock at one point, and nearly every fracture shows some molybdenite. Two drill holes have found similar conditions. Fracturing is most intense for 500 feet west of the Indianapolis vein and the best molybdenite values are concentrated for 100 feet east and west of the vein. Wallrock alteration, which is a necessary criteria for economic large low-grade molybdenum deposits, is intense over large areas and consists of a flooding of quartz and microperthite, in addition to pyritization, biotitization, and smaller zones of chloritization. Widespread geochemical anomalies are strong evidence for the presence of disseminated molybdenite throughout wide zones. Major fault zones, such as the Dakota, Oregon, and Mountain Chief, were originally pre-ore and related molybdenite concentrations, have already been seen underground and on surface, and are further expected.

Structurally, the setting of the Nye property is one of major faulting and fracturing, widespread alteration, and associated molybdenite in veins and fractures over the entire property, but particularly in the central portion, an area of at least one square mile.

The major companies, Union Carbide Nuclear Co., Bear Creek Mining Co., and American Metal Climax, Inc., are all evidencing unusual interest in the potential for a large disseminated deposit, as shown by the amount of time spent on the property and by their willingness to do assaying, geochemical sampling, and other work for the company.

4. ACCESSIBILITY OF PROPERTY:

a. Location:

Either of two people will meet the O.M.E. representative:

Robert E. Nye Blackhawk, Colorado Telephone: 2607	or	Charles E. Melbye 2721 Lookout View Drive Golden, Colorado Telephone: Cr. 9-1542

The property may be reached by traveling north from Blackhawk on paved State Highway #119 for 2 miles, thence 7 miles westerly on a good gravel road to Apex, a cluster of houses occupied only in the summer. The mine is then one mile northeast of Apex over a good winding dirt road. The main mine workings are completely accessible. Only the shallow surface adits and cuts are caved or sloughed.

b. Supply Points:

The nearest supply points are the small towns of Central City and Blackhawk, 10 miles away. Limited small mining operations are usually in progress in the area at all times. The city of Denver is 44 miles away. Nearest rail shipping point is Golden, 30 miles distant.

5. EXPLORATION WORK:

a. Description of Proposed Work:

By way of introduction, certain basic premises should first be stated. In all proposed drilling, holes are planned a minimum of 200 feet apart horizontally and planned to intersect a vein or mineralized zone a minimum of 200 feet apart vertically. This is believed to be exploration in every sense since development drilling would certainly have to be considerably closer. All drilling must be angle holes, since the veins and fracture zones dip steeply from 60° to vertical. The costs of drifting are increased $1 per foot over the present contract, as the operator's considerable experience with underground exploration in the mine has now indicated the costs will exceed $34 per foot for drifting with the longer tram of over 2000 feet. Drilling costs are estimated at $6 per foot which is somewhat greater than the bids to allow for cementing, casing, and reaming. Under the present contract, most of the work consisted of drifting by the company and supervision was included under the per foot price. However, this proposed contract will consist of a great amount of drilling which will all be contracted to an outside contractor and supervision must be furnished by the operator at an extra cost. Therefore, a consulting geologist and an assistant geologist are proposed as a very reasonable supervision cost for a program of this magnitude. Considerable savings have been effected under the present contract with American Metal Climax, Inc. and Union Carbide Nuclear Co. running assays at no charge. However, we cannot be assured of this continuing gratis assistance and assays are put in at normal cost, estimating one required every 15 feet. Work is proposed no closer to land boundaries than 175-200 feet, which is believed to be in line with previous O.M.E. policy.

Although specific hole locations are now requested, it is expected that some flexibility will be required in later work to take into consideration new results obtained. For location of all proposed work, please refer to Plate 2 (200 scale geologic map) and to Plates 3 and 4 which show relationships to all mine workings, geology, and land boundaries. The program is set up in 3 stages, and Stage I work is shown in orange, Stage II in green, and Stage III in carmine.

The proposed exploration work is herewith listed and discussed by stages:

STAGE I

Drilling - Underground 8800 feet
Surface 4800 feet

TOTAL 13,600 feet.

Each drill hole will not be discussed but, in general, the objective of underground drilling is mainly to explore the Indianapolis vein at depth and the low-grade ore between the Indianapolis and Indiana veins and near the Dakota fault. Surface holes will explore the Nos. 3, 4, and 5 veins on Oregon Hill, as well as the Indiana vein at depth below tunnel level. Hole directions are varied some to insure proper grade determination of sheeted mineralized zones, which have varying strikes. Each hole will be started NX size and changed to BX and AX, as dictated by the difficulties encountered. Angles and depths are all labeled on Plate 2.

Drifting -

1. Indianapolis Vein System - 1,400 feet.

Drifting southward from the present heading constitutes the exploration considered the prime target of the entire program. Six unexplored veins on Oregon Hill are known and this first stage will explore at least three. Others are suspected and the present drift has cut two unexpected veins in the last 50 feet. The intense quartz veining and the Oregon fault also are prime targets in exploration for disseminated ores. The first 1000 feet will continue on the Indianapolis vein system as well as crosscut new veins, and the last 400 feet is set up for drifting on newly discovered veins. The drift will also provide excellent stations for drilling the intrusive.

2. Indiana Vein System - 600 feet.

Drifting is now well within the quartz monzonite and values in the vein and walls have both increased. Continuation of this work has an excellent chance of finding new ore. Although the north Indianapolis vein system has weakened, the fault structure is present and an intersection with the Indiana system still presents a favorable target. The expected westward displacement on the Dakota fault will about compensate for the northeastward swing in the vein strike. Again, excellent drill sites will be provided for drilling the Indianapolis vein at depth and the intrusive between, at considerably less footage than from surface.

All drifts will be at least 5' x 7' where untimbered and 7' x 8' where timbered. Based on past experience it is estimated that 70% of all drifts will require timbering. Timbers will be 8" x 8" with 3" lagging. Rail will be 30# at an 18" gauge. Vent pipe will continue to be 12" diameter, air pipe 4" diameter, and water

pipe 1" diameter. It is requested that 2" air pipe be allowed at some bends since it involves less work in making the bends.

STAGE II

Drilling - Underground 2150 feet
Surface 9100 feet

TOTAL 11,250 feet.

Underground drilling will consist of one deeper hole to test the Indianapolis mineralization 600 feet below tunnel level, if Stage I drilling is encouraging; as well as further drilling of the walls between the veins. Surface holes are planned on Oregon Hill to explore 200 feet deeper at the same locations drilled under Stage I. Also, the Dakota fault shows anomalous geochemical values about 500 feet north of Dakota Hill, near or at the monzonite contact, and this is considered an excellent location for 2 holes. The North Dakota Hill area near the Mountain Chief mine is also proposed as a completely new area with no past exploration by the company. Molybdenite is disseminated over a wide area in the pyritized altered fracture zones in quartz monzonite; and geochemical values are high. Therefore, drilling is mainly for exploration of disseminated ores, and six holes are planned.

Drifting -

1. Indianapolis Vein System - 1,200 feet.

This drift will be continued southward to crosscut the Nos. 4 and 5 veins and 400 feet is allowed for exploration of these or other veins which may be encountered.

2. Indiana Vein System - 600 feet.

If results of drifting under Stage I continue to be encouraging, this drift should be continued, and, based on surface mapping, should intersect the east contact of the Apex stock; thereby providing drill stations for exploration of the entire Apex stock in this area. The drift should penetrate the NW fault zone along which the one bulldozer cut has revealed highly altered quartz monzonite with high geochemical values.

Raising -

Indianapolis Vein System - 350 feet.

At the end of Stage I, drifting will have reached a point about 3300 feet from the portal. Ventilation will then be very difficult if drifting and underground drilling are to be continued. Furthermore, no vertical exploration other than drilling will have been done in the entire project and it is proposed that this raise be put up primarily as exploration

but with the dual purpose of providing ventilation for further exploration under Stage II. One isolated raise in a program of this magnitude seems completely justified as pure exploration. The location near the Oregon fault saddle is at the nearest point to surface. However, location will be shifted to avoid extremely bad ground.

The size is proposed as 5' x 10', with cribbing undoubtedly required throughout, since the raise will follow the vein. Permanent air and water line will be carried up, and one sub-level station will be necessary about halfway. Manway compartment will be 3½' x 4' and the hoisting compartment, 5' x 4', inside dimensions.

Bulldozing - 100 hours.

Since the Oregon Hill and North Dakota Hill areas are relatively unexplored, a few bulldozer cuts are proposed to gain invaluable knowledge for proper location and interpretation of drill holes. This would be done prior to surface drilling, using a D-8 Caterpillar dozer owned by the operator. A few locations of cuts are specified, but additional ones will be spotted, based on additional detailed geological mapping as each cut is made.

STAGE III

Drilling - Underground 3100 feet
Surface 14,600 feet

TOTAL 17,700 feet.

Further drilling will, of course, depend on previous results and actual locations may vary considerably from that planned at this time. However, additional underground holes are proposed from the Indiana drift toward the Indianapolis system. Surface holes are proposed to explore a portion of the south Indianapolis vein system at about 200 feet greater depth. In some of this area, an ore-grade vein is already exposed in the drift. Deeper drilling is also planned in the North Dakota Hill area. 4000 additional feet are included, 2000 feet underground and 2000 feet surface, the locations to be determined at the time. It is impossible to predict where encouraging results might dictate further drilling in the entire large area involved. The area east of the Evergreen mine and south of Utah Hill is also included, as molybdenite mineralization and quartz veins are associated with the major Apex fault zone and numerous NE cross faults. Considerable wollastonite alteration implies a high-intensity mineralization. Disseminated molybdenite is present on the Evergreen east adit dump, extending under this area, and high geochemical results were obtained.

Drifting -

Oregon Hill Area - 300 feet.

The number of molybdenum-bearing veins in this area will probably justify additional drifting after completion of Stage II, and 300 feet is included.

SUMMARY

Stage I	- Drilling	-	13,600 feet
	Drifting	-	2,000 feet
Stage II	- Drilling	-	11,250 feet
	Drifting	-	1,800 feet
	Raising		350 feet
	Bulldozing (exploration)	-	100 hours
Stage III	- Drilling	-	17,700 feet
	Drifting	-	300 feet

b. Access Roads -

None are required except for drill roads.

c. Time -

If an O.M.E. contract is executed, the work will continue on immediately after completion of the present contract #2149, which should be in January, 1963. It is anticipated that a year and a half or less will be sufficient to complete the contract, but on a project of this magnitude, it is requested that 5 years be allowed. The time will depend largely on the number of drills used. Anticipated rates of progress are as follows:

Drilling	35 feet/shift
Drifting	300 feet/month
Raising	100 feet/month
Bulldozing	9 hours/day

6. EXPERIENCE:

Technical supervision will be provided by Charles E. Melbye, Consulting Geologist and Engineer, Golden, Colorado. Mr. Melbye graduated from the Colorado School of Mines in 1950 with a Geol. B. degree. He later completed 3 years of study toward a Doctor of Science degree. His experience includes both mine operation and exploration for the Anaconda Company, Telluride Mines, Inc., and Colorado Exploration Company, as Instructor in Geology at the Colorado School of Mines, and as consultant to such companies as Phelps-Dodge Corporation, Kennecott

Copper Corp., Southern Pacific Railroad, Susquehanna-Western, Inc., Anschutz Drilling Company, Oklahoma Gas and Electric Company, American Metal Climax, Inc., and numerous other companies and individuals.

Robert E. Nye, president of the corporation, has been general manager of the exploratory operations to date, commencing in 1954. He will supervise the miners and others involved in the exploration program. Mr. Nye is the discoverer of the deposit. He was in charge of the construction of the Indiana adit and the Indiana vein as herein described. Additionally, since its construction, he has been in charge of the construction of the main tunnel which is 1700 feet in length and has supervised the drifting on the Indianapolis vein as herein described. Surface exploration has also been carried on under Mr. Nye's supervision. Mr. Nye, therefore, has in excess of seven year's experience in mining and exploration

Mr. Nye also has been responsible for the purchasing of mining equipment, such items described herein, tools, buildings, and so forth.

7. ESTIMATE OF COSTS

a. Independent contracts

Inasmuch as the present contract is formulated on a unit contract basis with the operator doing the work, this new application is similarily written. Unit costs have been found to be realistic, and, with the exception of the $1 increase in drifting, remain the same. However, all drilling will be contracted to an outside company, and 3 bids accompany this application.

STAGE I

Drilling	13,600 feet @ $ 6	$81,600
Drifting	2,000 feet @ 35	70,000
Timbering	1,400 feet @ 8	11,200
Drill stations (cross-cutting)	150 feet @ 30	4,500
Bulldozing - drill site	40 hrs. @ 18	720
		$168,020

STAGE II

Drilling	11,250 feet @ $ 6	$ 67,500
Drifting	1,800 feet @ 35	63,000
Timbering	1,260 feet @ 8	10,080
Raising (inc. timber)	350 feet @ 65	22,750
Drill station (x-cutting)	30 feet @ 30	900
Bulldozing - drill sites	40 hrs. @ 18	720
Bulldozing - exploration	100 hrs. @ 18	1,800
		$166,750

STAGE III

Drilling	17,700 feet @ $ 6	$106,200
Drifting	300 feet @ 35	10,500
Timbering	280 feet @ 8	2,240
Drill stations (x-cutting)	30 feet @ 30	900
Bulldozing - drill sites	40 hrs. @ 18	720
		$120,560

b. Personal Services

The amount of supervisory time required will vary according to the number of drills used.

STAGE I

Consulting geologist-engineer	8 mos. @ $700	$ 5,600
Assistant (geologist)	8 mos. @ 550	4,400
		$10,000

STAGE II

Consulting geologist-engineer	7 mos. @ $700	$ 4,900
Assistant geologist	7 mos. @ 550	3,850
		$ 8,750

STAGE III

Consulting geologist-engineer	8 mos. @ 700	$ 5,600
Assistant geologist	8 mos. @ 550	4,400
		$10,000

c. Operating Materials and Supplies

None

d. Operating Equipment

None

e. Initial Rehabilitation and Repairs

None

f. New Buildings, Fixtures, Installations

None

g. Miscellaneous

STAGE I

Cardboard core boxes	1360 @ $1	$ 1,360
Assays - molybdenum	1050 @ 4	4,200
		$ 5,560

STAGE II

Cardboard core boxes	1125 @ $1	$ 1,125
Assays - molybdenum	900 @ 4	3,600
		$ 4,725

STAGE III

Cardboard core boxes	1770 @ $1	$ 1,770
Assays - molybdenum	950 @ 4	3,800
		$ 5,570

COST SUMMARY

STAGE I

Independent contracts		$168,020
Personal services		10,000
Miscellaneous		5,560
	Total	$183,580

STAGE II

Independent contracts		$166,750
Personal services		8,750
Miscellaneous		4,725
	Total	$180,225

STAGE III

Independent contracts		$120,560
Personal services		10,000
Miscellaneous		5,570
	Total	$136,130

GRAND TOTAL $499,935

Respectively submitted,

Charles E. Melbye

Charles E. Melbye
Geological Engineer
Consultant to Nye Metals, Inc.

December 6, 1962

Mr. John Ferry
Vice President
Denver-U.S. National Bank
Denver, Colorado

Dear Mr. Ferry:

Pursuant to the conclusions arrived at in our recent discussions, we hereby are writing to you regarding the availability of loan funds from the Denver-U.S. National Bank to be used for the purpose of exploring our property for a mineral deposit near Apex, Colorado.

For several years now we have been exploring our property to determine the size of a deposit of molybdenum, an important metal. Considerable underground work has been completed. We now plan an extensive core drilling program to determine the depth of the deposit.

We will appreciate your comments concerning the availability of funds for the above exploration work as promptly as possible.

Sincerely,

Robert E. Nye

rf

Robert E. Nye
President

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DENVER UNITED STATES NATIONAL BANK

DENVER U. S. NATIONAL CENTER • DENVER 17, COLORADO • CH 4-8811

JOHN H. FERRY
ASSISTANT VICE PRESIDENT

December 6, 1962

Mr. Robert Nye
President
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Nye:

In response to your recent letter and conversations we have had, I am setting forth our policy in regard to loans on mining properties. Unless collateralized by high quality listed stocks or bonds, or supported by the guarantee of an individual or a corporate entity acceptable to us, we do not make loans for the purpose of mining exploration. Until such time as exploration and development work proves up ore reserves which can be mined profitably and on which there is some minimal history of operations, we are unable to consider this type application. Where some operating history is available supported by some blocked out reserves, we are occasionally able to work out a term loan arrangement for such things as mill expansion or subsequent development work.

I would be pleased to help you approach private individuals or investment groups for equity or subordinated debt type financing. I understand that various Federal agencies are also in a position to provide funds for the exploration type program you have in mind.

I trust these suggestions will be of some help to you, and if we can be of any further service, please contact us.

Very truly yours,

John H. Ferry

Assistant Vice President and
Petroleum Engineer

JHF/vs

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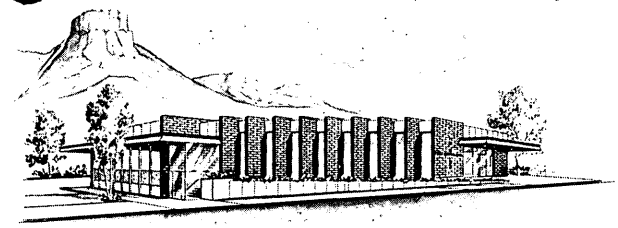

THE FIRST NATIONAL BANK IN GOLDEN

GOLDEN, COLORADO

TELEPHONE
CRESTVIEW 9-3351

November 30, 1962

Nye Metals Inc.
Blackhawk, Colorado

Gentlemen:

The First National Bank in Golden is unable to make an exploration loan to the above-named corporation. Due to the speculative purpose for which the funds will be used, we are unable to consider the loan.

Yours very truly,

Wayne O. Tucker

Wayne O. Tucker
Assistant Cashier

WOT:em

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CANNON AND COLQUITT DRILLING CO.
923 Milwaukee Way
Denver 9, Colo.

December 6, 1962

Nye Metals Inc.
% Mr. Charles E. Melbye
Consulting Engineer
Box 309
Golden, Colorado

Dear Mr. Melbye,

Your outlined core drilling program near Blackhawk, Colorado is being bid as a joint venture between Cannon Diamond Drilling Company of Compton, California and Colquitt Drilling Company of Denver, Colorado which for all practical purposes will be called Cannon and Colquitt Drilling Company of 923 Milwaukee Way, Denver 9, Colorado.

Our proposal is as follows:

I. To furnish any and all the equipment and drill crews that are necessary to expedite the drilling program.

II. To drill and complete each drill hole to their required depths at the following rates:

1. NX size @ $11.00 per foot ?
2. BX size @ $ 9.50 per foot
3. AX size @ $ 9.00 per foot
4. Cementing @ $ 5.00 per foot to cover all costs of cement, cementing time and redrilling.
5. Any casing required to be left in drill hole to be paid for at the fair market value.
6. Because of the closeness and the size of the program there will be no mobilization charge.

III. We will furnish all necessary drill logs and collect and protect your core samples according to your specifications.

IV. Our certificates of Insurance will be available for your investigation for complete coverage on equipment and drill crews.

V. Our equipment and drill crews will be immediately available to move onto the job.

Thank you very much for the opportunity to bid on this drill program.

Respectfully,

Robert J. Colquitt

Robert J. Colquitt
Cannon & Colquitt Drilling Co.

cc: Cannon Diamond Drilling

NYE METALS, INC.
Formerly

NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 30 1962
DATE | INITIALS | CODE

March 27, 1962

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

Gentlemen:

We enclose an Application For Financial Assistance In Minerals Exploration (Form 40).

All the information requested on the back side of (MME Form 40) has been compiled and attached hereto, including a geological report by Charles E. Melbye, consulting geologist from Golden, Colorado, and a set of maps to which his report refers.

The request is for a program of approximately $175,000.00.

Your early review of this material and a visit to our property will be very helpful to us and much appreciated.

Yours very truly,

Robert E. Nye

Robert E. Nye
President

NYE METALS, INC.

REN/mm

Enc:

Reg 6319

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

Original application 3/26/62

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

NYE METALS, INC.
(FORMERLY NYE-MATHEWS MINING, INCORPORATED)
Room 711
Merchants Bank Building
Indianapolis, Indiana

Note: Please forward all mail to the General Delivery, Blackhawk, Colo.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6231

DATE RECEIVED: 3/30/62

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL
- CORPORATION XXX
- PARTNERSHIP
- OTHER *(Specify)*

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
See attachment		

STATE IN WHICH FIRM IS ORGANIZED: Indiana

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: molybdenum

ESTIMATED COST OF PROJECT: $ $175,000

PROPERTY NAME	LOCATION COUNTY	STATE
Nye Molybdenum Mine	Gilpin County	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

3/26/62
DATED

Robert E. Nye
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

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

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

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

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

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

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

NYE METALS, INC.
formerly
NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

1. Financial Eligibility

   (a) See attached letters from The Indiana National Bank, Indianapolis, Indiana and the Denver United States National Bank, Denver, Colorado.

   (b) None

   (c) Our share of the exploration cost will be provided by corporate funds.

March 20, 1962

Mr. John H. Ferry
Denver United States National Bank
Denver, Colorado

Dear Mr. Ferry:

This Corporation, now known as Nye Metals, Inc., has located a substantial deposit of a mineral called molybdenum, on its property in Gilpin County, Colorado. For several years, this deposit has been explored by us to determine its size and nature on a limited scale primarily because of a lack of capital.

Now, we wish to accelerate our exploration of the deposit and hereby request a loan of $175,000.00 to do this. At the completion of our exploration program, we expect to construct a mill and enter upon production and marketing of the metal. Currently, a short supply situation exists and customers are readily available.

We feel that the loan should mature in one (1) year at which time you will be better able to guage our progress for negotiating a repayment procedure. Interest should be consistent with that granted on loans of a similar nature.

An early reply will be helpful and appreciated.

Sincerely,

Robert E. Nye
President

Nye Metals, Inc.

REN/mm

JOHN H. FERRY
ASSISTANT VICE PRESIDENT

DENVER UNITED STATES NATIONAL BANK

DENVER U. S. NATIONAL CENTER • DENVER 17, COLORADO • CH 4-8811

March 21, 1962

AIR MAIL

Mr. Robert E. Nye
President
Nye Metals, Inc
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

Dear Mr. Nye:

Thank you very kindly for your letter of March 20, requesting a loan of $175,000 for the purpose of completing your exploration and development program for your molybdenum company in Gilpin County, Colorado.

We would like to be helpful to you in this enterprise, although I am sure you will recognize that at this time your needs are primarily for venture, or risk, capital. Inasmuch as commercial banking institutions are not in a position to provide this type of financing, we are unable to take care of your request. We would suggest that you approach private individuals who may have this type of capital available, or various investment groups who specialize in handling your type of request. In addition, it is my understanding that various Federal agencies are sometimes in a position to provide some or all of the moneys you may need for your program.

Thanking you again for your inquiry, I am

Very truly yours,

John H. Ferry

Assistant Vice President and
Petroleum Engineer

JHF/vs

March 20, 1942

Indiana National Bank
3 Virginia Avenue
Indianapolis, Indiana

Gentlemen:

This corporation, now known as Nye Metals, Inc., has located a substantial deposit of a mineral called molybdenum on its property in Gilpin County, Colorado. For several years, this deposit has been explored by us to determine its size and nature on a limited scale primarily because of a lack of capital.

Now, we wish to accelerate our exploration of the deposit and hereby request a loan of $175,000.00 to do this. At the completion of our exploration program, we expect to construct a mill and enter upon production and marketing of the metal. Currently, a short supply situation exists and customers are readily available.

We feel that the loan should mature in one (1) year at which time you will be better able to gauge our progress for negotiating a repayment procedure. Interest should be consistent with that granted on loans of a similar nature.

An early reply will be helpful and appreciated.

Sincerely,

Robert E. Nye
President

Nye Metals, Inc.

REN/mm

THE INDIANA NATIONAL BANK
OF INDIANAPOLIS
INDIANAPOLIS 9, INDIANA

Mr. Robert E. Nye, President
Nye-Mathews Mining, Incorporated
Room 711, Merchants Bank Building
11 South Meridian Street
Indianapolis, Indiana

March 26, 1962

Dear Mr. Nye:

We received your letter of March 20, 1962, in which you requested a $175,000 loan for exploration of property located in Gilpin County, Colorado. You requested a one year maturity with repayment program to be negotiated at that time. Donald O'Mara told me today that the company does not have sufficient collateral with which it can secure a loan of this size.

Due to the speculative purpose of the loan, the indefinite repayment program and the lack of collateral, we would not be able to grant you this loan at the present time.

In the future, if there is any way that we can be of service to you, please call on us.

Very truly yours,

M. M. Zook

Morgan M. Zook
Assistant Vice President

MMZ-c

NYE METALS, INC.
formerly

NYE-MATHEWS MINING, INCORPORATED

7 pages

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

2. Applicant's Rights in Land:

(a) Owner; no liens, mortgages or other encumbrances.

(b) The below locations were made by Nye-Mathews Mining, Inc. as locations and all are in Sections 9, 10, 15, 16, 21 and 22, Township 2 South, Range 73 West of the 6th P.M. Gilpin County, Colorado.

Unpatented Mining Claims Recorded Gilpin County, Central City, Colorado.

Name	Book ~~Page~~ No.	Page ~~Book~~ No. (see last page. correct. JMM)
Wilma No. 1	226	43
Wilma No. 2	226	42
Wilma No. 3	226	44
Wilma No. 4	226	46
Wilma No. 500	226	45
Nettie Hazel No. 6	226	47
Nettie Hazel No. 7	226	48
Nettie Hazel No. 8	226	49
~~ClaimxNoxxNine~~	~~226~~	~~97~~
Nine	226	97
Ten	226	96
Eleven	226	95
Twelve	226	94
Thirteen	226	93
Fourteen	226	92
Fifteen	226	91
Sixteen	226	90

NYE METALS, INC.
formerly

NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Name	Book ~~Page~~ No.	Page ~~Book~~ No.
Seventeen Lode	226	107
Eighteen	226	108
Nineteen	226	111
Twenty	226	112
Twenty Two	226	114
Twenty One	226	113
Alvin No. 1	226	318
Alvin No. 2	226	317
Alvin No. 3	226	316
Alvin No. 4	226	315
Alvin No. 5	226	314
Alvin No. 6	232	79
Ni's No. 1	239	426
Ni'S No. 2	239	427
Ni's No. 3	239	428
Ni's No. 4	239	429
Ni's No. 5	239	430
Ni's No. 6	239	431
Ni's No. 7	239	432
Ni's No. 8	239	433
Ni's No. 9	239	434
Ni's No. 10	239	435

NYE METALS, INC.
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NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Name	Book ~~Page~~ No.	Page ~~Book~~ No.
Ni's No. 11	239	436
Ni's No. 12	239	437
Ni's No. 13	239	438
Ni's No. 14	239	439
Ni's No. 15	239	440
Ni's No. 16	239	441
Ni's No. 17	239	442
Ni's No. 18	239	443
Ni's No. 19	239	444
Ni's No. 20	239	445
Ni's No. 21	239	446
Ni's No. 22	239	447
Ni's No. 23	239	448
Ni's No. 24	239	449
Ni's No. 25	239	450
Ni's No. 26	239	451
Ni's No. 27	239	452
Ni's No. 28	239	453
Ni's No. 29	239	454
Ni's No. 30	239	455
Nye's No. 1	239	456
Nye's No. 2	239	457

NYE METALS, INC.
formerly

NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Name	Book No.	Page No.
Nye's No. 3	239	458
Nye's No. 4	239	459
Nye's No. 5	239	460
Nye's No. 6	239	461
Nye's No. 7	239	462
Okey No. 1	239	463
Okey No. 2	239	464
Okey No. 3	239	465

Patented Mining Claims Recorded Gilpin County, Central City, Colorado

The below patented claims are located in Sections 9, 10, 15, 16, 21 and 22, Township 2 South, Range 73 West of the 6th P.M. Gilpin County, Colorado.

Name	U.S. Patent No.
Smart No. 2	16584
Ideal	17185
Klondyke	17185
Dawson	17185
St.Patrick No. 2	9881
Black Hawk	9881
Duke	11854
Wellington	11854
Dolly Varden	11854
Jumbo	19595
Arlington	19595

NYE METALS, INC.
formerly

NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Name	U.S. Patented No.
Becktell	12420
Belcher	12420
Balmoral	12420
Crown Point	12420
Cordova	12420
David B.	12420
Hildalgo	12420
Kimberly	12420
Pacific	12420
Tioga	12420
Magdalena	12420
Fairview No. 1	19021
Fairview No. 2	19021
Fairview No. 3	19021
J. H. B.	19021
H. C. B.	19021
Hoosier Boy	11355
Josephine	13873
Aurora	13873
Annex No. 1	13873
Annex No. 2	13873
Annex No. 3	13873
Edna	14955

NYE METALS, INC.
FORMERLY

NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Name	U. S. Patented No.
Golden Forest	14955
Water Lily	14955
Columbine	14955
Iron Shoe	14955
Leon Boy	14955
Little Topsy	14955
Redemption	12627
Mattie D.	12627
Eliza M.	12627
Little Bennie	12627
Golden Cliff	12627
Sun Flower	12627
Hard Pan	12292
Exchequer	12292
Gold Belt	12292
E. G. R.	12292
American	12530
Yankee Doodle	12413
Prospect	12413
Hope	12413
Union	13873
Missing Link No. 2	13873
Fly	13873
Intersection	13873

NYE METALS, INC.

formerly

NYE-MATHEWS MINING, INCORPORATED

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Name	U. S. Patented No.
Home	13873
Home No. 1	13873
Home No. 2	13873
Home No. 3	13873
Home No. 4	13873
Beatrice No. 4	13873
Brightside No. 1	13873
Brightside No. 2	13873
Brightside No. 3	13873

Application for Financial Assistance in Minerals Exploration

3. Physical Description

a) Earliest work on the property consisted of scattered prospect pits for gold-silver exploration, the exact history of which is unknown. Nye-Mathews Mining, Inc. was organized on July 29, 1954 and proceeded with location of 22 claims for molybdenum. Since July, 1956 the company has carried on exploration by geochemical soil sampling, surface bulldozer cuts and underground openings and has acquired considerable additional land holdings.

The earliest underground work consisted of 130-foot adit on the Indiana vein. This was followed by the main 1707-foot crosscut tunnel together with 393 feet of drift on the Indianapolis vein and 50 feet of drift on the Indiana vein. (See Plates 1 and 2.) Work is presently proceeding at the mine to rerail the tunnel, install vent pipe, and generally rehabilitate the workings after 8 months' inactivity. Upon completion of this, drifting will be commenced again on the Indianapolis vein.

In order to better facilitate future mine development, the mine surface plant has been improved by the addition of two buildings, 500 kva Diesel power plant 1200 cfm compressor, and various other equipment items. Although there has been no production and none is anticipated for a period of time, equipment-wise, the mine is nearly equipped for a 50-100 ton per day operation. There is no mill on the property.

b) Nye Metals, Inc., formerly Nye-Mathews Mining, Inc., has a 100% interest in all operations conducted since 1954.

c) There has been no production, although some development ore has been stockpiled on the dump.

d) No ore reserves are claimed at this time, although the 393-foot drift on the Indianapolis vein has disclosed a substantial vein for which at least indicated ore reserves could be calculated.

e) (Copy Geology section from Melbye Economic Evaluation report.)(Attached)

f) We expect to find ore for the main reason that drifting on the Indianapolis vein has already exposed a 280-foot ore shoot with the south end not yet delineated. The same vein is similarily present and mineralized at the surface, 400 feet above. Since the vein systems are very persistent for many hundreds of feet, especially within the intrusive, the possibility of additional ore shoots along the vein is reasonably expected. Assays by the writer and by American Metal Climax, Inc. are shown in red on Plate 2. In addition, samples taken by company

Submitted by Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Building, Indianapolis, Indiana, and of Black Hawk, Colorado.

personnel from the first 100 feet of drift south of the main tunnel assayed 5.11%, 3.62%, 3.05%, 4.77%, and 3.03% MoS_2. Geological mapping has shown vein widths in the ore shoot to vary from 1-5 feet with additional well-mineralized quartz-molybdenite stringers in the walls, which contribute appreciable values.

In addition, we expect to find ore on other similar veins, such as the Indiana and Patton, which are less explored but are very similar in width and character. The Indiana adit has followed a 3-foot vein which is very highly mineralized, as evidenced by dump material, and one sample by W. F. Moenke, former consulting mining engineer to the company, assayed 6.11% MoS_2. Surface cuts on each of these veins show molybdenite-bearing quartz vein material.

Sampling procedure by the writer and by American Metal Climax personnel has been a channel or continuous chip sample across the vein.

g) Nearly all pertinent data from two recent reports by Charles E. Melbye, consulting geologist, are included in this application. Reports by W. F. Moenke, Registered Mining Engineer, are on file with the Securities and Exchange Commission office in Denver and may be consulted, if desired.

4. Accessibility of Property:

a) Either of two people will meet the OME representative:

Robert E. Nye Blackhawk, Colorado Telephone: 2607	or	Charles E. Melbye 2721 Lookout View Drive Golden, Colorado CR9-1542

The property may be reached by traveling north from Blackhawk on paved State Highway #119 for 2 miles, thence 7 miles westerly on a good gravel road to Apex, a cluster of houses occupied only in the summer. The mine is then one mile northeast of Apex over a good winding dirt road.

The main mine workings are completely accessible. Only the shallow surface adits and cuts are caved or sloughed.

b) The nearest supply points are the small towns of Central City and Blackhawk, 10 miles away. Limited small mining operations are usually in progress in the area at all times. The city of Denver is 44 miles away. Nearest rail shipping point is Golden, 30 miles distant

5. Exploration Work:

a) The proposed exploration work is as follows and is outlined on the sketch map, Plate 3:

STAGE I

Bulldozer Cuts 270 hours

Based on geological mapping, cuts will be located along the Indianapolis, Indiana, and Patton veins; the area east of "500" cut where surface outcrops indicate other veins; and at the intersection of the Indianapolis and Indiana veins.

A D-8 Caterpillar bulldozer owned by the company will be used.

Drifting

1. Indianapolis vein 2000 feet
The amount of drifting north and south from the present drift will depend on progressive results, but the present estimate is 1000 feet north and 1000 feet south. This drifting will all be within the favorable quartz monzonite intrusive host rock. Furthermore, the north drift will intersect the Indianapolis-Indiana vein intersection at from 900-1000 feet. The value of vein intersections is as yet undetermined, but mineralization is directly related to intensity of fracturing, and very little gouge is ever present along the faults which might act as a barrier to ore deposition.

2. Indiana Vein 300 feet
In drifting to the northeast, the favorable quartz monzonite intrusive should be intersected in about 10 feet. An additional 100 feet will carry the drift directly under the Indiana adit, which shows a highly mineralized 3-foot vein. Part of this 300 feet may be cross cutting since a post-mineral fault ahead of the face is suspected.

All drifts will be 5' x 7' where untimbered and 7' x 8' where timbered. However, it is anticipated that all drifts will necessitate timbering, and the larger size is used in all cost calculations. Timbers will be 8" x 8" with 3" lagging, and on 5-foot centers. Rail will be 30# at an 18" gauge. Vent pipe will be 12" in diameter, air pipe 4" diameter, and water pipe 1" in diameter.

Raising

Indianapolis Vein 400 feet

Two 200-foot raises are proposed, the location of these to be determined from results of drifting, as they should each be located in different ore shoots. No vertical exploration has been carried on above the tunnel level, and this is essential for a better understanding of the nature of ore occurrence.

Submitted by Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Building, Indianapolis, Indiana, and of Black Hawk, Colorado.

6. Experience:

Technical supervision will be provided by Charles E. Melbye, Consulting Geologist and Engineer, Golden, Colorado. Mr. Melbye graduated from the Colorado School of Mines in 1950 with a Geol. E. degree. He later completed 3 years of study toward a Doctor of Science degree. His experience includes both mine operation and exploration for the Anaconda Company, Telluride Mines, Inc., and Colorado Exploration Company, as Instructor in Geology at the Colorado School of Mines, and as consultant to such companies as Phelps-Dodge Corporation, Kennocott Copper Corp., Southern Pacific Railroad, Susquehanna-Western, Inc., Anschutz Drilling Company, Oklahoma Gas and Electric Company, American Metal Climax, Inc., and numerous other companies and individuals.

General Supervision:

Robert E. Nye, president of the corporation, has been general manager of the exploratory operations to date, commencing in 1954. He will supervise the miners and others involved in the exploration program. Mr. Nye is the discover of the deposit. He was in charge of the construction of the Indiana adit and the Indiana vein as herein described. Additionally, since its construction, he has been in charge of the construction of the main tunnel which is 1700 feet in length and has supervised the drifting on the Indianapolis vein as herein described. Surface exploration has also been carried on under Mr. Nye's supervision. Mr. Nye, therefor has in excess of seven year's experience in mining and exploration.

Mr. Nye also has been responsible for the purchasing of mining equipment such items described herein, tools, buildings and so forth.

Submitted by Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Building, Indianapolis, Indiana, and Black Hawk, Colorado.

7. Estimate of Costs:

a) Independent contracts — None

b) Personal services

STAGE I		Unit Cost	Total Cost
1	Superintendent	$650/mo	$3900.00
1	Foreman	$575/mo	3450.00
1	Shift boss	$2.60/hr	3369.60
10	Miners	$2.50/hr	32400.00
2	Outside labor	$2.25/hr	5832.00
1	Consulting geologist-engineer	$500/mo	3000.00
		TOTAL	$51,951.60

What for?

STAGE II

One-third of Stage I — $17,299.88

c) Operating materials and Supplies

STAGE I

Purchased New:

45	Drill steel, 7/8" x 6'	$19.30	$ 868.50
5	Drill steel, 7/8" x 30"	18.35	91.75
5	Drill steel, 7/8" x 4'	19.90	99.50
2	Air hoses, 50'	18.00	36.00
18	Wheat lamps	34.10	613.80
2 Kegs	Track spikes	30.00	60.00
1150	Ties	.50	575.00
27,000#	Powder, Hercal	24.55/100#	6628.50
10,000	Caps, regular, #6	3.20/100	320.00
108,000'	Fuse	42.75/3000'	1539.00
1 Roll	Lead spitter	1.10	1.10
3,500	Electric caps	.23	805.00
1	Blasting machine	104.00	104.00
119,360 B.F.	Timber	80.00/M'	9548.80
84,840 gal.	Diesel fuel, power plant	.105	8908.20
2,400 gal.	Diesel fuel, light plant	.105	252.00
600 gal.	Gasoline, misc.	.279	167.40
1,020 gal.	Oil-power plant	.95	969.00
690 gal.	Oil-compressor	.65	448.50
300 gal.	Oil-rock drill	.78	234.00
100#	Grease	.35	35.00
3000'	Water pipe, 1" Black	.30	1000.00
540 sets	Nails and wedges for timber	1.00/set	540.00
250'	Cable for air tugger, 1/2"	.145	36.25
		Total	$33,881.30

Submitted by Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Building, Indianapolis, and Black Hawk, Colorado.

d) Operating Equipment

STAGE I

Purchased New:	Unit Price	Total Cost
2 Jackleg drills, Atlas Copco	$ 985.00	$ 1,970.00
3 Wheatlamp chargers	156.00	468.00
1 Gould battery set for Mancha trammer	2384.00	2,384.00
1 Thor air tugger hoist	820.00	820.00
1 Hydraulic Jim Crow	205.00	205.00
1 15 hp electric motor (used)	200.00	200.00
1 Water pump, air-driven 300 gph	450.00	450.00
	Total	$ 6,497.00

Used - Furnished by Nye Metals, Inc.

	Unit Present Value	Unit Deprec. Per Month	Total Cost
2 Jackleg drills, Atlas Copco	$ 600.00	$ 10.00	$ 120.00
1 Stoper, Atlas Copco	600.00	10.00	60.00
2 Eimco muckers, 12B	2500.00	41.67	500.04
20 Mine cars. 30 cu ft. rocker d.	300.00	5.00	600.00
1 Mancha trammer, 4T	7500.00	125.00	750.00
1 Jeffrey trammer, 2T	4500.00	75.00	450.00
2 Joy Axivane fans, 1000 Series	1500.00	25.00	300.00
1 Compressor, 1200 cfm, twin, G-D	20000.00	333.33	1,999.98
1 Power plant, cat. Diesel D-397 w/ switch b. & transformers	39000.00	650.00	3,900.00
1 Kurz and Root light plant, 18.75 kva	1800.00	30.00	180.00
1 Air saw	350.00	5.83	34.98
1 Electric welder	300.00	5.00	30.00
1 Acetylene welder	300.00	5.00	30.00
2 Hoists for vent pipe	80.00	1.33	7.98
		Total	$ 8,962.98

1 GMC Pickup truck, 1956, 4-wheel	10 ¢/mi	800 mi/mo	$ 960.00
1 International Pickup truck, 1961 4-wheel drive	10¢/mi	800 mi/mo	960.00
1 Dodge Custom sedan, 1956	10¢/mi	800 mi/mo	960.00
1 Boom truck and winch		$25/mo	300.00
1 Caterpillar bulldozer, D-8	$16/hr	270 hours	4,320.00
		Total	7,500.00
		GRAND TOTAL	$ 22,959.98

Submitted by Nye Metals, Inc.
formerly Nye-Mathews Mining,
Incorporated, Room 711,
Merchants Bank Building, Indianapolis,
Indiana, and Black Hawk, Colorado.

Purchased Used:

2200'	Vent pipe, 12" steel inc. couplings	$ 2.00	$ 4,400.00
165	Hangars (strap iron)	.50	82.50
2400'	Air pipe. 4" black inc. couplings	1.00	2,400.00
4600' (23 T)	Rail, 30#	150/Ton	3,450.00
4 switches		60.00	240.00
230 pr.	Fish plates	1.15	264.50
1 Keg	Track bolts	50.00	50.00
1700'm	Underground cable, #4,3-cond	2.00	3,400.00
		Total	$ 14,287.00
		Grand Total	$ 48,168.30

STAGE II

Purchased New:

10	Drill steel, 1" x 6'	$ 23.25	$ 232.50
250	Ties	.50	125.00
5000#	Powder, Hercal	24.55/100#	1,227.50
2500	Caps, regular, #6	3.20/100	80.00
21,000'	Fuse	42.75/3000'	299.25
21,600 B.F.	Timber	80.00/M	1,728.00
14,040 gal	Diesel fuel - power plant	.105	1,474.20
400 gal	Diesel fuel - light plant	.105	42.00
170 gal	Oil - power plant	.95	161.50
115 gal	Oil - compressor	.65	74.75
100 gal	Oil - rock drill	.78	78.00
450'	Water pipe, 1" black	.30	135.00
10 sets	Nails and wedges for timber	1.00/set	10.00
		Total	$ 5,667.70

Purchased Used:

400'	Vent pipe. 12" steel inc. couplings	2.00	800.00
30	Hangars	.50	15.00
400'	Air Pipe, 4" inc. couplings	1.00	400.00
1000'(5 T)	Rail, 30#	150.00	750.00
50 pr.	Fish plates	1.15	57.50
1	Switch	60.00	60.00
		Total	$ 2,082.50
		Grand Total	$ 7,750.20

Submitted By Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Building, Indianapolis, Indiana, and Black Hawk, Colorado.

STAGE II

		-0-
Purchased New		
Used- Furnished by Nye Metals, 1/3 of Stage I		$ 5,969.34
Vehicles except for caterpillar, 1/3 of Stage II		1,058.94
	GRAND TOTAL	$ 7,028.28

e) Initial rehabilitation and repairs:

Extend end of trestle 30 feet and extend double track to end of trestle, Stage I only		$ 1,000.00

f) New buildings, fixtures, installations: None

g) Miscellaneous:

1080 Assays for MoS_2	$4.00 each	$ 4,320.00
Accounting	$75.00 month	450.00
Workmens Compensation and unemployment insurance	7.08% x $45,051.60	3,189.65
	GRAND TOTAL	$ 8,959.65

STAGE II

One-third of cost for Stage I	Total	$ 2,650.56

SUMMARY:

STAGE I

a) Independent contracts		-0-
b) Personal services		$ 51,951.60
c) Operating materials and supplies		48,168.30
d) Operating equipment		22,959.98
e) Initial rehabilitation		1,000.00
f) New buildings, fixtures, and installations		-0-
g) Miscellaneous		8,959.65
	TOTAL	$ 133,039.53

STAGE II

a) Independent contracts	-0	-0-
b) Personal services		17,299.88
c) Operating materials and supplies		7,750.20
d) Operating equipment		7,028.28
e) Initial rehabilitation		-0-
f) New buildings, fixtures, and installations		-0-
g) Miscellaneous		2,650.56
	TOTAL	$ 34,728.92
	GRAND TOTAL	$ 167,768.45

Submitted by Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Bldg., Indianapolis, Ind. and Black Hawk, Colorado

All raises will be two compartment and 5' x 9' in size. Timbering will be required throughout, using 6" x 6" timbers. It is anticipated that permanent water and air line will be carried up 100 feet in each raise, and hoses used beyond. Manway compartment will be 2½' x 4' and the hoisting compartment 5' x 4', inside dimensions.

STAGE II

Crosscutting

End of Main Tunnel	500 feet

This crosscut is proposed as Stage II and will depend on results from bulldozer cuts east of the Indianapolis vein. If another promising vein is encountered, this crosscut would explore the vein at a depth of 400 feet as well as explore the disseminated molybdenite in the sheeted zone at the present tunnel face.

Crosscut size will be 5' x 7' where untimbered and 7' x 8' where timbered. It is estimated that 10% will require timber or a total of 10 sets. Timbers, rail, vent pipe, air pipe, and water pipe will be the same as specified for drifting.

SUMMARY

Stage I	Bulldozer work	270 hours
	Drifting	2300 feet
	Raising	400 feet
Stage II	Crosscutting	500 feet

b) No access roads will be required

c) If a contract is executed we would expect to complete the work within three years. However, while work is being carried on, the anticipated rate of progress would be as follows:

Bulldozing	9 hours/day
Drifting	400 feet/month
Raising	160 feet/month
Crosscutting	200 feet/month

Submitted by Nye Metals, Inc. formerly Nye-Mathews Mining, Incorporated, Room 711, Merchants Bank Building, Indianapolis, Indiana, and Black Hawk, Colorado.

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 30 1962
DATE

ECONOMIC EVALUATION

NYE MOLYBDENUM MINE

North Gilpin County District

Colorado

Charles E. Melbye

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL
METALLURGICAL ENGINEERS

1117 WASHINGTON AVE. CRestview 9-1542
GOLDEN, COLORADO

March 14, 1962

ECONOMIC EVALUATION

NYE MOLYBDENUM MINE

North Gilpin County District

Colorado

INTRODUCTION

This report summarizes the findings resulting from geological studies of the mine during the first two weeks of March, 1962. These studies consisted of detailed surveying and geological mapping of the underground workings and mapping of a portion of the surface workings where snow cover was not excessive. All of these data have been integrated in a set of operation maps for the mine, which can be used in accurately planning and mapping future exploration and development work.

PROPERTY

Although the writer has not had the opportunity to examine the entire claim holding, the 1600 acres held outright or by lease obviously cover the entire known district and no additional acquisitions need be contemplated in the foreseeable future.

COMPLETED DEVELOPMENT

Since the mine surveying is now brought up to date, it is well to summarize the total footage of completed development. The main crosscut tunnel is presently 1707 feet long. Drifting on the Indianapolis vein totals 393 feet, and a short drift on the Indiana vein is 50 feet long. The grand total of completed development, then, is 2150 feet.

GEOLOGY

Rock Types:

The oldest rock is predominantly a quartz monzonite gneiss of pre-Cambrian age. It is quite dark in color from abundant biotite and hornblende and might be termed a quartz-biotite or hornblende gneiss. Foliation is often obscure but appears to strike predominantly N-S with dips varying from 50° - 80° W. Occasional pegmatite dikes may be considered as part of the gneiss unit.

Intruding this is a Tertiary quartz monzonite, the sharp intrusive contact between the two being visible just past the Indiana vein in the main tunnel. Its dip is irregular and varies from vertical to 65° W. Although there are undoubtedly smaller offshoot dikes from the intrusive, the main mass appears to comprise the center of Dakota mountain. The typical quartz monzonite is comprised mainly of quartz and feldspar with varying amounts of needle-like crystals of hornblende.

In addition, light colored sugary aplite dikes may occasionally be seen cutting the quartz monzonite. Marked variations in the intrusive were seen but snow cover did not permit any reliable conclusions at this time.

Structure:

The most important structural features are the north and northeast fault zones along which the quartz-molybdenite veins have been emplaced. These are discussed under Ore Deposits.

Another important feature is the intersection of major north and northeast faults at station T-6, which has caused the caved heavy ground. Numerous other minor faults and fractures are mapped in the tunnel, which strike at all directions. However, the predominant strike is about N-S and occasionally these fractures may be only a few inches apart and comprise sheeted zones from 50-80 feet wide.

Ore Deposits:

Very simple mineralogy is a characteristic of the deposit, consisting mainly of molybdenite, pyrite, and quartz, with occasional chalcopyrite, vein feldspar, and biotite. The oxide, ferri-molybdite is present in the veins at the surface. Alteration is noticeable only near the vein and consists of silicification over 1'- 2' widths and chloritization over a wider zone. Certain fault zones in the quartz monzonite are accompanied by argillic alteration, but this seems to bear no relationship to molybdenum mineralization.

Vein Deposits - The two veins of present economic interest are the N-S Indianapolis vein (at the end of the tunnel) and the N 15°-45° E Indiana vein. The molybdenum-bearing quartz veins each vary from a few inches to 5 feet in width, but additional quartz stringers with molybdenite are usually present in the walls. The Indianapolis vein has been emplaced at an acute angle to a pre-existing mineralized fracture zone striking N 35° E. The greater intensity of fracturing on both sides of the tunnel has determined the location of the ore shoot. In addition, the structural features of a flatter dip, about 78°-80° W, rather than 85° W and a change in strike from N 10° E to N-S seem to be important ore controls. In addition, the quartz monzonite wallrock appears to be a more favorable host rock than the gneiss. As an example, the Indiana

vein in the upper short adit (in the intrusive) is 3' wide and well mineralized, whereas the vein in the main tunnel with gneiss wallrock is only a few inches wide. The veins usually split into narrow quartz stringers away from an ore shoot. Sloughing of pit walls and snow prevented examination of the Indianapolis vein on surface, but the vein previously exposed in the "500" cut is undoubtedly the same.

Another significant northeast vein is the Patton vein, exposed in the shaft near the top of Dakota mountain. Snow has filled the shaft and pits, but vein material on the dump is well mineralized. A small pit 380' NW of the Indiana tunnel has exposed a vein which appears to be on the Patton structure. This vein projects to the major fault zone exposed at Station T-6 in the tunnel, where some molybdenite can be seen.

Disseminated Deposits - This type cannot be regarded as economic with the present state of exploration, but the number of substantial zones, 50'- 80' wide, would encourage some further exploration as finances permit. A noteworthy feature is that nearly every fracture or fault in the quartz monzonite underground shows some molybdenite. Three sheeted zones with molybdenite values are present at about 1250 and 1530 feet from the portal, and from the Indianapolis vein to the end, with the zone at the end appearing the most favorable. An 80' composite chip sample of the second above-mentioned zone assayed .092% MoS_2. A more intensely faulted zone must be found in the intrusive which could provide the location for higher-grade disseminated ore.

MARKETS

Markets for molybdenite concentrates will present no problem to the company as molybdenum is in short supply, and consumers are presently being allocated by American Metal Climax, Inc., the largest producer. No new large deposits are being developed in the world which could change this situation for at least a few years. A substantially higher price could conceivably bring into production large known deposits, presently too low-grade, such as at Questa, New Mexico and Mestersvig, Greenland.

CONCLUSIONS

1. Vein Systems - Three substantial vein systems are presently known on the property, the N-S Indianapolis and the northeast Indiana and Patton veins. From geochemical soil sampling and scattered prospect pits, others are indicated, but their extents are unknown. The N-S Indianapolis vein appears the strongest, and since this has also seen the most development, it justifies the most exploration development at present.

2. Indianapolis Vein - An ore shoot at least 280 feet long is presently indicated. Its south end is yet to be determined. Additional sampling must yet be done, to determine ore-grade, but four samples by the writer (2.39%, 1.90%, .963%, and 1.45% - MoS_2) average 1.675%. An average grade of at least 1.5% MoS_2 over 3-4 foot width can be expected. About 400 feet of "backs" are present between the tunnel and surface, which affords an adequate favorable zone in which to develop sufficient ore reserves. No blocked out or positive ore reserves can be calculated at this time.

3. Indiana Vein - An additional 10 feet of drifting in this vein from the main tunnel should intersect the intrusive. Based on the vein, 215 feet above and 100 feet ahead, in the Indiana adit, substantially greater widths and grade are almost certainly expected. The development of this vein is important to provide a number of stopes from which a smooth flow of ore to a mill can be provided.

4. Disseminated Deposits - Present exposed disseminated deposits in the tunnel are too low-grade to be of economic interest, but the possibility of more highly-fractured zones, with attendant higher-grade values, should be kept in mind during future exploration. The zone at the end of the tunnel is the most interesting to date and further study of this is warranted.

5. Mine Plant - The surface and mine plant, with recent acquisition of buildings, 2 - 600 cfm compressors, light plant, trammer, cars, and other items, is quite adequate for a small mine operation.

6. General - Past exploration at the Nye mine has indicated the beginnings of an ore reserve. Further exploration and development along the three vein systems, and particularly the Indianapolis vein, has an excellent chance of developing sufficient ore reserves for a profitable operation. It is imperative that this development be done before a mill is constructed. Present goal should be development of enough ore reserves for a 100 ton per day operation, as per ton costs for a smaller mill are too high. Required tonnage would be 150,000 tons for an assumed 5-year operation, which is adequate for amortization of mill costs. Future market outlook for molybdenum is unusually favorable.

RECOMMENDATIONS

1. The following underground exploration is recommended:
   a. Indianapolis Vein - 2000 feet of drifting and 200 feet of raise.
   b. Indiana Vein - 300 feet of drifting.
   c. An additional 500 feet of crosscutting ahead in the main tunnel if surface bulldozing shows a substantial vein.

2. Limited surface bulldozing should proceed at certain selected points on all the vein systems.

3. All the above work should be accompanied by the maximum of sample and assay data, together with progressive geological studies.

4. Submit an application for an Office of Mineral Exploration (OME) loan, which if approved, provides half the cost, and payable at 5% royalty out of production. (Note: This is in progress of submittal.)

Respectfully submitted,

Charles E. Melbye

Charles E. Melbye
Geological Engineer

SEE FOLDER NO. 1-A FOR CORRESPONDENCE

BEGINNING JANUARY 1, 1964

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/30		130
		500
	On leave	800
	On leave	110
		100
		220
		500

DEC 31 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6314 (Uranium)
Gas Hills Uranium Company
West Shirley Basin
Carbon County, Wyoming

In reference to your inquiry of December 18, 1963, seemingly, the stipulation pertaining to bids for work performed under independent contracts was inserted because Mr. A. E. Ormsbee's letter of August 15, 1963, to the Gas Hills Uranium Company set forth a cheaper bid if drilling could be done during September 1963. As the price is based on actual costs, seemingly, it would make little difference if a lesser price is asked.

As far as administration of the contract is concerned, you will only have to approve the bid accepted to do the work from a technical standpoint. Care should be exercised in the wording of the approval so that it would not imply an increase in the contract price.

George C. Selfridge (gla)

P. S. The Nye September, October, and November vouchers have been cleared by Fiscal and should be paid shortly.

GCSelfridge/gla (12-30-63)
cc to: Director's Reading File
Docket OME-6314
Docket OME-6231
CA&A Division
Review Committee
Mr. Selfridge

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

1017
XX
ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

Amc
12-31-63

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 23 1964

DATE		
Contract 3149		
~~1/3/63~~	~~Monthly~~	500

December 30, 1963

United States
Dept. of the Interior
Office of Minerals Exploration
Bldg. 20, Federal Center
Denver 25, Colorado

Att: Mr. Hugh Connors

Dear Mr. Connors:

Thank you for your concern in our company. We have received the Government check today.

Enclosed please find four signed copies of the Amended #5 Exploration Contract - OME-6231.

Yours truly,

NYE METALS, INC.

Robert E. Nye

Robert E. Nye
President

REN:ah
encl.4

Mr. Selfridge With Government's, Audits, & Fiscal Section's executed Copies of Amendment #5
Amc 12-31-63

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 30 1963

DATE	INITIALS	
	On leave	800
12/31	~~Murphy~~	~~500~~

December 26, 1963

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

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

Dear Mr. Nye:

Attached are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of proposed Amendment No. 5 to the subject amended exploration contract.

If the proposed amendment is suitable to you, you should sign all copies and return all signed copies to this office. The Operator's copy will then be returned to you.

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

Sincerely yours,

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments

Mr. Selfridge

rest of usage II-56
II-57
II-55

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	Mr Selfridge	
2.		
3.		
4.		
5.		

For:

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

Remarks: If you concur in the Operators request for recess will you please prepare the amendment.
My stenographer is on Annual leave. ? date - still drilling in December.

From (Name) Hugh M. Connor Date 12-23-63

Division—Office—Address

Ext: Room:

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

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 26 1963
DATE | INITIALS
~~120~~

December 20, 1963

12/26 Mr. Murphy 500

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Denver Federal Center- Building 20
Denver, Colorado

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

Dear Mr. Connors:

The past month has seen very slow progress on surface drilling at the Nye property. Much of this has been directly or indirectly due to severe weather conditions at this altitude of 10,500 feet. Waterlines or pumps have been frozen nearly every morning and even the water truck tank now being used builds up with ice inside, causing considerable trouble. The unavoidable result is that the Operator is charged excessive cementing time when part of that time is actually spent in keeping equipment thawed out. Also, considerable bulldozer work is needed to keep the road open from the mine to the drill sites.

? date Jmm.

As a result of this, we are requesting that the project be recessed after completion of Hole II-S8 and until spring. Some underground drilling remains, but the surface results are far more encouraging, and we feel it wise to complete the additional surface drilling before the approved underground drilling. We would anticipate resumption of work on or before May 1, 1964.

Your consideration of this request will be appreciated.

Hold for Operator's December report. Jmm

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 GOLDEN, COLORADO CRestview 9-1542

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/12	Murphy	500
12/16	Tolbert	800
	SCL	130
	Long	
	App'd. Sol. Off.	
12/16	on leave	110
		100
12/19	cae	220
		500

DEC 19 1963

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

In accordance with our teletype of December 9, 1963, enclosed are the original and four copies of proposed Amendment No. 5, signed by the Acting Director for the Government. 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 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

FMMurphy/gla
12-12-63
cc to: Director's Reading File
Review Committee
Docket

RECEIVED
DEC 17 1963
ASSOC. SOLICITOR
MINERAL RESOURCES

DRAFT 12/11/6[illegible]
FMMurphy/um

~~$200~~
~~150~~
500

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 5

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and 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 June 6, 1962, as follows:

1. In Amendment No. 4, Item 2 is revised to read as follows:

(A) In Article 1(b) of the contract the figures ~~$279,235.00~~ $276,230.00 and ~~$139,113.00~~ $138,115.00 are revised to read $274,235.00 and ~~$137,120.00~~ $137,118.00, respectively.

2. In Amendment No. 4, Item 4, under Estimated Cost of the Work, Stage II and Stage III:

(A) Under Actual Costs, the words and figures for "Compressed air for drilling" are deleted with a corresponding reduction in the Total Estimated Actual Costs for each stage.

(B) Under Fixed Unit Costs, the following items are added under Stages II and III, respectively, with a corresponding increase in the Total Estimated Fixed Unit Costs for each stage.

(i) Compressed air for drilling

7300 feet @ $0.55/ft. $4,015.00

(ii) Compressed air for drilling

6000 feet @ $0.55/ft. $3,300.00

(C) The Total Estimated Cost for Stages II and III are revised to read $118,055.00 and $79,530.00, respectively.

In Amendment No. 4, Item 4, the SUMMARY is deleted and replaced

:

SUMMARY

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 @ 50% (rounded)	~~$137,120.00~~ $137,118.00

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

Executed in quintuplicate 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
Building 20 - Federal Center
Denver, Colorado 80225

December 5, 1963

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

Enclosed are the Government's, Audit's, and Fiscal Section's executed copies of Amendment No. 4 to the subject contract.

Hugh M. Connors

Hugh M. Connors

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 9 1963

DATE	INITIALS	CODE
	Murphy	500

MINERALS EXPLORATION
OF THE INTERIOR
D. C. 20240

14X0108 S&E
Minerals Exploration

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Date	Surname	Code
12/9	Murphy	500
12/9	Onderne	500
12/9	Talbot	800
	GCS	130
12/9	Johnson	110
		~~100~~
12/9	Cal	220
		500

TO: HUGH M. CONNORS, ACTING FIELD OFFICER
OFFICE OF MINERALS EXPLORATION, REGION III
BUILDING 20, DENVER FEDERAL CENTER
DENVER, COLORADO

RE OME-6231, CONTRACT 2149, NYE METALS, INC.,

ERROR MADE IN AMENDMENT NO. 4, COMPRESSED AIR FOR DRILLING STAGES 2 AND 3 SHOULD BE UNDER FIXED UNIT COSTS AT $0.55 PER FOOT. WE WILL CORRECT BY AMENDMENT.

George C. Selfridge

GEORGE C. SELFRIDGE, CHIEF
DIVISION OF FIELD OPERATIONS

FMMurphy/mm
12/9/63
cc: Director's Reading File
Review Committee
Docket

1 1

F. M. Murphy, Acting Chief
Division of Minerals

343-5423

Dec. 9, 1963 11:30 a.m.

43683

Building 20 - Federal Center
Denver, Colorado
80225

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 1 1963

DATE		
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		500

November 29, 1963

AIRMAIL

Mr. Robert E. Rye
President
Rye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

Re: AMENDED EXPLORATION CONTRACT
OME-6251 (Molybdenum)
Contract 2149
Rye Metals, Inc.
(Rye Molybdenum Mine)
Gilpin County, Colorado

Dear Mr. Rye:

Attached are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of proposed Amendment No. 4 to the subject amended exploration contract.

If the proposed amendment is suitable to you, you should sign all copies and return all signed copies to this office. The Operator's copy will then be returned to you.

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

Sincerely yours,

Original signed by
O. M. Romslo
For
Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments
cc Chief, Division of Field Operations, OME
Contract Corres. 2149
Chron
TMR/lm

Form 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/26	Murphy	500
11/26	on leave	500
11/26	Talbot	800
	GCS	130
11/27	Johnson	110
11	Finch	100
11/27	GCS	220
		500

NOV 27 1963

AIRMAIL

Memorandum

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

In accordance with our memorandum of November 22, 1963, enclosed are the original and four copies of Amendment No. 4, signed by the Acting Director for the Government. 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 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
11/26/63
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/22	GCS	130
11/22	on leave	800
11/22	Murphy	500
		110
		100
		220
11/26	Talbot	800
		500

NOV 2 2 1963

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

On Wednesday, November 20, 1963, Messrs. Nye and Melbye called at the office to discuss further surface drilling in the Mountain Chief Area. They explained the reasons for requesting additional footage, and we explained ours leading to the decision set forth in our memorandum of November 13 to you. In conclusion, we agreed to amend the contract in a manner which would allow sufficient footage to complete Hole No. II-S8 and drill one other, Hole No. II-S9, as designated in the enclosed copy of our letter to Mr. Melbye.

We have drafted an amendment to the contract to cover the surface work, to increase the number of core boxes, and to cover the holes mentioned in our memorandum of November 13 to you. The draft was sent to Legal today with a hope that the amendment can be forwarded to you this coming week. If it meets over-all approval and is executed, then you may pay the pending vouchers in keeping with the amendment.

At this time it would seem well to have an over-all assessment, after completion of the requested underground drilling, of the results obtained.

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla (11-22-63)
cc to: Director's Reading File
Review Committee
Mr. Selfridge
Docket

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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NOV 2 2 1963

~~OCT 2 2 1963~~

AIRMAIL

Mr. Charles E. Melbye
Consultant to Nye Metals, Inc.
P. O. Box 309
Golden, Colorado

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

Dear Mr. Melbye:

This letter is in confirmation of the oral approval given Mr. Nye and you on November 20, 1963, to drill Hole No. II-S9 to check the chemical anomaly indicated in the vicinity of the end of the road in the Mountain Chief Area. This hole is to be collared approximately 1100 feet west-northwest of Hole No. II-S1. The hole will be drilled in a southerly direction at approximately -45° for a length not in excess of 750 feet.

This work order shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Sincerely yours,

George Fumich, Jr.

(Ch)

Acting Director

GCSelfridge/gla (11-22-63)
cc to: Director's Reading File
Docket ✓
CA&A Division
Mr. Selfridge
Region III

23263

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Date	Surname	Code
11/21	GCS	120
" 12	on leave	110
	[illegible]	100
11/22	on leave	800
11/22	Murphy	500
11/26	[illegible]	800
		500

November 21, 1963

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 November 20 Mr. Nye and Mr. Melbye, the company geologist, dropped in unexpectedly to request an additional four or five surface holes to be drilled in the Mountain Chief Area. On November 13, 1963, we had written the Acting Field Officer, Region III, that we did not favor transferring any funds for underground drilling to surface drilling.

Highlights of the general discussion, participated in by Mr. Johnson and the writer, follow: The company representatives indicated that they would like to put one more hole near II-S1 for checking purposes because a good deal of the core over a 50-foot section of said hole had been lost; two holes, one to either side, to test the values intersected in Hole II-S4; and a hole or two near or at the end of the road west of the general area (see company map designated "Surface Geologic Map, Mountain Chief Area, June 1963").

The two visitors explained their reasons for wanting to drill these holes and made mention of the values found to date. According to Mr. Nye, several exploration representatives of various companies had made statements that the area under consideration was outstanding and deserved a great deal of exploration work. He made mention that one company had offered $5,000,000 for the property. As a result of the over-all discussion, one received the impression that the target they were seeking was a tonnage of mineralization ranging from 0.10 per cent to 0.20 per cent MoS_2. Apparently someone had also told them that most of the molybdenite projects they had drilled assayed 0.05 per cent MoS_2. Mr. Melbye was asked what they would do with a hundred-foot width of such material. He replied that it probably could be mined by sublevel stoping.

The writer explained to them the OME philosophy regarding exploration projects. He stated that a contract is set up, usually in stages, in keeping with the expected potential and with certain contemplated results in accordance with usual industrial practice. Subsequent

work is dependent upon prior results.

The writer explained that a study had been made of all of the results to date and that the work had indicated to a fair degree the order of magnitude of tonnage and grade. Mention was also made of the lack of uniformity of the mineralization and that the "hot spots" occurred within shear zones, thereby suggesting the absence of a large body of mineralization that could be mined in its entirety. The writer also explained that there is always an honest difference of opinion concerning projects such as this one.

Mr. Nye stated that he had had part of the subject property and had worked there intermittently over the last ten years. To discuss the various hole locations and results, the surface geologic map, previously referred to, was used. Mr. Melbye stated that both the quartz monzonite and diorite porphyry were favorable host rocks. Somewhere the writer had received the impression that the quartz monzonite was the favorable host rock. Mr. Melbye also stated that the geologic map had been drawn largely from float and drill hole samples. Apparently the entire area is covered with overburden ranging up to 20 feet or more in thickness.

During the discussion the values in II-S4 were mentioned. Apparently this hole was drilled southwestward as shown on the map to intersect a southeasterly-trending shear zone. Individual hole values were discussed, most of these averaging less than 0.10 per cent MoS_2. During the conversation Mr. Nye stated that values were increasing with depth. There is really little proof of this.

During the geologic mapping and logging of core drill holes Mr. Melbye is making a close study of alteration effects. The purple shading of the diorite porphyry shown on the geologic map represents alteration areas. Particular attention is paid to orthoclase and quartz alteration. Ordinarily, Mr. Melbye logs core at the rate of 400 feet a day if it is not too complicated.

In discussing the proposed surface holes, Mr. Melbye had another geologic map to the south of the presently available one. This shows surface trenching and an anomaly which led to the drilling of Hole II-S4. The values of the anomaly were quite high and referred to as being in the C zone as designated by the Bear Creek Exploration Company. The matter of surface sample zoning arose when the writer made mention that the values of the anomaly in this area were much higher than those where they wished to drill at the end of the road. Mr. Melbye explained that the values at the end of the road were taken at the surface, which would have to be designated as the A zone by the Bear Creek Exploration Company, while those in the vicinity of II-S4 were at or near bedrock.

While discussing drill Hole 11-S4 (see September 1963 cross section), the writer asked from which side of the diorite porphyry dike the hole had entered. It was at this time that it was learned that the diorite porphyry was not an extension of the diorite porphyry prong cut in Hole II-S6 but that it was an easterly-trending body south of the collar of Hole II-S4. The writer made mention that he was wondering why the hole had been drilled apparently parallel and possibly within the shear zone cut by Hole II-S6 and on what basis the dike had been given a vertical attitude. This hole was particularly discussed because the company representatives felt quite optimistic about the mineralization found. In this hole there is a hundred feet of mineralization in the interval between 465 and 565 feet in which the mineralization averages 0.152 per cent MoS_2. This includes one assay of 0.464 and another of 0.532, the remaining 18 assays covering 90 feet averaging 0.114 percent MoS_2. Thus, there is only a 10-foot "hot spot". The diorite porphyry dike as a whole averaged only 0.080 percent MoS_2. The cross section indicates that the dike is brecciated throughout, yet the better mineralization is concentrated near one wall. This particular area may be the locus of more than one set of cross fractures.

A question was asked of the still unreported values of the last several holes. Apparently, these holes have penetrated mineralization of comparable grade.

They had a lot of trouble this month with the breakdown of equipment, including the jeep used for transportation. Less than 400 feet of hole had been drilled to date. The first snow has already fallen, and the water line cannot be used.

While discussing the contemplated holes, Mr. Melbye informed us that he was doing some magnetic geophysical work, a type which he now believes should have been done prior to the drilling. He explained that the alteration zones, probably accompanied by shear, gave negative magnetic anomalies. The writer asked what was involved in the alteration processes that led to this effect. Mr. Melbye replied that the magnetite content of the original rock had been reduced.

In conclusion, it was agreed that the contract would be amended to allow for the drilling of the anomaly at the end of the road. This will also involve a cross structure. The hole, II-S9, is to be drilled 1100 feet west-northwesterly of Hole II-S1 in a southerly direction at approximately -45° for a distance not to exceed 750 feet. Water will have to be hauled to the drill site.

George C. Selfridge.

GCSelfridge/gla (11-19-63)
cc to: Director's Reading File
Mr. Selfridge
Docket

OFFICIAL FILE COPY

Date	Surname	Code
11/19		130
		110
		100
11/21	Talbert	800
		500

November 19, 1963

Memorandum

To: The File

From: Chief, Division of Field Operations

Subject: OME-6289 (Silver)
Richmond Hill Exploration Company, Inc.
Midnight Mine
Pitkin County, Colorado
Contract 2169

On November 18 Mr. Connors called the writer to discuss the clearing of the subject Operator's October voucher. He stated that the independent contractor was billing the Operator $34.50 a foot for drifting while the contract price and real charge was $36.00. He explained that the Operator had advanced $5,000 to the independent contractor (Minerals Engineering) and that the advance was being repaid by a deduction of $1.50 a foot. Later, by teletype, Mr. Connors was informed that the voucher could be cleared provided the independent contractor had acknowledged the business arrangements.

Mr. Connors then wanted to know if 1900 feet of underground drilling under the Nye Metals contract (OME-6231) could not be transferred to surface drilling so that the Operator could continue such drilling until Christmastime. At that time the drills are to be moved underground to finish the approved drilling there. The writer informed Mr. Connors, in keeping with our memorandum to him of November 13, 1963, that the project had been reviewed and a decision reached that further surface drilling was not warranted. He mentioned that some of the holes showed good values and referred to Hole No. II-S2 in which 150 feet averaged 0.111 percent MoS_2, and to Hole II-S4 where 100 feet averaged 0.152 MoS_2. Why Hole No. II-S4 was drilled is not clear. Seemingly, this hole was drilled parallel to, if not within, at least close to the shear zone traversed by Holes Nos. II-S2 and II-S6. When told him that .1 to .15 percent MoS_2 did not amount to much, Mr. Connors dropped the matter. Hole II-S2 from 35 to 355 feet averaged 0.085 percent MoS_2.

GCSelfridge/gla (11-19-63)

George C. Selfridge (gla)

cc to: Director's Reading File
Docket
CA&A Division
Docket OME-6289
Docket OME-6231
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
80225

November 8, 1963

AIRMAIL

Memorandum

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

From: Acting Field Officer, OME, Region III

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

This responds to your teletype of November 8.

Attached is a copy of the October voucher for the subject contract.

Hugh M. Connors

Attachment

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11/15 Murphy 120 500

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/13	GCS	130
11/13	Murphy	500
11/14	Calbert	800
11/13	Johnson	110
		100
11/13	Cal	220
		500

AIRMAIL

NOV 13 1963

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

Reference is made to our memorandum of October 29, 1963, to you and your memorandum of November 5 transmitting the Operator's request for additional changes relating to underground and surface drilling.

We have reviewed the entire results of the exploration work to date and in the light thereof we shall amend the contract as indicated in our memorandum of October 29 and to cover the recently requested changes relating to the underground drilling covering Holes Nos. 4 and proposed 13, 14, and 15. At this time we do not favor transferring any funds for underground drilling to surface drilling.

You should hold the Operator's September 1963 voucher until an amendment is executed covering the delinquencies involved. We shall try to forward the amendment as soon as possible.

[illegible]

George C. Selfridge gla

GCSelfridge/gla (11-13-63)
cc to: Director's Reading File
Review Committee
G. C. Selfridge
Docket

OFFICE OF MINERALS EXPLORATION
MME Form DEPARTMENT OF THE INTERIOR
(2/63) WASHINGTON, D. C.

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11/8		130
	Ousleare	110
9		100
11/8	Cal	220
		130
		500

[illegible] Salaries and Expenses,
[illegible] of Minerals Exploration,
[illegible] Interior

TO: HUGH M. CONNORS, ACTING FIELD OFFICER
OFFICE OF MINERALS EXPLORATION, REGION III
BUILDING 20, FEDERAL CENTER
DENVER, COLORADO

RE OME-6231, NYE METALS, INC., PLEASE SEND US AIRMAIL ONE COPY OPERATOR'S OCTOBER PROGRESS REPORT AS SOON AS RECEIVED.

GEORGE C. SELFRIDGE, CHIEF
DIVISION OF FIELD OPERATIONS

GCSelfridge/gla (11-8-63)
cc to: Director's Reading File
Docket
Mr. Selfridge

1 1

George C. Selfridge, Chief,
Division of Field Operations 343-5372 November 8, 1963 3:50 p.m.

232

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado
80225

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DATE	INITIALS	CODE
11/6		800
		~~120~~
	Murphy	500
November 5, 1963		

AIRMAIL

Memorandum

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

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 the Operator's request for an amendment to the subject contract. I have discussed this request with Mr. Melbye and I recommend an amendment to cover this request.

The Operator has already used 80 hours of bulldozer work and if more surface holes are to be drilled at least 60 more hours of bulldozer work will probably be required. ?

With regard to core boxes, I hesitate to discard any core at this time and I am wondering if some of the money we have saved by virtue of free assaying could be transferred for more core boxes by amendment. ?

I am still holding the Operator's September 1963 voucher which was returned to me by Mr. Talbert on October 14, 1963. Will you please advise if I may now forward the voucher to the Fiscal Section for payment.

This memorandum together with the Operator's request for an amendment seems to reply to your memorandum of October 29, 1963.

Hugh M. Connors

Hugh M. Connors

Attachment

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

November 4, 1963

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Denver Federal Center- Building 20
Denver, Colorado

Re: OME-6231
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

Inasmuch as we are now approaching the allowable surface drilling footage under the contract, this letter is a request to transfer some of the remaining Stage II underground drilling to surface drilling, as well as to amend the underground hole locations yet to be drilled. As of the end of September, 2732 feet was completed out of 4200 feet. An estimated 1000 feet will be billed for November, leaving less than 500 feet.

In reviewing the allowed underground drill holes, only 4 out of 12 have been completed, as listed in the following table:

Hole No.	Contract Depth	Drilled Depth	Excess Footage
1 (Map #3) II-3	500	600	100
2 (Map #4) II-4	900	654 654 OK	(246)
3 (Map #5) II-5	900	900	0
10 (Map #10) II-10	600	1105	505
		3259 Report voucher indicates 4282 ?	

With the information we now have from these as well as the short Stage I holes and the Stage I and II drifting, the following holes are not recommended and will not be needed:

Hole No.	Drill Sta. No.	Depth
5 (Map #1)	4	700
6	4	400
7	9	500
8	9	500
9	10	400
11	11	400
	Total	2900 Feet

Hole Nos. 5 and 6 from Sta. 4 are in an area in which we now have the knowledge that alteration is unfavorable for disseminated mineralization. There is quartz veining but little secondary orthoclase and very little brecciation. Hole Nos. 7 and 8 are near the area drilled in Hole No. 2. Although the alteration was

2020 FOOTHILLS ROAD

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

GOLDEN, COLORADO

Mr. Hugh M. Connors November 4, 1963

somewhat favorable and molybdenite was in nearly every fracture, the average grade did not exceed .05% MoS_2. Hole Nos. 9 and 11 are in the area drilled by Hole No. 10. Disseminated wallrock mineralization was very weak and this was the main feature to be explored by these two holes. Please refer to OME application map- Plate 2 for locations of these holes.

allowed 800' length

This change will leave only underground Holes 4 (Map #2) and 12. We are further requesting that Hole No. 4 be changed as shown on the accompanying underground geologic map- 10,300' level. The new bearing will be about S11°W, the angle -60°, and the depth about 400 feet. This will also drill the Dakota fault but in the known mineralized portion. Also, we are requesting that the footage from #12 be used to drill three holes on the newly discovered vein in Hole II-3. Assays were previously reported and the average grade was .44% MoS_2 for a 21-foot length or 1.13% over 6.5 feet. True width of the higher-grade portion would be about 4.6 feet. They are shown on the accompanying map and are listed as follows:

Hole No.	Angle	Bearing	Approximate Depth
13	S15°E	-40°	200 feet
14	S15°E	-65°	270
15	N50°E	+ 3°	100

On all of these holes, existing stations or drifts can be used with the addition of one or two raise rounds for headroom.

In reviewing the allowable money under the contract, please refer to the first table of completed holes for a tabulation of excess footage. As can be seen, there was a net excess footage of 359 feet. The two remaining holes under the contract had an allowed footage of 1500 feet. The new holes being proposed have a total estimated footage of 970, which added to the 359, still does not exceed the 1500-foot allowable.

Since surface and underground drilling are at different prices, the transfer will most likely have to be in dollars rather than units of work. The following transfer of funds to surface drilling is therefore requested:

Core Drilling(Underground)		
0-500 foot depth	2700 feet @ $4.15	$11,205.00
500-750 foot depth	200 feet @ $4.40	880.00
Compressed Air	2900 feet @ $ .55	1,595.00
	TOTAL	$13,680.00

Mr. Hugh M. Connors November 4, 1963

The justification for transferring the footage is quite apparent from a comparison of assay results. In the underground drilling, no intervals of any great width were found which averaged over .05% MoS_2. On the other hand, the surface holes in the Mountain Chief area have nearly all showed widths of up to 300 feet which average in excess of .05%. Some of the better averages are listed and most of the details will be included with the October progress report to be turned in later this week.

Hole No.	Interval	% MoS_2	
II-S1	430'-555'	.080	.1% Cu .009 oz Au
	670'-745'	.082	
II-S2	175'-325'	.111	
II-S4	465'-565'	.152	

Narrower intervals will average considerably higher. Also, Hole II-S7 is now being assayed and it appears to be more highly mineralized than the above-listed holes. We also have a number of favorable zones with geochemical high anomalies which have never been drilled, in addition to drilling near the previous favorable holes. Geochemical anomalies have thus far proven to be quite accurate indicators of the better-grade mineralization.

Your consideration of these requests will be greatly appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 6 1963

DATE	INITIALS	CODE
November 4, 1963		
11/6		800
11/13	Murphy	500

Mr. Charles E. Melbye
Consultant to Nye Metals, Inc.
P. O. Box 309
Golden, Colorado

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

Dear Mr. Melbye:

This will confirm prior verbal Government approval for the surface diamond drill hole II-88 in the Mountain Chief area as shown on a map which accompanied your letter of October 31, 1963.

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Robert E. Nye, President
Nye Metals, Inc.
Blackhawk, Colorado

Chief, Division of Field Operations, OME w/copy of Operator's request 10/31/63
Contract & Amendments 2149
Contract Corres 2149
Chron

HMC/lm

October 31, 1963

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Building 25- Federal Center
Denver, Colorado

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

Dear Mr. Connors:

Permission is requested to drill the next surface hole, II-S8, in the Mountain Chief area as shown on the enclosed portion of the geologic map.

The Hole II-S8 location is proposed about 190 feet due West of Hole II-S2, which can be conveniently drilled near an existing road. It is designed to explore at depth (about 300 feet below) the same mineralized fault zone found from 35'-355' in II-S2. A 150-foot width averaged .111% MoS_2, and a narrower 45-foot zone in this interval averaged .153% MoS_2. Other 5-foot samples throughout the zone assayed from .1 - .3% MoS_2.

Depth is estimated at 500 feet, vertical angle is -50°, and the bearing due East.

Your consideration of this request is appreciated and is in accordance with our verbal request and your verbal approval of October 29.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

OFFICIAL FILE COPY

Date	Surname	Code
10/28	Murphy	500
10/28	on leave	500
10/28	Talbot	800
		130
10/28	Johnson	110
		100
10/29		220
		500

OCT 2 9 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

This is in reply to your memoranda of October 21 and 22, 1963.

An amendment covering the surface drilling can be prepared; however, we do not have sufficient data to amend the Stage II underground drilling as it is set up for 4,800 feet from 0 to 500-foot depths, 2,150 feet from 500 to 1,000 feet, and 350 feet in excess of 750-foot depths. Drilling data reported to date are as follows:

Hole No.	Contract depth (feet)	Drilled depth (feet)
1	500	600
2	900	654
3	900	900
6	400	900
7	500	694
10	600	1,105

Kindly supply us your estimate of the number and depths of the remaining underground holes that will be drilled. As stated before, the contract estimated cost of these holes should not be exceeded; therefore, the depth footages will have to be adjusted to cover the footages drilled in excess of the 350 feet allowed for holes over 750 feet in depth.

With regard to core boxes, the number allowed under the contract are not maximums under Category (7) of this amended contract. However, it appears that you and the Operator could decide what core should be retained and the remaining core discarded. This should provide quite a few boxes for re-use.

FMMurphy/mm 10/28/63
cc: Director's Reading File
Review Committee
Docket

George C. Selfridge

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
80225

OCT 21 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 25 1963

DATE	INITIALS	CODE
10/25	[illegible]	800
		120
~~10/28~~	~~Murphy~~	~~500~~

This responds to your memorandum dated October 14, 1963 on the subject contract.

? We are trying to find a disseminated molybdenum deposit, if indeed one exists, on the subject property and to date only holes S-2 and S-6 look encouraging. The assays on hole S-2 should be shown on the October voucher and the Operator states that the assays are encouraging.

The following is a resume of surface drilling to date:

II S-1 The best mineralization in this hole was from 433 feet to 745 feet which was at that point only 200 feet from the property line.

what are significant?

II S-2 This hole bottomed at 842 feet; from 525 feet to 725 feet was in a disseminated sulfide zone which looked very encouraging. It appeared advisable in this hole to get through the Precambrian into the intrusive again.

II S-3 Company hole - no Government participation.

II S-4 Hole bottomed at 691 feet; from 350 feet to 655 feet a zone of nearly continuous breccia was encountered with significant mineralization.

II S-6 This hole was bottomed at 577 feet and encountered good sulfide mineralization. It is hoped that some assays on this hole will show on the October voucher.

I agree that the total footage for overburden and core drilling should remain the same, but I recommend an amendment deleting the specification "Bedrock to 500 feet."

Attached is an underground geologic map of the 10,300 foot level. A copy of this same map was forwarded you with my memorandum of August 15, 1963. The hole locations, as shown in amended contract 2149, are shown in red ink, in red circles on this map. Hole No. 10 should have been bottomed at 600 feet in accordance with the contract, but it was bottomed at 1,105 feet. By drilling this extra footage we explored at depth a highly silicified zone with quartz veining and some molybdenum which outcrops on Oregon Hill. This will save drilling a surface hole in the vicinity of no. 3 vein.

Contract hole no. 1 (Operator's hole no. 3 on the map) a mineralized fault zone was encountered in this hole at 420 feet which was believed to be a strand of the Dakota fault. Significant mineralization continued to 520 feet. It was our thought that another strand of the Dakota fault would soon be encountered. We did intersect another strand of this fault near the bottom of the hole but it contained no mineralization. The hole was bottomed at 600 feet.

Again, I agree, as stated on page 4 of the amended contract, "From these stations approximately 12 holes aggregating not more than 7,300 feet should be drilled." This, in my opinion, should be the maximum but more leeway should be given as to the depth of the individual holes.

Hugh M. Connors

Hugh M. Connors

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
80225

October 22, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 25 1963

DATE	INITIALS	CODE
10/25	[illegible]	800
		120
10/28	Murphy	500

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Under the General Provisions of the subject contract this statement is made:

> "Core from the diamond drilling shall be properly boxed, marked, and stored for later inspection by the Government. With prior Government approval, the Operator may later dispose of such core. Significantly mineralized core shall be split and sampled and the sample assayed for molybdenum."

The Operator has already used more core boxes than the 600 cardboard core boxes allowed in Stage II of the contract.

In the event that you should prepare an amendment, would you wish to include more core boxes or would you recommend that we re-use some of the old core boxes.

Hugh M. Connors

Hugh M. Connors

Yes, we like the idea. We should decide value of core for Gov. and operator.

600 boxes is not a maximum in Stage II, but why can't Stage I be used for Stage II?

Talbert
10/25/63

Core boxes contract stage I - 100
II - 600
III - 250

Building 20 - Federal Center
Denver 25, Colorado
80225

Oct 18

10/48 Murphy 500

October 16, 1963

Mr. Charles E. Melbye
Consultant to Rye Metals, Inc.
P. O. Box 309
Golden, Colorado

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

Dear Mr. Melbye:

This will confirm prior verbal Government approval for the surface diamond drill hole II-67 in the Mountain Chief area as shown on the map which accompanied your letter of October 14, 1963.

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Robert E. Rye, President
Rye Metals, Inc.
Blackhawk, Colorado

Chief, Division of Field Operations, OME
Contract 2149
Contract Corres. 2149
Chron

HMC/lm

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

October 14, 1963

OME
DEPARTMENT OF THE INTERIOR
OCT 15 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Building 25- Federal Center
Denver, Colorado

Re: OME-6231
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

Permission is requested to drill the next surface hole, II-S7, in the Mountain Chief area as shown on the enclosed section of the geologic map.

Hole II-S7 is proposed about 400 feet, N60°W from Hole II-S6. It is designed to explore the southwestward extension of the mineralized fault zone found from 35'-355' in Hole II-S2. Assays have now been completed by Duval Corporation on this hole, and a 45-foot width averaged .153% MoS_2 and a 150-foot width averaged .111% MoS_2. In addition, other 5-foot samples throughout the zone assayed from .1 - .3% MoS_2. Since Hole II-S6 missed this fault, the strike is apparently SW, and this hole should intersect the fault.

Depth is estimated at 500-700 feet, vertical angle is -45°, and the bearing is at S60°E.

Your consideration of this request will be appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

2020 FOOTHILLS ROAD

O. BOX 309 CRestview 9-1542

GOLDEN, COLORADO

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/14	[illegible]	500
	[illegible]	120
10/14	[illegible]	110
n	[illegible]	100
		220

OCT 14 1963

Memorandum

To: Acting Field Officer, Region III

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

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

Thanks for your October 4 memorandum in reply to my September 23 inquiry concerning the Stage II drilling under the subject contract. Your explanation satisfactorily clears the bulldozing question, but the matter of underground drill hole locations, attitudes, and depths is still not clear, possibly because the Operator has used different identifying numbers from those listed in the contract's Exhibit A. In view of this, as well as your recommendation for an amendment to permit deeper surface drilling, I have referred your memorandum to the Chief, Division of Field Operations.

Because, as noted in my September 23 memorandum, this contract provides no costs for surface core drilling in excess of 500 foot depths, the Department's Fiscal Section has requested this Division's advice as to the propriety of paying the Operator's September 1963 voucher, which was approved by you on October 8, 1963. This voucher included the costs of hole S-4 which was drilled 191 feet beyond the 500 foot depth.

The original and two copies of the September 1963 MME Forms 60 and 61, together with attachments, are enclosed for retention in your files until (1) either an amendment is executed or decision is made not to allow the excess depth of the surface holes, and (2) the question regarding the underground holes is resolved. This withholding of approval is suggested in order to protect the Government from possible overpayments.

Enclosures

EDTalbert/ama
October 14, 1963

cc: Docket
Director's Reading File
CA & A Division
Fiscal Section (w/ thermofax cy. of Connors 10/4 memo)
Mr. Talbert

43683

Re: OMC-6231 Memo to Connors

I have surnamed although I think some statements are not "literally" true, eg.:

① The specs. don't limit surface holes to 500' depth; the audit problem is no price is provided for deeper drilling.

② Footages for overburden & core drilling are not individual maximums; only the 4200' total is a maximum.

Talbot
10/9/63

surfaced to 500'
[illegible] to 500'

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Murphy	500
10/9	on hand	500
10/9	Talbert	800
noted	GCS	130
10/14	Johnson	110
"	Smith	100
10/11	CAC	120
		500

OCT 14 1963

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

This is with reference to your memorandum of October 4 to Mr. Talbert which has been referred to this division for reply.

The purpose in limiting the depths of the surface holes to 500 feet was that in our opinion exploration to that depth would provide enough information regarding these outlying structures and also a larger area could be explored at a reasonable cost. If you will submit a suitable justification, we will consider amending the amended contract deleting the specification "Bedrock to 500 feet" under Stage II surface core drilling. However, we believe the total footages for overburden and core drilling should remain the same.

With regard to your last paragraph, we have not been able to reconcile the Operator's nomenclature of these underground holes with the drill hole numbers shown on page 4 of the amended contract. To clarify this, will you kindly submit a sketch showing the location of the drill holes completed indicating the Operator's and also the contract number for each hole.

With regard to the approximate depths of the underground holes, a ten to twenty percent average could be considered approximate; therefore, it is suggested that you submit a justification for any drilling to depths in excess of 20 percent of the contract specifications.

George C. Selfridge (gla)

FMMurphy/mm
10/9/63
cc: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
OCT 7 1963
CODE
10/7 Murphy 500 720 500

October 4, 1963

Memorandum

To: E. D. Talbert, Chief
Contract Administration and Audit Division

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 September 23, 1963, on the subject contract. Mr. Melbye informs me that Boyles Bros. will submit a credit memorandum and adjustment will be made on the September voucher to correct the error in Boyles Bros. July 31, 1963 invoice.

Total 8 holes 4200' Murphy

Because of the angle of holes S-1 and S-2, we had to go deeper to reach our objective. Will you please prepare an amendment to allow footage over the estimated 500 foot depths. // in what was ok?

? Average

Mr. Melbye called me by telephone August 26, 1963, and requested permission to drill holes II-S4 and II-S5 and I gave him verbal permission and told him to request a work order in writing, which he did, and I wrote the work order dated September 6, 1963, for these holes. However, the bulldozing for these drill sites was actually performed in August and was so billed.

Hole no. 10 by being extended deeper under Oregon hill saved drilling another hole. Under the circumstances, I consider holes 3, 6, 7, and 10 "approximate" the specifications of the contract. ??

meaning what?

Hugh M. Connors

Hugh M. Connors

check attitude of holes
±10 of 5 is safe approach

Re: OMB-6231

During the numerous "rounds" with their amended contract I continually voiced objection to the limitation of Bedrock to 500' for surface drilling. I surrendered contract only after informal assurance that no hole would go beyond 500' in depth.

The two holes drilled to date are considerably beyond the limit — 745' and 842' depths.

Talbert
9/20/03

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/20	Murphy	500
9/22	Selfridge	120
"	Tafuri	100
		~~220~~
9/23	Johnson	110
9/24		220
9/23	Coe	210
		500

Noted

SEP 23 1963

Memorandum

To: Acting Field Officer, Region III

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

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

An informal review of the subject contract has disclosed that the Operator has claimed, you have approved, and the Department's Fiscal Section has authorized contribution to a total of 3,344 feet of Stage II underground drilling through August 1963, whereas a total of only 3,299 appears to have been performed. This difference is due to an error in Boyles Bros. July 31, 1963, invoice wherein 283 feet was charged for drilling hole no. 10 from 762 feet to 1,000 feet.

The review also has disclosed that the Operator has claimed, you have approved, and the Fiscal Section has authorized contribution to a total of 587 feet of Stage II surface drilling, the costs of which are not presently authorized by the contract. The contract provides costs for such drilling only to 500 foot depths, whereas holes S-1 and S-2 were drilled to 745 feet and 842 feet, respectively.

8 holes - 4220

A question also arises as to the propriety of the Operator's charge of 15 hours bulldozing of access roads and drill sites during August 1963. Holes S-1 and S-2 were started in June and July, respectively. Holes S-4 and S-5 were not authorized until September. Could this bulldozing be applicable to hole S-3, which was drilled solely at the Operator's expense?

Another question concerns the underground drill holes. In your opinion do the actual locations, attitudes, and lengths of the four holes drilled through August "approximate" the specifications of the contract? I raise this question because of the variations in lengths, as shown below:

43683

Hole	Contract feet	Actual feet
3	900	600
6	400	900
7	500	694
10	600	1105

It is suggested that: (1) appropriate adjustment be made in your approval of the September 1963 Forms ~~MMX~~ 60 and 61 for the excess charge set forth in the first paragraph of this memorandum; (2) recommendation and justification for amendment of the contract be submitted to cover the matter of the second paragraph; and (3) such explanation or recommendation as may be indicated be furnished in regard to the subject of the third and fourth paragraphs above.

EDTalbert/ama 9-19-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section
Mr. Talbert

Building 20 - Federal Center
Denver 25, Colorado
80225

September 17, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 19 1963

DATE	INITIALS	CODE
9/19		800
9/23	Murphy	500

Mr. Charles E. Melbye
Consultant to Nye Metals, Inc.
P. O. Box 309
Golden, Colorado

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

Dear Mr. Melbye:

This constitutes Government approval for the surface diamond drill hole II-86 as shown on the map which accompanied your letter of September 14, 1963. Permission is also granted to defer drilling of hole II-85.

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Contract 2149
Contract Corres. 2149
Chron
HMC/lm

cc Mr. Robert E. Nye, President
Nye Metals, Inc.
Blackhawk, Colorado

September 14, 1963

OME
DEPARTMENT OF THE INTERIOR
SEP 17 1963
REGION III
COLORADO

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Building 25- Federal Center
Denver, Colorado

Re: OME-6231
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

Permission is requested to drill the next surface hole, II-S6, in the Mountain Chief area as shown on the enclosed section of the geologic map. Hole II-S4 is about complete, but Hole II-S5, as approved in your work order of September 6, has not been started. A considerable move of the waterline is necessary to drill II-S5, whereas II-S6 is right along the present line, thereby saving the drillers a move over and back. Therefore, it is further requested to defer drilling of Hole II-S5.

Hole II-S6 is designed to explore the same mineralized fault zone and breccia zone in the dacite porphyry as was cut in the first 355 feet of Hole II-S2. The hole will be parallel to II-S2 (due East), 400 feet further south, and at a -45° angle. Although assays are not back, Hole II-S2 appeared to be highly mineralized with considerable visible molybdenite and chalcopyrite abd abundant jarosite. This area is apparently in a SW prong of the Mountain Chief breccia pipe. Hole II-S4 has intersected a wide zone of disseminated molybdenite in brecciated dacite porphyry and quartz monzonite about 400 feet further southwest.

Your consideration of these requests will be appreciated.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

Building 20 - Federal Center
Denver 25, Colorado

Official COPY
O. M. E
RECEIVED SEP 9 1963
DATE | INITIALS | CODE
9/9 | | 500
| | 500

September 6, 1963

Mr. Charles E. Melbye
Consultant to Rye Metals, Inc.
P. O. Box 309
Golden, Colorado

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

Dear Mr. Melbye:

This constitutes Government approval for the surface diamond drill holes as shown on the map which accompanied your letter of August 30, 1963.

The following is a summation of the two holes:

	Angle	Approximate Depth
Hole II-84	-45°	500 feet
II-85	-55°	200 feet

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Contract 2149
Contract Corres. 2149
Chron
HMC/lm

August 30, 1963

OME
DEPARTMENT OF THE INTERIOR
SEP 4 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer
OME, Region III
Building 25- Federal Center
Denver, Colorado

Re: OME-6231
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

We are requesting permission to drill the next two surface holes as shown on the enclosed copy of the Mountain Chief geologic map. Recently completed bulldozer cuts and geochemical sampling are shown on the map, as it bears considerable influence on the hole locations. Completed holes are shown in green.

Hole II-S4 is proposed to explore a zone in which dacite porphyry has intruded the quartz monzonite and in which later faulting with molybdenum mineralization is evident from the geochemical high. This high is believed to be on the major northwest fault zone shown on the 500 scale geologic map of the entire Nye property.

Hole II-S5 is a short hole (200 feet) designed to determine whether the projected Indiana vein system shows any strength of mineralization at this location. This should further determine whether additional drifting from the mine would be justified. A large altered zone with secondary quartz and slightly higher geochemical values is visible in the bulldozer cut, but no definite quartz vein can be seen.

The following is a summation of the two holes:

	Angle	Approximate Depth
Hole II-S4	-45°	500 feet
II-S5	-55°	200 feet

Your consideration of this request will be appreciated.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

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

OFFICIAL FILE COPY
O. M. E
RECEIVE AUG 19 1963

DATE	INITIALS	
8/19		800
		500

August 15, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Attached are two copies of the Underground Geologic Map showing the 10,300 foot level. One copy of the map is being retained in our file.

Hugh M. Connors

Hugh M. Connors

Attachments

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

August 6, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 9 1963
DATE | INITIALS
8/16 | Murphy

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Enclosed are the Government's, Fiscal Section's, and Audit's executed copies of Amendment No. 3.

Hugh M. Connors

Hugh M. Connors

Enclosures

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/31	Murphy	500
7/31	[illegible]	800
7/31	[illegible]	800
	[illegible]	130
7/31	[illegible]	110
1	[illegible]	100
8/1/63	[illegible]	220
		500

JUL 31 1963

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

In accordance with your recommendation of July 19, 1963, enclosed are the original and four copies of Amendment No. 3, signed by the Director for the Government. 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 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.

With reference to the Operator's letter of July 17 requesting the subject amendment, it did not contain all the data to justify the $15.00/hour for company-owned equipment. Even if bids are submitted the Operator should be requested to submit the fair market value of the bulldozer, and the hourly cost of the operator's wages, operating supplies, repairs, etc.

George C. Selfridge (gla)

Enclosures

FMMurphy/mm
7/31/63
cc: Director's Reading File
Review Committee
Docket

43683

DRAFT
7/23/63
FMMurphy/gla

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and 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 the date of the Amended Contract as follows:

1. In Amendment No. 1, item 2/, under Stage II, Actual Costs, Category (1), Independent Contracts, the first item under the words Core Drilling (Surface) is deleted and the figures $21,802.50, $55,040.00, and $57,640.00, for Total surface drilling, Total Independent Contracts Stage II, and Total Estimated Actual Costs Stage II, respectively, are revised to read $20,602.50, $53,840.00, and $56,440.00, respectively.

2. In Amendment No. 1, item 2, under Stage II, Fixed Unit Costs, the following is added:

Bulldozing access roads and drill sites 80 hours @ $15.00/hr. for D-8 $12.00/hr. for D-7 dozer	$1,200.00

and the figure $57,015.00 for Total Estimated Fixed Unit Costs Stage II is revised to read $58,215.00.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may

be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NYE METALS, INC.

By_____

Title_____

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

July 19, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Attached is a letter from the subject Operator requesting an amendment to the contract for bulldozer work to be carried as a Fixed Unit Cost.

I recommend that you amend the contract accordingly.

Hugh M. Connors

Hugh M. Connors

Attachment

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 22 1963

DATE	INITIALS	CODE
7/22	GWD	800
"	Greenwald	~~120~~ 500
	Murphy	500
		~~120~~

DRAFT WRGriswold/mm
5/17/63

~~800~~
~~120~~
500

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231
AMENDMENT NO. 2

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and 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 June 6, 1962, as follows:

1. On page 2 of Exhibit A, the second paragraph is deleted and the following is substituted:

"Under Stages II and III of the work the diamond drill holes shall be started using either standard or wire line NX size and may be reduced if necessary to complete a hole to either the standard BX or AX size, or to the BX or AX wire line size."

2. Under Exhibit A of the contract, sub-heading Estimated Cost of of the Work, pages 6, 7, 8, and 9 of Exhibit A, wherever cost specifications are given for core size, such specifications shall apply equally to both standard and wire line work.

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

Executed in quintuplicate the day and year first above written.

NYE METALS, INC.
By _____
Title _____

THE UNITED STATES OF AMERICA
By _____
Director, Office of Minerals Exploration

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

OME
DEPARTMENT OF THE INTERIOR
JUL 18 1963
REGION III
DENVER, COLORADO

July 17, 1963

Mr. Hugh M. Connors
Acting Field Officer, OME, Region III
Building 23- Federal Center
Denver, Colorado

Re: OME-6231
Nye Metals, Inc.
Blackhawk, Colorado

Dear Mr. Connors:

As was mentioned in our May narrative report, considerable bulldozer work had been done by the Operator before the realization that this is listed in the contract under Independent Contracts rather than Fixed Unit Costs. Since Nye Metals, Inc. has always owned a D-8 bulldozer and it was so stated in our application, we are requesting an amendment to the contract to permit the use of this bulldozer at the rate of $15/hour listed in the contract. Two bids from independent contractors are enclosed, which indicate a considerably higher cost per hour in addition to standby time. No standby time would be charged by the Operator even though necessary work on roads is quite intermittent.

still high?

Also, we are requesting permission to go from Stage II to Stage III of the contract with respect to underground drifting. All drifting footage on the Indianapolis and Indiana veins under Stage II is used up, and the remaining footage of 151' for cross-cutting or cross-vein drifting will be used up in July.

results?

Your consideration of these requests will be greatly appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am

P. O. BOX 309 2721 LOOKOUT VIEW DRIVE CRestview 9-1542
GOLDEN, COLORADO

QUAD CONSTRUCTION INC.

TUNNELING
SHAFT SINKING

5770 McINTYRE STREET
ROUTE 1. BOX 568A
GOLDEN, COLORADO

MINING
PLANT INSTALLATION

July 10, 1963

Mr. Robert Okey
Nye Metals Inc.
Blackhawk, Colorado

Dear Sir:

We should like to offer the following proposal for the bulldozer work at your mining property, which consists of construction of drill sites and road building.

To be done with a D-8 Caterpiller tractor.

Move in and out	200.00
Bulldozer work with operator	22.50 per hour
Standby time	17.50 per hour

Thank you for considering us for this work. We hope to hear from you.

Very truly yours,

Fred S. Haley

FSH:K

STATEMENT

E. A. SCHEIDEMAN CONSTRUCTION
2060 NEWLAND STREET
DENVER 15, COLORADO
PHONE 233-2765

To: Chas E. Melbye
2721 Lakeview Dr,
Golden,Colo

Date 7/5/63

DOZER RENTAL RATES.	
D-8 Cat & Dozer 14A Fully Maned, Per Hr.	$17.50
Stand By Time.-Per-Hr.----------	6.50
Move In On Job Site.----------	$45.00

Thank You
E.A.S

Re: OMC-6281

Driller unwound Hole 6 as started NX & completed BX, and Hole 7 started NC, reduced to NX, and then BX.

These are the only holes in Stage II drilled through April. I assume they are all WL sizes.

Can we interpret amendment as meaning NX "or larger"?

I would think so as long as we did not pay more than specified for NX core

FEG

Talbot
5/29/63

Building 20 - Federal Center
Denver 25, Colorado

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

DATE	INITIALS	CODE
6/10	WJ	800
	Murphy	300

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

This constitutes approval to drill the first hole under Stage II of the captioned contract as requested in Mr. Melbye's letter of June 5, 1963 with a map showing the hole location, bearing and inclination.

Approval is also granted to discontinue drifting on the Indiana vein, and to apply the remaining allowable footage of drifting on the Indiana vein to the Indianapolis south drift.

Mr. Melbye brought along with his letter for my inspection, field maps of the recently completed detailed surface geologic map. He expects to soon submit to this office two copies of the map.

Sincerely yours,
Original signed by
T. M. Romslo

T. M. Romslo
Acting Field Officer, OME
Region III

cc Mr. Charles E. Melbye
Consultant to Nye Metals, Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado

Chief, Division of Field Operations, OME
w/original of Mr. Melbye's letter 6/5/63 and copy of the map
Contract Corres. 2149
Chron
TMR/lm

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

June 5, 1963

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

Mr. T. M. Romslo, Acting Field Officer
OME, Region III
Denver Federal Center
Denver 25, Colorado

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

Dear Mr. Romslo:

Inasmuch as we have now completed a detailed surface geologic map of the Mountain Chief area and have the geologic features well in mind, we are requesting approval to drill the first hole approximately as shown in red on the accompanying sketch. Since drafting of the new geologic map is incomplete, prints of this map cannot be enclosed and will be sent to you in about a week. The geology will be somewhat revised.

This hole is approximately in the center of the molybdenum geochemical anomaly obtained by the Union Carbide Nuclear Corp. survey. It will cross-cut the major east-west molybdenum-bearing fault zones at a depth of 500-600 feet. It is proposed at an angle of -35° and a bearing of due South.

In regard to drifting in the mine, we have a further request to discontinue drifting in the Indiana drift and apply the remaining footage of 153 feet to the Indianapolis drift(South). The Indiana vein structure has become progressively more weakly mineralized, although strong faulting is still present. There is still some justification for future drifting on the vein, but the Indianapolis vein drift is now getting under the Oregon Hill area where we expect to crosscut at least 5 veins in addition to drifting on the vein. The No. 1 Vein has already been intersected, and the entire brecciation of the walls is more intense with a marked increase in molybdenite content. It seems more expedient to extend the Indianapolis drift at this time, at least until the end of Stage II. As of the end of May, advance footages are as follows:

	Adv. Under Stage II
Indianapolis Vein System	484.5 feet
Indiana Vein System	347.0
Drifting or cross-cutting from main drift	29.5

Your consideration of these requests will be appreciated.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Robert E. Nye

P. O. BOX 309 2721 LOOKOUT VIEW DRIVE CRestview 9-1542
GOLDEN, COLORADO

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

June 4, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Enclosed are the Government's, Audit's, and Fiscal Section's executed copies of Amendment No. 2 to the subject amended contract.

T. M. Romslo

Attachments

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 12 1963

DATE	INITIALS	CODE
6/12		500

Building 20 - Denver Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
May 27, 1963 M. E
RECEIVED MAY 31 1963

DATE		CODE
6/3		800
	Drawer	500
6/4	Murphy	500

Mr. Robert E. Nye
President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

Attached are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of proposed Amendment No. 2 to the subject amended exploration contract.

If the proposed amendment is suitable to you, you should sign all copies and return signed copies to this office. The Operator's copy will then be returned to you.

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

Sincerely yours,

Original signed by
T. M. Romalo

T. M. Romalo
Acting Field Officer, OME
Region III

Attachments

cc: Chief, Division of Field Operations, OME

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/23	Murphy	500
	Hurlbut	500
5/23	Fallhut	800
	GCS	130
5/23	Johnson	110
	Crosby	100
5/23	cal	220
		500

MAY 23 1963

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

In accordance with your recommendation of April 30, 1963, enclosed are the original and four copies of Amendment No. 2, signed by the Director for the Government. 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 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
5/23/63
cc: Director's Reading File
Review Committee
Docket

43683

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/20	Talbert	800
5/20	Murphy	500
	[illegible]	130
5/21	Johnson	110
	[illegible]	100
5/21	cal	220
		500

MAY 21 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

Your May 16 memorandum requests advice as to the procedure for reclaiming costs for compressed air service after the subject Operator signs proposed Amendment No. 1.

Such costs for March and April may be reclaimed either by a supplemental voucher or by inclusion in the Operator's next regular monthly voucher.

In regard to the assay costs, also mentioned in your memorandum, it appears that the Operator's claim, your approval, and the Fiscal Section's payment on the basis of $5.00 per assay were correct. The contract's Category (7) estimate of $4.00 per assay is not a maximum and the Operator's claim is supported by Charles O. Parker & Company's April 18 assay certificate listing 29 MoS2 assays and a charge of $145.00.

George C. Belfridge

EDTalbert/ama 5-20-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section
Review Committee
Mr. Talbert

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 20 1963

DATE	INITIALS	CODE
5/20	[illegible]	800
		500

May 16, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

This concerns the Operator's vouchers for March and April, 1963. The cost of air was suspended from the March voucher and was recommended for suspension from the April voucher.

The Operator will be advised, if he signs proposed Amendment No. 1, to claim payment for the air in a supplementary report with MME Form 60 and 61 for the two months concerned. The April voucher included $145.00 for assaying 29 samples at $5.00 each. I now find that the correct allowable total cost for this item is $116.00 for 29 samples at $4.00 each. The Operator will be asked to straighten this out in the supplementary report by entering the $29.00 overpayment as a debit item on the MME Forms.

Please advise if this procedure is o.k.

T. M. Romslo

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

May 20, 1963

FILE COPY
O. M. E
RECEIVED MAY 23 1963
DATE
500

Memorandum

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

From: Acting Field Officer, OME, Region III

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

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

Attachments

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		800
		5000

May 17, 1963

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Division of Minerals

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

In the cited amended contract, under General Provisions, we stipulated for the diamond drilling

> "Under Stages II and III of the work the diamond drill holes shall be started using standard NX core size (2-1/8 inch diameter) and may be reduced if necessary to complete a hole to either the standard BX or AX core size."

We now learn that the drilling is actually being done with wire line equipment, rather than standard, which gives a slightly smaller size of core and which conflicts with our contractual specifications.

The diamond driller says, in essence, "It's true that I neglected to say 'wire line equipment' in my bid but I had told the Operator verbally that wire line equipment would be used." (This is confirmed by the Operator). The driller further says, "What are you crying about, by using wire line drilling and a special type core barrel (which is not required by the contract) you are getting a much better core recovery than if I was using the standard tools. Since core recovery is the prime motive of any drilling contract--why the fuss."

We believe the driller's story completely; the bid price was so low that it is obvious that standard equipment could not have been intended. Therefore, we desire to prepare an amendment, as attached, clarifying the matter.

Nevertheless, if you feel that we are in error and that such an amendment would not be in order, will you kindly advise us.

W. R. Griswold

Attachment
WRGriswold/mm 5/17/63
cc: Mr. Fumich
Mr. Johnson
Mr. Selfridge
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/17	Murphy	500

MAY 17 1963

AIRMAIL

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6074 (Lead-Zinc)
United Park City Mines Company
Daly West Project
Salt Lake, Summit, and Wasatch Counties, Utah
Contract 2110

Reference is made to your memorandum of May 13, 1963, relating to payments for AXWL core.

Exhibit "A" of the contract states, "Diamond drilling shall be done with coring drills, with the core of AX standard size or equivalent, or larger, except that EX size coring bits may be used in the event such use is necessary to complete a hole." Holes to a depth of 1,000 feet are to be paid for at a maximum of $6.00 per foot under Independent Contracts.

As long as all holes were started with a core diameter of approximately 1-plus inches, which they seem to have been without auditing all the vouchers, there appears to be no problem involved under the present contract. Should any of the holes have been started with a core less than 1-inch in diameter, either some adjustment would have to be made or the contract amended. The $6.00 price covers both AX and EX standard core sizes or equivalent. Naturally, the intent of the contract was that EX core would be taken only to finish a hole where necessary.

With regard to contract 2149, Nye Metals, Inc., the matter is a little more complicated since under Stages II and III holes were to be started with EX standard core. As this contract involves legal interpretation, we shall have to write you concerning it a little later.

George C. Selfridge (gla)

GCSelfridge/gla (5-16-63)
cc to: Director's Reading File
Review Committee
Docket OME-6074
Docket OME-6231

43683

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

May 13, 1963

120

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-[illegible] (Lead-Zinc
Contract 2110
United Park City Mines Company
(Daly West Project
Salt Lake, Summit and Wasatch Counties, Utah

Wireline equipment has been used for much of the diamond drilling on this project, and part of the core obtained has been AXWL size. AXWL core with original wireline equipment is about standard EX size, as given in Griswold's memorandum dated April 23, 1963. However, AXWL core obtained with the Boyles Bros's newer wireline equipment, is 1.00[illegible] inches in diameter or about 0.06 inch less than the diameter of standard AX core. The sizes of other core included NXWL (dia. 1.875 in.), BXWL (dia. 1.432 in.) and standard EX (dia. 0.875 inc.).

The contract specifies that "Diamond drilling shall be done with coring drills, with the core of AX standard size or equivalent, or larger, except that EX size coring bits may be used in the event such use is necessary to complete a hole.

In view of the core-size problem of contract 2149 (Nye Metals, Inc.), I would like to know if the previous payments for AXWL core were in order. Processing of the subject Operator's April 1963 voucher will be deferred until your reply is received.

T. M. Romslo

Building 20 - Federal Center
Denver 25, Colorado

May 15, 1963

O. M. E
RECEIVED MAY 21 1963

DATE		
5/21		800
		500
5/22		

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

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

Dear Mr. Nye:

Attached are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of proposed Amendment No. 1 to the subject amended exploration contract.

If the proposed amendment is suitable to you, you should sign all copies, retain the Operator's copy, and return the remaining signed copies to this office.

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

Sincerely yours,

Original signed by
T. M. Romslo
T. M. Romslo
Acting Field Officer, OME
Region III

Attachments
cc Chief, Division of Field Operations, OME
Contract Corres. 2149
Chron
TMR/lm

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 17 1963

DATE		CODE
5/17		
May 14, 1963		800
		500

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Reference is made to your memorandum dated May 7, 1963.

The proposed Amendment No. 1 to the subject contract will be submitted for consideration by Mr. Robert E. Nye, the Operator's president, as soon as possible. According to Mr. Charles Melbye, the Operator's consultant, Mr. Nye is presently in Indiana, but can be expected to call at this office and probably sign the proposed amendment upon returning to Denver, about May 17.

In regard to the core-size problem, it is my opinion that Boyles Bros. and the Operator inadvertently failed to mention that wireline equipment would be used. My opinion is based on the information contained in the attached copy of Mr. Melbye's letter dated May 11, 1963, and Mr. Lensch's letter of May 2, 1963, which was forwarded to you May 9, 1963.

In considering this matter, the size of core actually obtained is probably an important factor. According to information obtained today from Mr. Lensch, the Boyles Bros. wireline equipment yields core of the following diameters: NXWL-1.875 inches, BXWL-1.432 inches, and AXWL-1.067 inches. The next lower size coring is done with standard AX size bits. Thus, the size of core obtained by Boyles Bros. is significantly larger than that obtained with the original wireline equipment that yielded core of the sizes quoted in Mr. Griswold's memorandum dated April 23, 1963.

The amendment to be prepared upon receipt of the signed Amendment No. 1 should provide for coring either to wireline or standard sizes and allow for holes to be started either NX or BX standard sizes or the equivalent in wireline sizes. The presently allowable costs are considered reasonable for wireline drilling, that yields core of adequate sizes, and that normally results in the recovery of more core than obtained in standard-size drilling. Bids for drilling standard-size holes would be expected to be somewhat higher than the presently allowable costs.

T. M. Romslo

T. M. Romslo

Attachment

May 11, 1963

OME
DEPARTMENT OF THE INTERIOR
MAY 13 1963
REGION III
DENVER, COLORADO

Mr. T. M. Romslo, Acting Field Officer
OME, Region III
Denver Federal Center
Denver 25, Colorado

Dear Mr. Romslo:

In regard to the question which has arisen on the use of wireline equipment, I would like to explain our position.

In all our discussions with Boyles Bros., before the drilling bids were submitted, they stated their intention to use wireline equipment, although it was omitted from their proposal. This was agreed to be Nye Metals, Inc., since it meant a considerable cost saving as well as better core recovery. A bid by another contractor for regular size core was about $1.00 per foot higher. The use of wireline equipment has paid off as we have had nearly 95% recovery through wide mineralized zones with considerable fracturing and difficult drilling.

Furthermore, the contractor is actually making very little money since bit costs are unusually high.

Therefore, I trust that you will agree the use of wireline core as a satisfactory substitute for the regular core size.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
CC: Robert E. Nye

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 14 1963
DATE
5/14 cus 800
500
5/16 Drawed Murphy 500

May 10, 1963

Mr. George E. Lensch, District Manager
Boyles Bros. Drilling Company
2960 W. 7th Avenue
Denver 4, Colorado

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

Dear Mr. Lensch:

I have your letter to Mr. Commors dated May 2, 1963 concerning the use of wireline equipment at the subject mine.

Thank you very much for clarifying your company's position in this matter, and for offering to participate in further discussions, if deemed necessary.

I believe that the information voluntarily furnished by you will aid in the resolution of the minor contractual problem faced by the Rye Metals, Inc.

Sincerely yours,

Original signed by
T. M. Romslo

T. M. Romslo
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
2149 Contract Corres.
Chron
TMR/lm

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

OFFICIAL FILE COPY
C. M. E
RECEIVED MAY 13 1963

DATE		
5/14		800
		120
	Transmitted	500
5/15	Murphy	500

May 9, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Mr. George E. Lensch, District Manager, Boyles Bros. Drilling Company in the attached letter dated May 2, 1963, presents information concerning the use of wireline equipment at the subject project.

The information furnished by Mr. Lensch indicates that use of wireline equipment in lieu of standard equipment was justified.

T M Romslo

T. M. Romslo

Attachments

CORE DRILLING
DRILLING EQUIPMENT
G
TION TESTING
YING
SINKING
EL DRIVING
PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY
CONTRACTORS - ENGINEERS - GEOLOGISTS
2960 W. 7th Avenue
DENVER 4, COLORADO
Phones: ALpine 5-9244
ALpine 5-0855

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

May 2, 1963

OME
DEPARTMENT OF THE INTERIOR
MAY 6 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Conners
Acting Field Officer
Office of Mineral Exploration
Denver Federal Center
Denver, Colorado

Re: Nye Metals Core Drilling
Apex, Colorado

Dear Mr. Conners:

It has been brought to my attention of a dissatisfaction of core sizes due to the use of wireline equipment. I wish to clarify our position concerning this.

It was my intention to employ the use of the wireline equipment and was verbaly discussed with the Nye Metals Mining Company management and geologist, even though I failed to make a statement as such in my proposal. It was my understanding the contractor qualified by experience was to perform the drilling for utmost recovery of core without concern to size, method or type of equipment used.

We have definite reason to believe without the use of wireline or a special type core barrell it would be impossible to recover the percentage of core now obtained. Any special type barrell reduces the core size. Using conventional type equipment underground, which requires the pulling of all drill rod for each time the bit blocks, will require considerable more excavation for an adequate size drill cut out to allow the use of longer drill steel for satisfactory performance in the cycle of operation.

Should there by any further question or dissatisfaction concerning this I request all persons concerned meet with me at the earliest possible time convenient, whereby we may further discuss and clarify the situation.

Very truly yours,

BOYLES BROS. DRILLING COMPANY

George E. Lensch

George E. Lensch, District Manager

GEL/eg

cc: Mr. Robert Nye
Mr. Charles Melbye

EA Form 7
12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/6	Murphy	500
	[illegible]	500
5/7	Tallent	800
	Selfridge	130
5/7	[illegible]	110
	[illegible]	100
5/7	[illegible]	220
		500

Memorandum

MAY 7 1963

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

In accordance with our memorandum of April 19, 1963, enclosed are the original and four copies of a proposed Amendment No. 1 to the subject amended contract, signed by the Director for the Government. Also enclosed is an extra copy of the amendment for your use.

If the proposed amendment is satisfactory to you and the Operator, have an authorized representative of the corporation sign all five copies. 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.

You will note that the unit cost for air is fixed at $0.55 per foot of drilling because an operator should not receive the same money as an independent contractor. The price allowed is five cents lower than MacPherson's bid of $0.60 per foot.

With reference to your memoranda of April 30 and May 1 recommending an amendment to allow the same price for standard NX and wireline NX core sizes, we have no basis to justify such an amendment.

As you mention the Boyles bid did not qualify the sizes quoted as wireline; hence, the contract specifications were as usual based on standard core sizes. If Boyles Brothers and the Operator will submit evidence that a mutual error was made when the bid was received and submitted to OME, we will consider the matter. What was your impression?

In any event, the contract will have to be amended to allow starting the holes standard BX core size. We will withhold action in this matter pending your reply.

George C. Selfridge (gfe)

Enclosures
FMMurphy/mm 5/6/63
cc: Director's Reading File
Review Committee
Docket

8623

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

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 3 1963
DATE
5/3 800
500

May 1, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

This has further reference to the last paragraph in my memorandum of April 30, 1963, on the subject contract.

I recommend that an Amendment be made to provide for use of either wireline or standard equipment on Stage II and Stage III drill holes at no reduction in price to the driller.

Hugh M. Connors

Hugh M. Connors

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

April 30, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 3 1963

DATE		
5/3		800
		120
		500

Memorandum

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

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 Mr. Griswold's memorandum dated April 23, 1963, on the subject contract.

I have just returned from the regular monthly inspection of this property, which I made in the company of Charles Melbye, geologist, for the Operator.

Mr. Melbye told me that it was the intent of Boyle Bros. to use wireline equipment when they made their bid and they so stated in Mr. Melbye's presence. It is true, however, that it was not stated as "wireline" equipment in the bid. However, please note the big difference in price between the Boyle Bros. bid and the Longyear bid which did specify wireline equipment.

It is my belief that Boyle Bros. are not making more than a fair return on their investment on this job and I don't believe we can get away with cutting the price down.

I recommend that an Amendment be made to provide for using wireline equipment on Stage II drill holes at no reduction in price to the driller.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/25	Fumich	100
4/25	cse	220
~~4/26~~	~~Murphy~~	~~560~~
		~~220~~

APR 2 5 1963

Mr. Robert E. Nye
President, Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

Thank you for your February 20 letter.

We usually have not issued press releases on amended contracts but for awhile thought we should make an exception in this case.

Because of the time lapse we now think it would not be appropriate.

We appreciate your cooperation.

Sincerely yours,

George Fumich, Jr.

Director

GFumich,Jr./bih
4/25/63

cc to: Files (docket)
Dir. reading file
Region III (2)
Mr. Selfridge

43683

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

OFFICIAL FILE COPY
O RIGINAL
RECEIVED APR 24 1963

DATE		
4/24	Talbot	800
	Leonard	500
	Murphy	500
4/24	Johnson	~~410~~
4-29	[illegible]	100

April 22, 1963

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 2149

Gentlemen:

Regarding your letter of February 20, 1963 concerning a news release on the amended contract; we are now ready to release this for publication.

We understand your office will release this news concerning the new contract.

Would you please advise this office as to when and in what publication you will issue this release.

Yours very truly,

Robert E. Nye

Robert E. Nye
President

REN/ml

DRAFT
FHERRFRY/mm
4/28/63
25

Docket copy

AMENDED EXPLORATION CONTRACT
NYE METALS, INC.
OMR-6231

AMENDMENT NO. 1

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

1. Under Estimated Cost of the Work, Stage II, in Category (1), Independent Contracts, Core Drilling (Underground), the words and figures "Compressed air for drilling 7300 feet @ $0.70.....$5,110.00" are deleted and under Fixed Unit Costs Stage II, the following is added:

Compressed air for drilling 7300 feet @ $0.55/ft.....$4015.00.

2. Under Category (1) Independent Contracts Stage II the figure $38,347.50 for Total Underground drilling and the figure $40,150.00 for Total Independent Contracts are revised to read $33,237.50 and $35,040.00 respectively; and the figure $42,750.00 for Total Estimated Actual Costs Stage II is revised to read $37,640.00; and the figure $53,000 for Total Estimated Fixed Unit Costs Stage II and the figure $115,750.00 for the Total Estimated Cost Stage II are revised to read $57,015.00 and $114,655.00 respectively.

3. Under ~~Estimated~~ Estimated Cost of the Work Stage III, in Category (1), Independent Contracts, the words and figures "Compressed air for drilling 6000 feet @ $0.70/ft.....$4,200.00" are deleted and under Fixed Unit Costs, Stage III, the following item is added:

Compressed air for drilling 6000 feet @ $0.55/ft.....$$3,300.00

4. Under Stage III the figure $32,225.00 for Total Independent Contracts and the figure $34,075.00 for Total Estimated Actual Costs Stage III are revised to read $28,025.00 and $29,875.00, respectively; the figure $51,750.00 for Total Estimated Fixed Unit Costs Stage III and the figure $85,825.00 for Total Estimated Cost Stage III are revised to read $55,050.00 and $84,925.00, respectively.

5. Under Estimated Cost of the Work, the words and figures under SUMMARY are revised to read as follows:

Total Estimated Cost Stage I	$76,650.00
" " " " II	114,655.00
" " " " III	84,925.00
" " " of Project	$276,230.00
Government Participation @ 50%	$138,115.00

6. In Article 1(b) of the contract the figures $278,225.00 and $139,113.00 are revised to read $276,230.00 and $138,115.00, respectively.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NYK METALS, INC.

By_____

Title_____

4. Under Stage III the figure $32,225.00 for Total Independent Contracts and the figure $~~51,750~~ 34,075.00 for Total Estimated ~~Fixed Unit~~ actual Costs Stage III are revised to read $28,025.00 and $~~55,050.00~~ 29,875.00 respectively; the figure $85,825.00 for Total Estimated Cost Stage III ~~is~~ are revised to read $~~84,925.00~~ 55,050.00 and $84,925.00, respectively.

the figure $51,750.00 for Total Estimated Fixed Unit Costs Stage III

5. Under Estimated Cost of the Work, the words and figures under SUMMARY are revised to read as follows:

Total Estimated Cost Stage I	$76,650.00
" " " " II	114,655.00
" " " " III	84,925.00
" " " of Project	$276,230.00
Government Participation @ 50%	$138,115.00

6. In Article 1(b) of the contract the figures $278,225.00 and $139,113.00 are revised to read $276,230.00 and $138,115.00 respectively.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

NYE METALS, INC.

By _____

Title _____

AME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/22	Talbert	800
4/22	Murphy	500
	Guilelmo	130
4/23	Johnson	110
	[illegible]	100
4/23	[illegible]	220
		500

APR 23 1963

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

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

The subject Amended Contract specifies under General Provisions that Stage II drill holes "shall be started using standard NX core sizes (2 1/8" diameter) and may be reduced if necessary to complete a hole to either the standard BX or AX core size". The contractual estimates include maximum average unit costs for NX, BX, and AX "core size".

The March 1963 MME Form 60, which you recently approved and forwarded to the Department's Fiscal Section, includes a claim for 700 feet of drilling in hole no. II-5 at the contractual NX and BX core prices. These costs are supported by Boyle Bros. Drilling Company's March 31 invoice which identifies the hole as no. 6 and bills for NX and BX drilling at the contractual prices. The Operator's narrative, however, states "Wireline equipment is being used which recovers a slightly smaller core than normal NX and BX size".

If this drilling was actually done with wireline equipment, it appears that the specifications of the contract as to core size were not met. Furthermore, as we generally consider the wireline sizes of core to be the approximate equivalent to a one size smaller standard core (i.e., NXWL = BX, BXWL = AX, and AXWL = EX), an overpayment by the Government is indicated.

Your comments and recommendations in the matter will be appreciated.

EDTalbert/ama 4-22-63

W. R. Griswold (gla)

cc:
Docket
Director's Reading File
CA & A Division
Review Committee
Fiscal Section
Mr. Talbert

43683

A Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/18	Murphy	500
	[illegible]	500
4/18	Talbert	800
	Selfridge	430
4/18	Johnson	110
4/18	[illegible]	100
4/19	Coe	220
		500

APR 19 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

With reference to your memorandum of April 9, 1963, we will prepare an amendment transferring the costs of compressed air for core drilling underground from Independent Contracts to Fixed Unit costs.

In the meantime the Department's Fiscal Section has suspended these costs pending the above-mentioned amendment.

George G. Selfridge (gla)

FMMurphy/mm
4/18/63
cc: Director's Reading File
Review Committee
Docket

P.S. In the amendment the fixed unit cost will be $0.55/ft. of drilling.

[illegible] $0.55/ft.

8623

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

April 9, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 12 1963

DATE	INITIALS	CODE
4/12	[illegible]	800
		~~120~~
	Grisard	500
	Murphy	

The Contract shows compressed air for drilling (7300 ft. at $0.70/ft.) under Actual Costs.

Boyles Brothers billing for March does not show the $0.70/ft. for air.

I am passing the March voucher for the Operator in which he has included compressed air at $0.70/ft. for the actual amount of drilling claimed by Boyles Brothers.

It appears to me that the air should be included as a Fixed Unit Cost rather than an Actual Cost. ?

Will you please advise.

Hugh M. Connors
Hugh M. Connors

Amendment required to avoid disallowance.
OSC 6000
Talbert 4/12/63

MME FORM 6
REV. 2

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~120~~		
2. ~~110~~		
3. ~~100~~		
4. 200		
5.		

FROM:

FOR: Check items for action desired

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

REMARKS:

No press release

Usually we don't publicize amendments, increasing contract amts.

M56300-62

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

See if we can't kill

UNITED STATES
DEPARTMENT of the INTERIOR

News release
Dakan - Interior
5348

OFFICE OF MINERALS EXPLORATION

For Release March 5, 1963

NYE METALS, INC., RECEIVES FURTHER ASSISTANCE TO EXPLORE FOR MOLYBDENUM NEAR BLACK HAWK, COLORADO

The Department of the Interior announced today that the Office of Minerals Exploration has amended its exploration assistance contract with the Nye Metals, Inc., of Black Hawk, Colorado. Work under the amended contract is estimated at to cost $278,225, of which the Government participation is $139,113.

The underground work is expanded, and surface diamond drilling is authorized in areas where geophysical anomalies indicated promising mineralization.

Under the exploration assistance program, the OME participates in the cost of exploration for 38 mineral commodities. Funds provided by the Government are repaid by a royalty on production.

Additional information and application forms for OME assistance in Colorado, and in Arizona, Kansas, Nebrasda, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming may be obtained from the OME - Region III, Building 20, Denver Federal Center, Denver 25, Colorado.

Other areas are covered by the following offices:

OME - Region I - South 157 Howard Street, Spokane 4, Washington;

OME - Region II - 113 Custom House, 555 Battery Street, San Francisco 11, California;

OME - Region IV - Room 11, Post Office Building, Knoxville 2, Tennessee;

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

No release — file in docket
3/22/63

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

February 25, 1963

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 2149

Gentlemen:

Thank you for your letter of February 20 advising us that you plan to release a news item relative to the above amended contract on March 6, 1963.

We appreciate your delaying the release as we requested. However, please disregard any suggestions that we made concerning the distribution of the release, and follow your normal policy guides in this matter.

Yours very truly,

Donald A. O'Mara

Donald A. O'Mara
Secretary

DAO/ml M. L.

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 27 1963

DATE		CODE
2/27		100
		100
		120
	Murphy	500
		200
		500

Building 20 - Federal Center
Denver 25, Colorado

March 18, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 20 1963

DATE		CODE
3/20		800
		120
3/25	Murphy	500
3/21		110
3-21		100

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

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

Dear Mr. Nye:

Attached is a memorandum to D. H. Clemmons, Research Director from W. G. Agey, Project Leader regarding the preliminary examination of two samples from the captioned property.

The Nye No. 1 was a grab sample from the mine dump where the vein material was stock-piled. The sample weighed 49 pounds. The Nye No. 2 was a grab sample from the mine dump containing the crosscut material. This sample weighed 48 pounds.

Both samples are true grab samples since they were taken in the snow storm and visibility was very poor.

Sincerely yours,

Original signed by

Hugh H. Connors
Acting Field Officer, OME
Region III

Attachments
cc Mr. Charles E. Melbye
Consultant to Nye Metals, Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado
Chief, Division of Field Operations, OME
Contract Corres. 2149
Chron
HMC/lm

OME
DEPARTMENT OF THE INTERIOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

MAR 15 1963
REGION III
DENVER, COLORADO

LAKE CITY
Y RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

March 14, 1963

Memorandum

To: Hugh M. Connors, Acting Field Officer, Office of Minerals Exploration, Region III, Denver, Colo.

From: Research Director, Salt Lake City Metallurgy Research Center, Region III

Subject: Nye molybdenum prospect, Gilpin County, Colo.

The attached memorandum summarizes the results of a cursory examination of the samples from the subject property that you furnished us some time ago. There seems to be no particular problem in beneficiating the vein material. The low-grade material was not examined as it contained a submarginal molybdenum content.

In the event the property development progresses to a point that commercial utilization seems possible, we may want to make a more extensive examination of whatever is deemed average ore. Meanwhile, extensive work at this time does not seem indicated.

Signed B. H. Clemmons
B. H. Clemmons

Enclosure

cc: Robert W. Geehan
D. O. Kennedy

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

March 5, 1963

Memorandum

To: B. H. Clemmons, Research Director

From: W. W. Agey, Project Leader

Subject: Preliminary examination of two molybdenite samples from Nye Metals, Inc., (Nye molybdenum mine), Gilpin County, Colo.

We have completed preliminary microscopic and flotation studies on samples of vein material and "country rock" material from the Nye molybdenum mine, Gilpin County, Colo. The samples were submitted by Hugh M. Connors, Acting Field Officer, OME, Bureau of Mines, Region III, with the request that we examine the samples for galena. The results of the studies are discussed in the following paragraphs.

Sample descriptions were vague. Nye No. 1 sample was described as "vein material high in MoS_2 content," while Nye No. 2 was described as "a like weight of wall rock with lesser MoS_2 mineralization." Partial chemical analyses are as follows:

Sample	Assay, percent			
	MoS_2	Fe	Pb	Insol.
Nye No. 1	2.84	2.1	<0.01	89.8
Nye No. 2	.11	3.7	< .01	88.9

Microscopic examination disclosed that the same minerals were present in each sample, but in different amounts. In Nye No. 1, the sample of vein material, molybdenite was associated with quartz and calcite, the chief gangue minerals, and small amounts of pyrite and oligoclase feldspar. Nye No. 2 contained a small amount of molybdenite with quartz and oligoclase feldspar as the major impurities. Nye No. 2 also contained minor amounts of calcite, chlorite, biotite, and pyrite. Galena could not be identified in either of the samples. Spectrographic and chemical analyses revealed the presence of lead in trace amounts.

Two molybdenite flotation tests were made to determine the amount of lead that might be expected in a high-grade molybdenite concentrate and also to determine the amenability of the ore to flotation concentration. The vein material was selected for the flotation tests, which were similar except for the frother used in cleaning the rougher concentrates. Pine oil, used for roughing, also was used in cleaning the first rougher concentrate, whereas Dowfroth was used in the cleaning step in the second test. In each test a representative portion of the vein material was wet ground at 50 percent solids in an iron ball mill with Salt Lake City tap water. A single-pass grind for 10 minutes gave a product containing approximately 5 percent of the material plus 100-mesh for flotation of the molybdenite. The pulp, after dilution to 23 percent solids, was conditioned for 5 minutes with pine oil and fuel oil, and a molybdenite rougher concentrate then was floated. The molybdenite rougher concentrate was cleaned after conditioning 1 minute with additional pine oil or Dowfroth. The results of the flotation test with pine oil in the cleaner are summarized in table 1.

TABLE 1. - Flotation of molybdenite from Nye No. 1 vein ore

Product	Weight-percent	Assay, pct				Distribution, MoS_2, pct
		MoS_2	Fe	Pb	Insol.	
Molybdenite cleaner concentrate	3.8	67.8	1.4	0.04	28.8	94.0
Cleaner tailing	.8	8.7				2.6
Rougher tailing	95.4	.1				3.4
Calculated heads	100.0	2.74				100.0

Reagent Schedule

Reagents	Rougher conditioning, lb/ton of feed	Cleaner conditioning, lb/ton of feed
Pine oil	0.06	0.06
Fuel oil	.06	
pH	7.3	

As indicated by the data in table 1, flotation recovered 94.0 percent of the molybdenite in a cleaner concentrate that assayed 67.8 percent MoS_2, 1.4 percent Fe, 0.04 percent Pb, and 28.8 percent insoluble. The lead content of the cleaned concentrate was so low that no attempt was made to identify the lead mineral by microscopic examination. However, microscopic examination did show that the large amount of insoluble material in the cleaned concentrate was present as middling grains of quartz and molybdenite. Regrinding the rougher concentrate through 325-mesh should liberate the molybdenite, and should produce a cleaner concentrate of acceptable grade. Microscopic examination of the plus 100-mesh fraction of the rougher tailing revealed the presence of numerous large flakes of molybdenite that accounted for the 0.1 percent MoS_2 assay in the rougher tailing. Finer grinding and additional collector should result in a lower tailing assay.

Although none of the products from the test with Dowfroth were assayed, examination indicated that most of the middling material was rejected in the cleaner tailing with the result of a higher grade molybdenite concentrate.

Please advise if you feel that further testing is required for these samples.

Signed W. W. Agey

W. W. Agey

cc: B. H. Clemmons
W.W. Agey
Hugh M. Connors, OME, Denver
R. W. Geehan, Denver
D. O. Kennedy, Denver

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

March 7, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 11 1963

DATE	INITIALS	CODE
3/20	Krewell Murphy	500

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Attached are the Government's, Fiscal Section's, and Audit Section's copies of the new Page 1 to the subject contract showing that the rate of interest shall be 6 percent and which have been initialed by Robert Nye and the Director.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

March 4, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 7 1963

DATE	INITIALS	CODE
3/7	[illegible]	800
3/7	Original	500
	[illegible]	

Mr. Robert E. Rye
Rye Metals, Inc.
Blackhawk, Colorado

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

Dear Mr. Rye:

Enclosed are the original and four copies of a new Page One of the captioned Contract with the inserted interest rate initialed by the Director.

Will you please initial all copies, retain the Operator's copy, and return the others to this office.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Mr. Charles E. Melbye
Consultant to Rye Metals, Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado

Chief, Division of Field Operations, OME
Contract Corres. 2149
Chron
HMC/lm

OFFICIAL FILE COPY O. M. E RECEIVED MAR 4 1963		
DATE	[illegible]	CODE
3/4	[illegible]	800
	Answered	500

Building 20 - Federal Center
Denver 25, Colorado

March 1, 1963

Mr. Robert E. Rye
Rye Metals, Inc.
Blackhawk, Colorado

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

Dear Mr. Rye:

On January 28, 1963 you delivered one set of the Geochem Analyses on the captioned property to this office. The entire set was forwarded the Washington Office, OME.

It is necessary that complete files on all contracts be kept in both Washington and this office.

Please forward this office one complete set of the Geochem Analyses for our file.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Mr. Charles E. Malkys
Consultant to Rye Metals, Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado

Chief, Division of Field Operations, OME
Contract Corres. 2149
Chron
HMC/lm

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Murphy	500
	[illegible]	500
2/27	Tallant	800
	GCS	130
2/27	Johnson	110
2/27	Jamb	100
2/27	Cole	290
		500

FEB 2 7 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

With reference to the Director's letter of February 14, 1963, it has been decided to replace Page 1 of the contract with the interest rate inserted in lieu of an amendment to correct this discrepancy.

Enclosed are the original and five copies of the page with the inserted interest rate initialed by the Director. Please forward them to the Operator and request him to also initial the copies. The Operator may retain its copy and forward the others to you for the usual distribution.

George C. Selfridge (gfa)

Enclosures

EMMurphy/mm
2/27/63
cc: Director's Reading File
Review Committee
Docket

P.S. With reference to your memorandum of February 12 and the Operator's request for an amendment to permit transfer of funds from Stage I to Stages II and III if necessary, we do not consider such an amendment appropriate at this time.

8623

NMC Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/20	Murphy	500
	Fumich	500
		500
	Selfridge	120
	Fain	100
2/20	Thomas	100
2/20	Coe	220
		500

AIRMAIL

FEB 20 1963

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

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

Dear Mr. Nye:

With reference to our letter of February 14, 1963, we plan to issue a news release concerning the amended contract on March 6, 1963, unless we hear to the contrary from you prior to that date.

Sincerely yours,

George Fumich, Jr.

Director

(ph)

FMMurphy/mm
2/20/63
cc: Director's Reading File
Region III (2)
Docket

Note to Mr. Griswold

Subject: Nye Metals, Inc. - Amended Exploration Contract No. 2149 (OME-6231)

Per our telephone conversation, no amendment will be necessary if the interest rate is inserted in the blank provided therefor in the contract form and both the operator and the Director initial in the margin opposite the insertion.

R. W. Long

R. W. Long

FMMurphy/mm
2/15/63

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

Amendment No. 1

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

February 6, 1963, and effective

1. The Interest computation mentioned in Article 1(c) of the Amended Contract shall be ~~calculated~~ computed at the rate of 6 percent.

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the contract, 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 _____
Director, Office of Minerals Exploration

NYE METALS, INC.

By _____

Title _____

MEE Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/13	Murphy	500
	Howard	600
2/13	Talbert	800
	Selfridge	120
12/14	Johnson	110
	Ferrell	100
2/14	Cae	220
		500

FEB 14 1963

Mr. Robert E. Nye
President
Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

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

see Connor's memo

Dear Mr. Nye:

With reference to your letter of February 7, 1963, this office does not plan to issue a news release concerning the amended contract, at least not until it is approved by you.

With regard to our oversight in not inserting the interest rate in Article 1(c) of the amended contract, we will prepare an amendment to correct this omission. The interest rate will be the same 6 percent as in the original contract.

Sincerely yours,

Director

FMMurphy/mm
2/13/63
cc: Director's Reading File
Region III (2)
Docket

Insert A

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

February 12, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

2/18	TW	800
	Gerald	500
	Murphy	

Attached are the original and one copy of a letter from the subject Applicant's consultant requesting an amendment to the amended contract to permit the transfer of funds from Stage I to Stages II and III if necessary.

It appears to me that the Operator is insurance minded. I see no other reason why this matter should come up at this time unless he thinks that Climax may cease to do the assaying without charge and there will be a large amount of assaying in Stage II and III.

If you believe this matter to be important, will you prepare the amendment.

Hugh M. Connors

Hugh M. Connors

Attachments

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

February 7, 1963

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver, Colorado

Re: AMENDED EXPLORATION CONTRACT
Nye Metals, Inc.
OME-6231
Contract No. 2149
Gilpin County, Colorado

Dear Mr. Connors:

We are now at the completion of Stage I work except for various unneeded expenditures which have left a surplus of $3,909.30. Since our understanding is that this unused money cannot be applied against other items, such as drifting, we are requesting an amendment to the contract to permit the unused items to be used on Stages II and III, if necessary.

The excess amounts are as follows:

Timbering	230 feet @ $8	$1,840.00
Cementing and redrilling, or reaming and casing drill holes	20 hrs. @ $10	200.00
Assays for molybdenum	279 @ $5	1,395.00
	TOTAL	$3,435.00

Your consideration of this request will be appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am

P. O. BOX 309 2721 LOOKOUT VIEW DRIVE CRestview 9-1542
GOLDEN, COLORADO

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

February 11, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 12 1963

DATE	INITIALS	CODE
2/13	[illegible]	500
2/13	[illegible]	500

AIRMAIL

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Attached are the Government's, Audit's, and Fiscal Section's executed copies of the amended exploration contract, together with an important letter from Mr. Nye and my reply to him.

When you answer Mr. Nye's letter, please forward this office a copy for our files.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

February 11, 1963

AIRMAIL

Mr. Robert E. Nye, President
Nye Metals, Inc.
Room 711, Merchants Bank Bldg.
Indianapolis, Indiana

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

Dear Mr. Nye:

This will acknowledge receipt of your letter dated February 7, 1963 and the executed copies of the captioned amended exploration contract.

I am forwarding your letter to our Washington Office for their consideration and reply to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Cheif, Division of Field Operations, OME
Contract Corres 2149
Chron
HMC/lm

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

OME
DEPARTMENT OF THE INTERIOR
FEB 8 1963
REGION III
DENVER, COLORADO

February 7, 1963

Mr. Hugh M. Connors
Acting Field Officer
O.M.E. Region 111
United States Dept. of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Connors:

We return with this letter the properly executed amended Exploration Contract - O.M.E. - 6231, contract 2149 between your agency and this company.

It is noted that no interest rate was included in the amended contract. ?

We recognize that it is a policy of your department to issue news releases concerning exploration contracts entered into by your department. If this is your policy, we would suggest that the release be issued by both a Senator from Colorado and a Senator from Indiana, and request that the release not be issued until after March 5, 1963 so that the resultant publicity will not affect certain transactions in which the corporation is involved.

We certainly appreciate your cooperation in aiding us in obtaining this contract.

Sincerely,

NYE METALS, INC.

Robert E. Nye

Robert E. Nye
President

Selfridge

REN/ml

Encl.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/29	GCS	120
"	Johnson	110
"	[illegible]	100
1/29	Cole	220
	[illegible]	500

29
JAN 29 1963

Memorandum

To: Acting Field Officer, Region III

From: Compliance Officer, OME

Subject: Compliance Report - Construction (Standard Form 41)

Enclosed for your information is a copy of P & S Letter No. 152, Supplement No. 20, dated January 16, 1963, transmitting Memorandum CRC-2, dated January 11, 1963.

You will note at the bottom of the first page the type of prime contractor and subcontractor that will have to file Standard Form 41. Whether or not United Park City Mines, OME-6074, and Nye Metals, Inc., OME-6231, will be involved is conjectural. However, it is suggested that you discuss the matter with Nye Metals, Inc., because an independent contractor will be involved under the amended contract.

When complete instructions and the form are received, you will be informed of any necessary action. We shall send you a supply of Standard Form 41 as soon as it is available to us.

George C. Selfridge (gla)

Enclosures

GCSelfridge/gla (1-29-63)
cc to: Director's Reading File
Docket OME-6074
Docket OME-6231
GCSelfridge
Mails and Files

43683

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

January 28, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 31 1963
DATE
800 2
~~30~~ 1
~~500~~ 3

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Under separate cover I am forwarding you Geochem Analyses of the subject property which were made by the Bear Creek Mining Company at no cost to the Operator.

The Analyses consists of the following:

1. Ppm Mo In Soil
2. Ppm Mo In Rock
3. Silicification
4. Ppm Cu In Soil
5. Ppm Cu In Rock
6. Surface Geology
7. Pit Locations
8. Weak Argillic Alteration
9. Sample Types
10. Sample Numbers
11. Ppm Zn In Soil
12. Ppm Zn In Rock
13. MoS_2 On Surface And Dumps
14. Iron Staining
15. Weak Pyritic Alteration

Hugh M. Connors

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

January 28, 1963

Mr. Charles E. Melbye
Consultant to Rye Metals, Inc.

Re: AMENDED EXPLORATION CONTRACT
OME-6251 (Molybdenum)
Contract 2149
Rye Metals, Inc.
(Rye Molybdenum Mine)
Gilpin County, Colorado

Dear Mr. Melbye:

Attached are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of the subject amended exploration contract.

If the amended contract is suitable to you, all five copies should be signed by Mr. Rye, who should retain his copy and return the remaining signed copies to this office.

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

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments
cc Chief, Division of Field Operations, OME
Contract Corres. 2149
Chron
HMC/lm

Form 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Granoff	500
1/23	Talbert	800
	[illegible]	130
1/22	Johnson	110
	[illegible]	100
1/23	[illegible]	220
		500

JAN 2 3 1963

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
Contract 2149

With reference to your memorandum of December 10, 1962, we are enclosing the original and four copies of a proposed amended contract. It consists of the MME Form 50 with pages 7 and 8 added, Annex I (7 pages), Annex II (1 page), Exhibit A (10 pages), Exhibit B (3 pages), and 3 maps. All copies have been signed by the Director for the Government. An extra copy of MME Form 50 with Annex I and Annex II, Exhibit A and Exhibit B, and 3 maps is also enclosed for your use.

If the amended contract is suitable to you and the Operator, all five copies should be signed by the Operator. The Operator should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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

George C. Selfridge (gla)

Enclosures

WRGriswold/mm
1-21-63
cc: Director's Reading File
Review Committee
✓Docket

43683

Re: OMB-6231 (Round 5) Add Exhibit B for [illegible]

① The provision of an "execution" date on page 8 may raise of question as to the "date of the contract" as referred to in Articles 1 and 7.

② I still find no answer to my question of where is the exceptions "as otherwise provided" as stated in Article II.

* ③ On page 7 of Exh "A", the words "Bedrock to 500'" should be after the item of "Core drilling" rather than the title "Core Drilling (Surface)". However, I thought this restriction on depth was to be eliminated per Griswold's last draft. (that is round 3) Change

④ In re Selfridge note on transmittal memo: There is no "audit" objection (?) to "full time" supervision requirements. I only think it silly to put it in a contract, when no penalty for non-compliance is provided and we always end up amending the contract to delete the requirement.

* Note: This is the only action required before I surname.

Talbot 1/23/63

Re: OMB-6231 Round ~~III~~ IV

(1) Date on 1st line of contract should be June 6, 1962. Yes

(2) ~~Is 25 years, rather than 30 years, and Art. 16(c) correct?~~ OK 26 would be better

(3) Annex II provides that this contract supersedes prior contract "except as otherwise provided". Where is it otherwise provided?

(4) On page 4 of contract form Art. 16 & 16(a). Talbot 6/21/69

(5) On p 7 of contract form 16(b) sent reference to definition in error? Also 6(b) 2? 16(c)?

(6) On page 7 of contract form Art 16(c) is not in keeping with format used in recent contracts. e.g. OMB 6219, 6291

(7) On page 7 of contract form last sentence should be a separate paragraph. See prior sentence on p 1 of form.

(8) On front page it should read "Amended Exploration Contract" instead of "14-23-0620-2149 (Amended)". Fix forms, signature & minor contract forms.

(OVER)

(9) Annex II of the contract logically should precede Annex I in keeping with the contract form.

(10) on page 1 of Exhibit A as D.D. was "more than 15 yrs" for "less than 15"

(11) At bottom of page 1, Exhibit A have to limit bids according to Stages II + III, otherwise operators are difficult under Stage I

(12) p3 Stage I "advanced" forward.

(13) p4 Stage III "and out of contract" ~~[illegible]~~ ~~[illegible]~~ determined

(14) use of mineral for use as for Stage I results.

(15) Page 7 paragraph eighteen - "Bidder to specify delivery" [illegible]

(16) At page 8, Cat. (9) PbO_2 should be Mo or MoS_2. Also page 9 & 10 of

(17) Page 9, see re "required lifting" 4 40 for 4 30

1466 feet

Mr. Selfridge

Mr Talbert

JAN 23 1963

All corrections which you have suggested have been made with one exception. Mr. Long is not willing to delete from Annex II the clause "except as otherwise provided." He says this clause fulfills a function and he prefers to leave it in. You understand, of course, that when I go up to his office I can request, but I cannot demand.

If All other changes have been made, as requested, will you surname and move the contract along.

W. R. Griswold

I cleared with Mr. Long that the contract need not go back again to Legal for surnaming, since all changes are merely of a mechanical nature.

MME Form 50
Feb. 1959

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

Government's Copy

AMENDED EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6231	Molybdenum	14-23-090-2149 (~~Amended~~)	Gilpin	Colorado

It is agreed as of June ~~25~~ 6, 1962 (Date) 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., an Indiana corporation

whose mailing address is Room 711, Merchants Bank Building, Indianapolis, Indiana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description) Annex II ~~Exhibit~~ A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 25, 1962 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 40 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $278,225.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $139,113.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U.S.C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U.S.C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

(a) In Article 7(b)(2) of the contract, substitute the period "twenty-five years" for the period "ten years".

(b) Special Agreement Concerning Royalty. Notwithstanding the certification provisions of this Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on production, regardless of where it is produced, which is transported through any workings or any portion of any workings to the cost of which the Government has contributed, for the period described in Article 7(b)(2) above, and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid under this contract on the same production."

(c) The provisions governing performance of work under Government contracts, as set out in Section 301 of Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract, and shall be included in all contracts executed by the Operator for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Operator and the term "contractor" shall be deemed to refer to the Operator and to contractors awarded contracts by the Operator.

Executed in quintuplicate the day and year ~~first above written.~~

Nye Metals, Inc.
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 25 1963

DATE	INITIALS	CODE
1/25	[illegible]	800
		120
	Granted	500
1/28	Murphy	~~500~~

Building 20 - Federal Center
Denver 25, Colorado

January 22, 1963

Memorandum

To: Ballard H. Clemmons, Research Director
Salt Lake City Metallurgy Research Center, Region III
1600 East 1st So. St.
Salt Lake City 12, Utah

From: Acting Field Officer, OME, Region III

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

Mr. Robert Geehan told me that he had discussed the Rye Molybdenum Mine with you and that you had expressed your desire to have a sample of the vein material and a sample of the wall rock.

I obtained these samples on my last inspection of the property and they were shipped to you via FIR on Government Bill of Lading No. A 0277494 copies of which are attached.

Original signed by

Hugh M. Connors

Attachments
cc Chief, Division of Field Operations, OME
Regional Director, Bureau of Mines, Reg. III
Mineral Resources

STRATEGIC MINERAL PROJECT

Information supplied the Metallurgical Division
regarding samples submitted

Date January 18, 1963

Name and Location of property: Nye Molybdenum Mine

OME Contract 2149 Gilpin County, Colorado

Sample identification number: Nye No. 1 and Nye No. 2

Number of samples in shipment (estimated if necessary): Two

General nature of ore (type, minerals present, etc.):
Nye No. 1 contains about 50 pounds of vein material high in MoS_2 content.
Nye No. 2 contains a like weight of wall rock with lesser MoS_2 mineralization.

Analyses or assays required:

These samples are being shipped to you at the request of Mr. Robert Geehan who has discussed the Nye mine and these samples with you.

Other tests desired:

I understand that small amounts of galena are deleterious and hard to separate from the moly concentrate and Climax has been working on this problem for a long time. Do these samples contain any galena?

Name and address of
Project Engineer

Hugh M. Connors
Acting Field Officer, OME, Region III
Bldg. 20, Denver Federal Center
Denver, 25, Colorado

Research Director, Salt Lake
Chief, Division of Field Operations, OME
Regional Director, Bureau of Mines, Reg. III
Mineral Resources
Contract Corres OME 2149

7353
Shipped via PIE on
GCBL No. A 0277494

lm

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

RECEIVED
DATE 1/21/63
800
120
500

January 18, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

This has further reference to your memorandum dated December 31, 1962 on the subject contract.

On January 17, 1963 I made the monthly inspection of this property in the company of Charles Melbye, Geologist. Mr. Melbye agreed to take samples in the missing sections to complete a more usable assay map.

The north heading on the Indiana vein is now through a fault zone and will be turned to the east to pick up the vein. The south heading on the Indianapolis vein shows a well-defined highly mineralized vein four feet wide with three distinct parallel shears of high-grade molybdenum. The wall rock in this area shows some mineralization.

The Operator will complete all of the drifting allowed in the contract by the end of January 1963. All of the diamond drilling allowed under the contract has now been completed and the assays should be out by the end of this month.

Hugh M. Connors

Hugh M. Connors

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

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 18 1963

DATE	INITIALS	CODE
1/18	607	800
		420
	Gerwold	500
	Murphy	502

January 15, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

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

This responds in part to your memorandum of December 31, 1962 on the subject contract. I have the Operator's December voucher and have been trying to set a date for the field inspection when either Nye or Melbye could be on the property. Nye has been in Indiana since before Christmas and Melbye is the busiest consulting geologist I know. He returned from the State of Washington last night at midnight and I have set a date for Thursday, January 17, to meet him at the Nye Mine.

In my opinion, the main thing that is wrong with this operation to date, is the lack of proper day to day supervision. This lack of supervision is reflected in the poor job of sampling to date. In the past if Nye was at the property, he would cut the samples and if Melbye was on the property, he would cut the samples. When neither Melbye, nor Nye, were present, no samples were taken.

I have discussed with Melbye by telephone this lack of systematic sampling and he has promised that in his absence, or the absence of Nye, the shift boss will cut the samples.

Hugh M. Connors

Hugh M. Connors

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

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 4 1963

DATE	INITIALS	CODE
1/7	407	800
	~~Transfer~~	~~500~~
1/7	Murphy	500

January 2, 1963

AIRMAIL

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

From: Acting Field Officer, OME, Region III

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

Attached is the last and lowest drilling bid to be submitted on the subject application.

Also attached is a map showing the Arlington claim and the Jumbo claim. These claims are located about one mile north of the project area and should be eliminated from the contract.

No! these claims are included in part 1 of original contract — TMR

T. M. Romslo

Attachments

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

December 29, 1962

OME
DEPARTMENT OF THE INTERIOR
JAN 2 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver, Colorado

Re: Nye Metals, Inc.
OME-6282
Gilpin County, Colorado

Dear Mr. Connors:

Enclosed is the fourth and last drilling bid on the new application of Nye Metals, Inc. This one by Boyles Bros. Drilling Company appears to be the lowest of the four.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Nye Metals, Inc.

P. O. BOX 309 2721 LOOKOUT VIEW DRIVE CRestview 9-1542
GOLDEN, COLORADO

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS

2960 W. 7th Avenue
DENVER 4, COLORADO
Phones: ALpine 5-9244
ALpine 5-0855

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

December 28, 1962

Nye Metals, Inc.
Black Hawk
Colorado

Attention: Mr. Charles Melbye
Box 309
Golden, Colorado

Dear Sir:

For your consideration, we submit the following schedule of charges which will apply to your proposed drilling program of 35,000 linier feet of hole on the Nye Metals property at Apex, Colorado.

#1 Underground Drilling:

Mobilization — No charge

A. Drilling: Coring Sizes

	NX	BX	AX
0 to 500 feet 3000	$4.15 35	$3.80 20	$3.60
500 to 750 feet 1500		4.05 25	3.80
750 to 1000 feet 1500		4.60 20	4.40

B. Cementing and drilling cement, plus cost of cement or cement substitutes — per hr. $8.50

C. Reaming for and casing hole — per hr. 8.50

D. Surveying and standby time as requested by Nye Metals — per hr. 8.50

E. Core boxes, if requested, at our cost at job site.

F. Compressed air - furnished by Boyles Bros. Drilling Co. — per linier foot drilled $0.70
Pipe line and housing for Compressor to be furnished by Nye Metals.

Drill cut outs of adequate size, timber for setup, dry room facilities, transportation of drilling equipment and engineering services to be furnished at no cost to Boyles Bros. Drilling Co.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS

2960 W. 7th Avenue
DENVER 4, COLORADO
Phones: ALpine 5-9244
ALpine 5-0855

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

Nye Metals, Inc.
Attention: Mr. Charles Melbye
December 28, 1962
Page two

#2 Surface Drilling:

Mobilization — No charge

A. Overburden cased — per linier foot — $5.70

B. Coring — Sizes

	NX	BX	AX
Bedrock to 500 feet	$4.60	$4.00	$3.60
500 to 750 feet		4.20	4.00
750 to 1000 feet		4.60	4.60

C. Cementing and drilling cement, plus cost of cement or cement substitutes — per hr. $8.50

D. Reaming for and setting casing — per hr. 8.50

E. Surveying and standby as requested by Nye Metals — per hr. 8.50

F. Core boxes - our cost at job site

G. Drill sites and roads to be prepared and maintained at no cost to Boyles Bros. Drilling Co.

These prices include the cost of hauling water for drilling, with the source of water supply to be arranged for at no cost to Boyles Bros. Drilling Co.

Thank you for calling om our Company. If you have any questions feel free to call us.

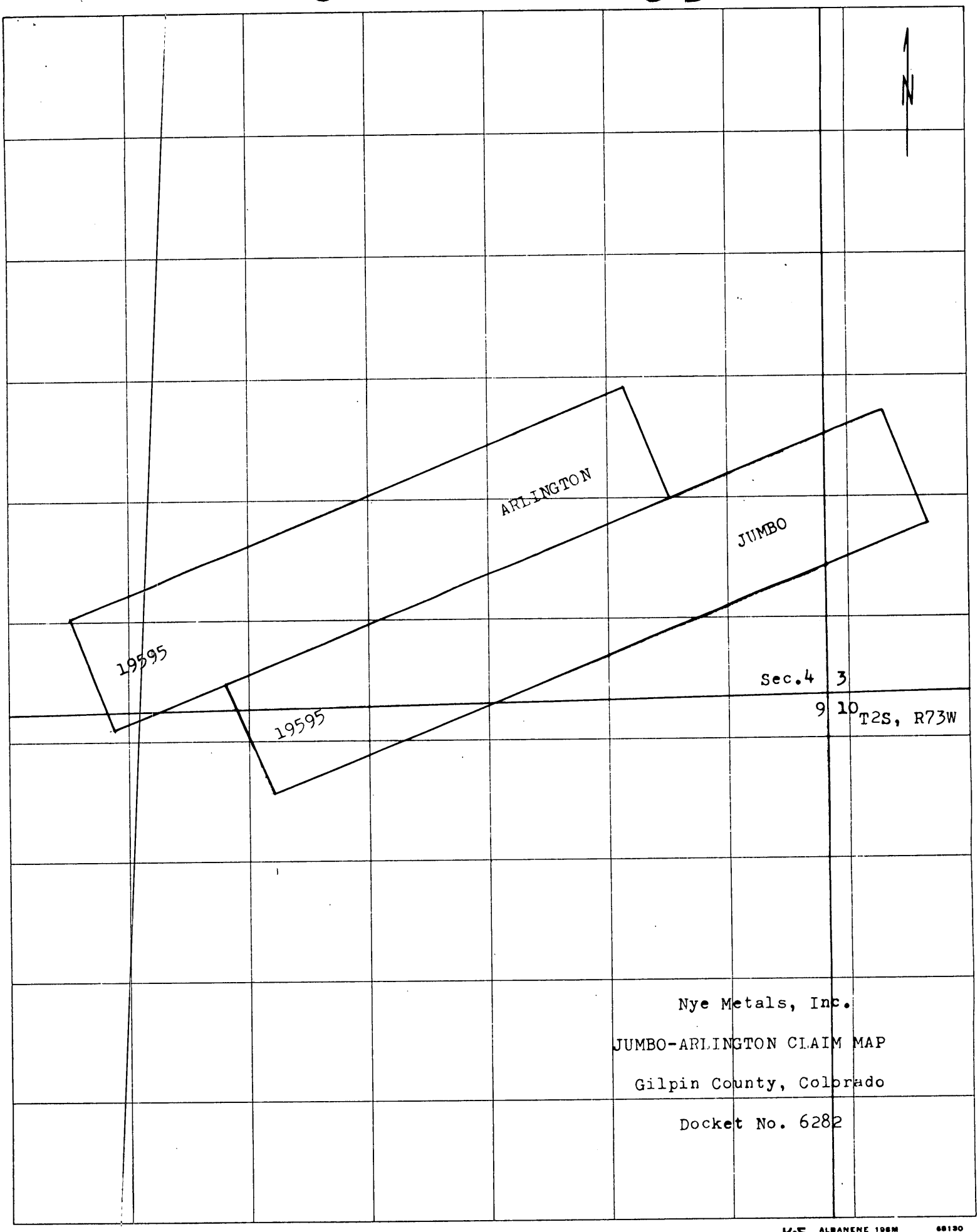
Very truly yours,

BOYLES BROS. DRILLING COMPANY

G. E. Lensch

G. E. Lensch - District Manager

GEL:ml



Nye Metals, Inc.

JUMBO-ARLINGTON CLAIM MAP

Gilpin County, Colorado

Docket No. 6282

K·E ALBANENE 196M TRACING PAPER 68130

Form 7
(0-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/31	GCS	120
"	Johnson	110
	Evans	500
		220
		500

DEC 3 1 1962

AIR MAIL

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
Contract 2149

Our recent call to you concerning the new work proposed under the subject docket was based, in part, upon our analysis of the assays that had been submitted in the monthly vouchers through October. The weighted averages suggested that economic vein mining was not in the offing; and where higher grade vein samples were indicated, the accompanying wall rock samples assayed only a few hundredths percent MoS_2, suggesting that the wall rock did not carry sufficient molybdenite for mass-mining purposes.

The drifting north on the Indianapolis vein disclosed a 65-foot section immediately south of station T 34 averaging 0.437 percent MoS_2 over 5.2 feet. Between stations T 34 and T 35 there is a 51-foot section averaging 0.043 percent MoS_2 over 10-foot samples taken on the wall. Between stations T 35 and T 38 there is a 40-foot section averaging 0.040 percent over 10-foot wall sections and a 30-foot section averaging 0.010 percent MoS_2 over 6 feet, respectively. In the 65-foot section averaging 0.437 percent MoS_2, muck samples assayed 0.026 and 0.050 percent MoS_2. With the exception of one sample, the wall and composite samples do not indicate vein mining.

To the south on the Indianapolis vein, a 40-foot section on either side of station T 47 averages 0.441 percent MoS_2 over 4.8 feet. Here, also, the wall rock and composites are much lower than the vein samples.

On the original working of the Indiana vein there is a 203-foot section averaging 0.160 percent MoS_2 over 5.4 feet. Here again, wall rock sections or composites are low grade. The later crosscut and drift indicated little more. On either side of station T 45, there is a 100-foot section averaging 0.272 percent MoS_2 over 5.7 feet.

Throughout the sampling has not been too systematic; and if the skipped areas were considered too low grade or barren to sample, the over-all grade would be lower than indicated by the quoted sections.

The analysis of the recently received November voucher indicates a 49-foot section averaging 0.483 percent MoS_2 over 4.0 feet at the south end of the Indianapolis vein on either side of station T 49. A single footwall sample there assayed 0.051 percent MoS_2. A composite sample over 7.5 feet assayed 0.371 percent.

At the north end of the Indiana vein there is a 140-foot section largely north of station T 50 which averages 1.397 percent MoS_2 over 2.68 feet. There are no samples to indicate what the wall rock might run other than the composite M 581 which assayed 0.548 percent. Samples of the wall rock should systematically be taken here. This section is the only one that suggests that vein mining might ultimately be feasible. Throughout the exploration the company should take their samples systematically so that intelligent averages may be calculated. If the area does not warrant sampling, a notation should be made that it is barren or practically so.

George C. Selfridge

GCSelfridge:egk (12-31-62)
cc: Docket
Director's reading file
Review Committee

OFFICIAL FILE COPY
O M E
RECEIVED DEC 31 196
DATE
500

Building 20 - Federal Center
Denver 25, Colorado

December 28, 1962

Mr. Robert E. Rye, President
Rye Metals, Inc.
Black Hawk, Colorado

Re: OME-6251 (Molybdenum)
Contract 2149
Rye Metals, Inc.
(Rye Molybdenum Mine)
Gilpin County, Colorado

Dear Mr. Rye:

This constitutes approval to drill hole No. 5 as requested in Mr. Melbye's letter of December 27, 1962 with hole location as shown on the map which was attached.

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, or the "Fixed Unit Cost" of any item of work.

Yours very truly,

Original signed by

T. M. Romalo
Acting Field Officer, OME
Region III

cc Mr. Charles E. Melbye
Consultant to Rye Metals, Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado
Chief, Division of Field Operations, OME
w/original of Mr. Melbye's letter 12/27/62 and copy of the map
Contract Corres. 2149
Chron
TMR/lm

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

December 27, 1962

OME
DEPARTMENT OF THE INTERIOR
DEC 28 1962
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver, Colorado

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

Dear Mr. Connors:

This letter constitutes our formal request for permission to drill Hole No. 5 at the location specified on the enclosed map.

Hole No. 5 will be drilled about due West from the South Indianapolis drift at a point about 450 feet south of the main tunnel. The area to be explored by this hole is one which shows anomalous geochemical concentrations of molybdenum on surface, based on soil sampling.

Your consideration of our request will be appreciated.

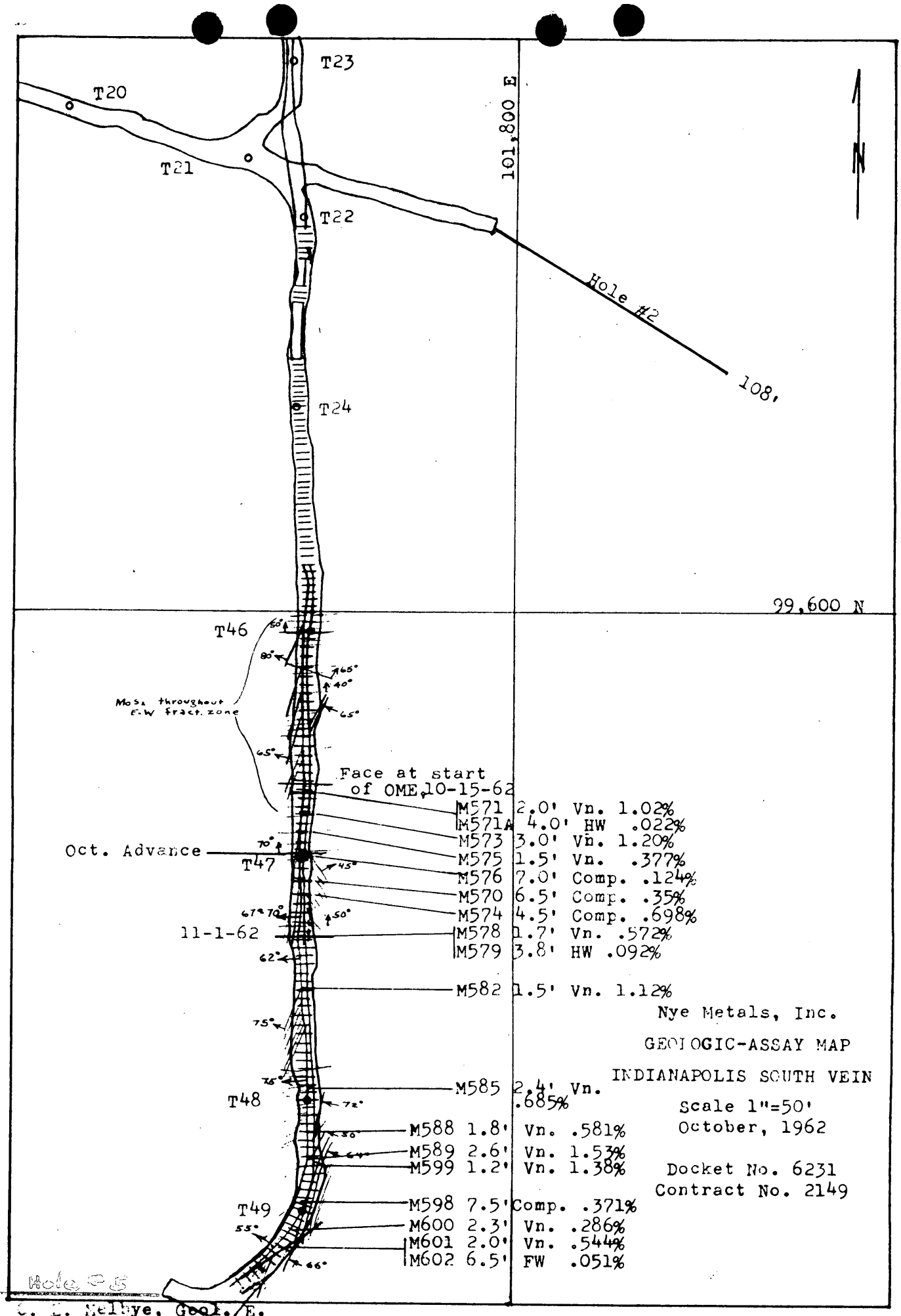
Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am
cc: Nye Metals, Inc.

P. O. BOX 309 | 2721 LOOKOUT VIEW DRIVE GOLDEN, COLORADO | CRestview 9-1542


T23
T20
T21
T22
T24
101,800 E
N
Hole #2
108,
99,600 N
T46
Mo S2 throughout E-W fract. zone
Face at start of OME, 10-15-62
Oct. Advance
T47
11-1-62
T48
T49
M571 2.0' Vn. 1.02%
M571A 4.0' HW .022%
M573 3.0' Vn. 1.20%
M575 1.5' Vn. .377%
M576 7.0' Comp. .124%
M570 6.5' Comp. .35%
M574 4.5' Comp. .698%
M578 1.7' Vn. .572%
M579 3.8' HW .092%
M582 1.5' Vn. 1.12%
M585 2.4' Vn. .685%
M588 1.8' Vn. .581%
M589 2.6' Vn. 1.53%
M599 1.2' Vn. 1.38%
M598 7.5' Comp. .371%
M600 2.3' Vn. .286%
M601 2.0' Vn. .544%
M602 6.5' FW .051%
Nye Metals, Inc.
GEOLOGIC-ASSAY MAP
INDIANAPOLIS SOUTH VEIN
Scale 1"=50'
October, 1962
Docket No. 6231
Contract No. 2149
Hole #5
C. L. Nelhye, Geol. E.

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/27	Murphy	500
	On leave	500
	On leave	800
	[illegible]	130
12/27	Johnson	110
	On leave	100
12/28	[illegible]	220
		500

DEC 28 1962

AIRMAIL

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

With reference to your letter of December 19, 1962, to Mr. Robert E. Nye, president of Nye Metals, Inc., a further check of the claims shows the Arlington claim listed in Annex I of the subject contract. There were various discrepancies in the names of the claims listed in the request for additional work when compared with Annex I of the subject contract and the claim map. However, we will use the names listed in Annex I with the addition of the Beatrice No. 3 and the Dan Nos. 1 through 30 claims, and will also add the Golden Chief (12627A) claim as it was spelled "Golden Cliff" in the contract, whereas it is spelled "Golden Chief" on the map.

As mentioned by Mr. Johnson in a recent telephone conversation with you, we will amend the subject contract to include the new work (since it covers independent contracts); therefore, it will be a complete new amended contract, carrying the subject docket and contract numbers.

Please expedite the drill bids for the new work.

George C. Selfridge (gla)

FMMurphy/gla 12-27-62
cc to: Director's Reading File
Review Committee
Docket

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 31 1962
DATE
500

December 26, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6282 (Molybdenum)
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado

Attached is Mr. Charles E. Melbye's letter of December 24, 1962, with a third drilling bid, in answer to my letter to Mr. Robert E. Nye, President, Nye Metals, Inc. dated December 19, 1962.

We will forward to you when received, the other drilling bid and map mentioned by Mr. Melbye.

T. M. Romslo

T. M. Romslo

Attachments

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

December 24, 1962

OME
DEPARTMENT OF THE INTERIOR
DEC 26 1962
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region III
Federal Center, Building 20
Denver 25, Colorado

Re: OME-6282ra
Nye Metals, Inc.
Gilpin County, Colorado

Dear Mr. Connors:

In regard to the new application for OME assistance, I am enclosing another drilling bid. A fourth bid will also be submitted in the next few days and will be immediately submitted to you.

As far as I can determine, the Arlington claim is not mentioned in the application. However, this claim is owned by the company and is located north of the Josephine mine and out of the area to be explored. The day after Christmas I will pick up a plat from the Bureau of Land Management and forward you two copies of a map showing its location.

Sincerely,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am

P. O. BOX 309 2721 LOOKOUT VIEW DRIVE CRestview 9-1542
GOLDEN, COLORADO

Longyear

E. J. LONGYEAR COMPANY
General Offices, 76 South 8th St.
Minneapolis 2, Minnesota, U. S. A.
TELEPHONE: FEDERAL 9-7631 • CABLE LONGCO

December 21, 1962

Nye Metals Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado

Attention Mr. Charles E. Melbye

PROPOSED EXPLORATORY DRILLING PROGRAM VICINITY OF BLACK HAWK, COLORADO

Gentlemen:

1. In response to your recent request, we are pleased to submit below for your consideration our proposal for your contemplated exploratory drilling program from both surface and underground locations.

2. Surface drilling: We understand that the surface program as now planned will consist of a series of holes varying in inclination from minus 30 to minus 55 degrees, with a minimum aggregate footage of approximately 5,000 feet; that the formations to be drilled will consist of varying amounts of dacite porphyry, quartz-monzonite, gneiss, schist, and possibly molybdenum ore; that a minimum of AX-size core is desired; and that you will prepare all access roads and level all drill locations if necessary in order to make them accessible to truck transportation. We further understand that the water required for drilling operations will be available within a maximum distance of 2,000 feet of any proposed drill hole location.

Underground drilling: We understand that the work to be performed from underground locations will consist of a series of holes varying in inclination from horizontal to minus 45 degrees, with a minimum aggregate footage of approximately 9,000 feet; that a minimum of AX-size core is desired; and that the formations to be penetrated will be the same as those described above. It is also understood that you will prepare drill locations in advance, providing sufficient headroom and working space around the rig to permit efficient and safe operation of the equipment; that you will assist us in moving the equipment into the mine, from one location to another, and back to surface upon completion of the drilling; and that you will also provide at each location compressed air required for the drilling operation -- all at no cost to the Longyear Company.

3. For this project we propose to furnish a minimum of one surface drill and one air-powered underground drill, together with the necessary accessory equipment, including cardboard core boxes, required to complete the work as now planned. We further propose to operate the drill, and/or drills, on a two 8-hour shifts per day, six days per week, basis.

4. We will carry public liability insurance covering personal injury and property damage, and Workmen's Compensation insurance, and also all-risk insurance

on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards.

We will also assume and pay any and all Old Age Benefit, Unemployment and Social Security taxes and contributions imposed by federal or state authorities.

Certificates showing the coverage referred to will be furnished upon request.

5. Based upon the conditions as outlined above, and on information supplied by Mr. David Crotty subsequent to his visit to your property, we are pleased to quote as follows:

A. SURFACE DRILLING:

1) Mobilization and demobilization of personnel and drilling equipment.....$975.00 per rig ?

2) Overburden drilling in angle holes with minimum inclination of 30 degrees measured from the horizontal - 0 to 50 feet in depth.....$ 5.25 per ft.

3) Diamond core drilling in angle holes as specified above --

	= BX standard NX Wire Line 1-3/4" Dia.Core	= AX standard BX Wire Line 1-5/16"Dia.Core	= EX standard AX Wire Line 15/16"Dia.Core
Top of Ledge to 500' in depth.....	$5.25 per ft.	$4.95 per ft.	$4.75 per ft.
500 to 1000' in depth.....	--	5.30 per ft.	5.10 per ft.

4) Reaming for casing, if and when required.....$ 1.95 per ft., plus full payment for casing lost or left in drill holes at your request.

5) Cementing, waiting for cement to set, and drilling out cement.....$ 11.50 per hour, plus cost of materials used.

6) Delays for your convenience or for which you are responsible.....$ 10.25 per hour

B. UNDERGROUND DRILLING:

1) Mobilization and demobilization of personnel and drilling equipment.....$750.00 per rig

2) Diamond core drilling in angle holes varying in inclination from a minus 5 degrees to a minus 45 degrees measured from the horizontal

	NX-Size Recovering Core approx. 2-1/8"	BX-Size Recovering Core approx.1-5/8"	AX WL Recovering Core approx.15/16" (EX standard ? why wire line)
0 to 250 ft. in length.....	$5.75 per ft.	$5.35 per ft.	$4.75 per ft.
250 to 500 ft. in length.....	--	5.75 per ft.	4.95 per ft.
500 to 750 ft. in length.....	--	6.25 per ft.	5.25 per ft.
750 to 1000 ft. in length.....	--	--	5.75 per ft.

3) Reaming for casing, if and when required.....$ 1.95 per ft., plus full payment for casing lost or left in drill holes at your request.

4) Cementing, waiting for cement to set, and drilling out cement.....$ 10.50 per hour, plus cost of materials used

5) Delays for your convenience or for which you are responsible.....$ 9.50 per hour

6) Moving Allowance - Should the total time required to move and set up the rig at any given hole exceed eight hours with a two man crew, it is understood and agreed that we would be reimbursed for any such excess time at the rate of $4.75 per man hour.

7) Air Compressor Service - Should it become necessary for us to furnish a compressor to assure efficient operation of our equipment, it is understood that an additional charge of $1.00 per foot would apply to the above-quoted prices for diamond drilling under Paragraph 5.B.2) above, during the period that this extra service is supplied. ?

6. 6. Drill cores will be turned over to your representative at the individual drill locations in core boxes supplied by the Longyear Company.

7. Statements covering the work performed will be prepared as promptly as possible after the first of each month, and payment will be due within 20 days from date of invoice.

8. We appreciate the opportunity to submit a quotation for this work. If our proposal is accepted, we would be prepared to commence the drilling within a maximum of 15 days after date of official notice to proceed provided that your Company has furnished satisfactory evidence of ability to pay for all work to be completed under this proposed agreement.

Sincerely,

E. J. LONGYEAR COMPANY

M. J. Gleason

Vice President - Contract Drilling

M.J.Gleason:bal

ACCEPTED:

NYE METALS INC.

By:_____

Date:_____

nsideration Schedule
ye Metals Company, Inc.
Core drilling, surface & underground

To: Nye Metals Company, Inc.
P. O. Box 309
Golden, Colorado

From: MacPherson Drilling Company
701 N. 3rd.
P. O. Box 447
Montrose, Colorado

Attention: Mr. Charles E. Melby

Gentlemen:

With my respects to your recent request for bids to core drilling from surface and underground drill sites on Nye Metals property near Blackhawk, Colorado. I hereby submit my proposal for your consideration to fees required for our services to drilling a proposed program of 35000 feet of hole.

Core drilling rates, footage basis. Underground.

Footage	Core size NX-size	BX-size	AX-size
From collar to 400 ft. in depth	$ 4.25	$ 3.95	$ 3.75
" 401 to 750 ft. in depth	4.50	4.20	3.95
" 751 to 1000 ft. in depth	5.00	4.75	4.50

Core drilling rates, footage basis. Surface

From surface to bedrock, Alluvium $ 5.70 per ft. cased

Footage	Core size NX-size	BX-size	AX-size
Top bedrock to 400 ft. in depth	$ 4.60	$ 4.00	$ 3.80
From 401 to 750 ft. in depth	4.85	4.30	4.00
" 751 to 1000 ft. in depth	5.25	4.80	4.5 0

Transportation:

Moving in of underground equipment	$ 250.00 net
Moving in of surface equipment	500.00 net

Other work to completion of holes:

Reaming for and setting casing, cementing and drilling out cement, surveying in drill holes, and or other work requested by company, contractor shall receive for his services $ 8.50 per shift hr. so worked.

Air for underground drilling shall be furnished by contractor at the rate of sixty cents per ft. ($ 0.60).

Contractor's obligation to drill:

Furnish all drilling equipment, diamonds, tools, transportation, labor, insurance as required by the State of Colorado including Employer's ~~liability~~, Comprehensive automobile liability, comprehensive general liability and property damage insurance.

Company's obligation to drill:

Company shall provide drill sites, engineering services, timber when required for installation of drilling equipment, make available it's underground transportation for the moving of equipment, and provide water from sources on the property free of charge to contractor. However, it shall be the contractor's obligation to transport water for drilling to the drill sites.

Supplies:
Core boxes, cement, or cement substuties required for completion of hol shall be charged to company at cost F.O.B. job site.

te: December 3rd, 1962

MacPherson Drilling Company

By: M. MacPherson
Malcolm MacPherson

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED
DATE
12/27 Received 100
1/7/63 Murphy 500

December 19, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado 6231

Re: OME-6282 (Molybdenum)
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado

Dear Mr. Nye:

This has further reference to the captioned application for OME assistance.

Please submit another bid for drilling. Only two drill bids were submitted with your application but it was my understanding that you were contacting another drilling contractor for another bid on drilling.

Note from Murphy - This claim is listed but in a hurry for Johnson's telephone call 2 in 1 [illegible]

The Arlington claim U. S. Survey No. 19595 mentioned in the new application was not previously subordinated under OME Contract No. 2149. Is this claim owned or leased? Also, please submit two copies of a map showing its location.

Your immediate attention to these two items will be greatly appreciated.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Mr. Charles E. Melbye
Consultant to Nye Metals, Inc.
2721 Lookout View Drive
P. O. Box 309
Golden, Colorado
Chief, Division of Field Operations, OME
Application OME-6282
Chron

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

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 6 1962

DATE	INITIALS	CODE
	Gerald	500
12/7	Murphy	510

December 3, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Enclosed are the Government's, Fiscal Section's, and Audit's executed copies of Amendment No. 2 to the subject contract.

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments

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

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

DATE	INITIALS	CODE
12/3	[illegible]	800
		120
	[illegible]	500
12/4	[illegible]	500

November 28, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

The date of the agreement on line 1 of Amendment No. 2 to the subject contract was left blank.

I took the liberty of inserting the 16th day of October, 1962 as the date of agreement on all copies of the Amendment and I will forward the copies to the Operator.

Hugh M. Connors

Hugh M. Connors

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

DATE	INITIALS	
12/3	[illegible]	800
		420
12/4	[illegible]	500

Building 20 - Federal Center
Denver 25, Colorado

November 28, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

Enclosed are the Government's, Operator's, Fiscal Section's, Audit's, and Field Officer's copies of Amendment No. 2 to the subject contract which have been signed by the Director, OME.

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

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures
cc Chief, Division of Field Operations, OME
Contract 2149
Contract Corres. 2149
Chron

On November 21st, I accompanied Hugh Connors, Acting Administrative Officer for TVA, on one of his regular visits to the Rye Mine. This molybdenum prospect is the property of Rye Metals, Incorporated. It is situated in Sections 15, 16, 21, and 22 in T25, R73W, Gilpin County, Colorado.

The company is exploring both fissure veins and lower grade country rock which carries molybdenum and pyrite on joint lines. The country rock in the most favorable area is said to be a silicified diorite; however, it is sometimes referred to as a quartz monzonite. The exploration workings also cut molybdenum-bearing gneiss and the veins extend into the gneiss.

On November 21st, the company was driving two headings, and was working two shifts a day. In some spots, the ground is quite heavy. In some instances, it has been necessary to circle around exceptionally bad ground; the company had also attempted to use spiling. The best ore is said to be present where the veins are widest (perhaps four to six feet).

Snow prevented any examination of the surface, but the approximate surface extent was described by the company's geologist and by Mr. Connors.

This prospect is good enough to attract an active interest on the part of American Metals - Climax, Union Carbide, and the Bear Creek Mining Company. All three of these companies are reportedly providing free assistance to Rye Metals, and are closely following the work. There is an interesting potential for a really big ore deposit.

I think our metallurgists might be interested in having a look at the two types of ore from this deposit. Accordingly, Mr. Connors has been requested to obtain samples which can be sent to them. The mine foreman is Gavin Skinner, and the company's consulting geologist is Charles "Chuck" Kelbye of Golden.

Robert W. Graham

cc: G. H. Johnson
Frank J Cservenyak
D. G. Kennedy
H. H. Connors
D. H. Clemons

Docket copy

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of Interior, Office of Minerals Exploration, hereinafter called the "Government," and Nye Metals, Inc., hereinafter called the "Operator," that Exploration Contract No. 2149 (OME-6231), dated June 6, 1962, as amended, is further amended, effective October 15, 1962, as follows:

1. In Amendment No. 1, item 3 is deleted and in Exhibit A under Description of the Work, the first three paragraphs are deleted and there is substituted in lieu thereof the following:

"On the Main Tunnel level the north and south drifts on the Indianapolis ~~Indiana~~ vein system and the north drift on the Indiana vein system shall be extended to such distances as are approved in advance by the Government. With prior Government approval the Operator may drive crosscuts from these drifts to explore for splits and may continue the principal drift along such a split.

"From the east face of the Main Tunnel, one hole shall be diamond drilled to a depth of approximately 200 feet on the same bearing as the tunnel in this area. With prior Government approval four drill stations shall be excavated in the advanced sections of the drifts on the Indianapolis and Indiana veins. From each station a hole shall be diamond drilled to a depth of about 200 feet

in a direction normal to the drift and inclined slightly upward. No hole diamond drilled shall be closer than 200 feet to any other hole diamond drilled under this contract. The location of the drill stations and the direction of each hole shall be mutually agreed upon by the Operator and the Government."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

NYK METALS, INC.

By _____

Title _____

Re: OME-6231

Effective date of Amend. No. 2 should be June 6, 1962 (the date of the contract) or, at the latest, September 1, 1962 (the effective date of Amend. No. 1).

Work was performed under Amend No. 1, so the eff. date of Oct. 15, 1962, for Amend No. 2 leaves a gap.

Mr. Tilock - Surname?

OK.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/20	Murphy	500
	Duvall	500
11/21	Talbut	800
	GCS	130
11/21	Jackson	110
	Hennah	100
11/21	eyl	220
		500

NOV 21 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

In accordance with our memorandum of October 19, 1962, enclosed are the original and four copies of a proposed Amendment No. 2, signed by the Director for the Government. Also enclosed is an extra copy for your use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by 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 (gfa)

Enclosure

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/26	[illegible]	120
10/29	[illegible]	800
	[illegible]	500
		500

October 26, 1962

Memorandum

To: The Director

From: Chief, Division of Field Operations

Subject: Field Trip
Visit to Denver OME Office

Docket OME-6231 Nye Metals, Inc.

The greater part of the day of September 29, 1962, was spent in the Region III office in Denver. Various subjects, applications, and contracts were discussed, and the day there was concluded conferring with officials of Outlet Mining Company.

Some of the items discussed were as follows:

Humphreys Exploration Company (OME-6143, Contract 2130) had pending a request for terminating the contract. The drilling done to date had been unsuccessful in finding sufficient mineralization to proceed with further exploration work. The company wanted time to make a geological study which the lessor was not willing to grant. Apparently deeper horizons will have to be explored and mention was made that there might be good exploration possibilities to the north. OME has made a decision to terminate the contract as requested.

The results under OME-6231, Contract 2149, Nye Metals, Inc., were discussed along with an amendment to allow the company to do some soil sampling to the south which it had already started. Exploration progress to the north indicated less potential. Since then, the company has requested to transfer the remaining footage from the north to the south on the Indianapolis vein, and the amendment is being drawn up to do so.

Under OME-6250, Frank O. Richardson, Mr. Connors suggested that the application be withdrawn. Reportedly, Mr. Richardson is an alcoholic and all of his miners had quit. Follow-ups on this particular application should be followed vigorously; and if the information is not forthcoming, a 30-day notice letter should be sent.

Mr. Connors mentioned that they were short on forms and pamphlets and requested that some be sent immediately. This had been done at the time of the visit.

The Region III office would like some information as to when vouchers are paid. Operators sometimes contact the office concerning the payment of a voucher which may have been delayed or has recently been

43683

paid, and Mr. Connors cannot tell which may have occurred. Possibly some automatic notification could be supplied him on this matter.

Mr. Connors called attention to the September 21, 1962, news release on the Diamond Mine of the Consolidated Eureka Mining Company of Salt Lake City (GME-6253, Contract 2135). He asked what present policy was concerning the release of the property name because all previous instructions to the Region concerning this matter had been to the contrary. The writer informed Mr. Connors that apparently the present policy of the Secretary's Office was to give more information concerning each contract granted.

The matter of royalties was discussed, including the sending of demand letters. The writer promised Mr. Connors a copy of the type of demand letter sent from the Washington Office.

When asked, the writer informed both Mr. Romulo and Mr. Connors that DMEA ore in the stopes on the last day of the 10-year period, or whatever period is called for, is subject to the payment of DMEA royalties regardless when sold. This matter would involve the Henry Clay Mine (DMEA-2426, Contract Idm-2345, Ira L. Moseley), among others.

The operations of the GAO were also discussed.

Close to two hours was spent discussing the Grande district in general and the properties of the Outlet Mining Co., Inc., (GME-6252) with two officials of the company, one of which was James M. Muir, president. Having been informed that the writer would be in Denver, they came to see if by some means the company could not secure additional exploration assistance in the area south of that previously explored. Most of the material discussed already appears in the applications and reports of the DMEA and GME. Generally, as explained by Mr. Muir, the ore occurs at two horizons, an enriched silver zone near the surface, then a barren area from an elevation of about 10,000 feet to 9,500 feet, and then a zone of lead-zinc sulphide, the bottom of which has not been reached along the Solomon-Holy Moses vein system. The barren zone explored by the DMEA is attributed to either almost complete leaching of the fissure veins or to the presence of country rock unfavorable to mineralization. It may be a combination of both. In recent years, the company has been active in rehabilitating the workings, but now finds itself faced with a lack of funds. The writer explained to Mr. Muir that as the horizon was a lead-zinc one, such deposits were no longer eligible for financial aid under the GME program.

During the conversation, Mr. Muir mentioned that they were having considerable difficulty securing permission from the SEC to sell additional stock. In the proposed prospectus, which the writer did not see, the SEC required the statement that all known silver ore

bodies had been mined. Where stopes were shown, a statement had to be made that no ore remained. Based on the SEC requirements, the writer gained the impression that the company's hands would be pretty well tied in selling additional stock. Mr. Muir mentioned that the company receives the same smelter payments for its ore at El Paso as it did at Leadville. It costs the company no more to ship the ore the longer distance. Plans are also to build a mill should sufficient sulphide ore be found. Mr. Muir had brought along a number of beautiful specimen samples taken from the Solomon-Holy Moses vein system. These were examined. Undoubtedly, some of the better crystalline material occurred in open vugs or as fissure fill. In the writer's mind, there is little doubt but that the higher silver values found at and near the surface were due to secondary enrichment, whether oxide or sulphide. All reports mention this and a quote in the application is as follows: "Leached Zone: Silver enrichment in the oxide zone accounted for early-day bonanza silver ore bodies of this vein system as well as the Amethyst and is well understood and predictable."

George C. Selfridge (gla)

Copies for dockets:
MMMA-2426 Ira L. Moseley
GMM-6143 Humphreys Exploration Company
GMM-6231 Nye Metals, Inc.
GMM-6230 Frank G. Richardson
GMM-6252 Outlet Mining Co., Inc. (denied)
GMM-6253 Consolidated Eureka Mining Company

GCSelfridge/gla (10-26-62)
cc to: Director's Reading File
Mr. Selfridge

E Form 7
10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/19	Murphy	500
		500
10/19	Taylor	800
		130
10/19	Johnson	110
10-19	Turner	100
10/19		220
		500

OCT 1 9 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

In accordance with your memorandum of October 16, 1962, we will prepare an amendment transferring the remaining footage in the referenced contract to the Indiana north heading and Indianapolis south heading.

George C. Selfridge (gla)

FMMurphy/mm
10/19/62
cc: Director's reading
Region III
CA&A Division
Review Committee
Docket ✓

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 18 1962
DATE
10/18 800
~~120~~
Murphy 500

October 16, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Enclosed are the original and one copy of the Operator's request for Amendment No. 2 to the subject contract.

On October 15, 1962 I made the regular monthly inspection of the property and I found that the heading of the north drift on the Indianapolis Vein is now in the fault zone which I suspect to be the same fault we went through on the Indiana Vein. The north heading of the Indiana Vein is in good ore. The south drift on the Indianapolis Vein, on which the Government has not participated to date, is also in good ore.

I believe that the Operator will get more for his money and it will make certification easier for the Government if we transfer the remaining footage provided for in the contract from the Indianapolis north heading to the Indiana north heading and Indianapolis south heading.

Will you prepare the Amendment, please.

Hugh M. Connors

Hugh M. Connors

Attachment

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

October 16, 1962

Mr. Hugh M. Connors
Acting Field Officer
OME, Region III
Building 20 - Federal Center
Denver 25, Colorado

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

Dear Mr. Connors:

In view of new exploration developments at the Nye molybdenum project, an amendment to the contract is herewith requested and explained.

As has been previously mentioned, the Indianapolis vein system in the north drift has been getting progressively weaker in fault and mineralization intensity. The vein system is now only a series of fractures, most of which are discontinuous. Molybdenite is sometimes present. The best molybdenite in that heading is now in the E-W cross fractures. Because of this change in the vein system and the difficulty in following it, the request is herewith made to stop the heading.

The Indiana vein system, on the other hand, is getting wider and more highly mineralized. It is now 4.5 feet wide with the high-grade portion 1.5 feet wide, and another parallel vein is suspected in the hanging-wall. However, at the end of September, only 38.5 feet remained on the allowable footage of 300 feet, and this is now used up. It is requested that a portion of the remaining footage (969 feet as of October 1) be used to continue the Indiana drift. This will still continue the original objective of exploring towards the Indianpolis-Indiana vein intersection.

Furthermore, the Indianapolis south drift, heretofore not included in OME participation, has been continued intermittently at the Operator's expense. This vein has widened to a 4-foot width and contains considerable molybdenite. The amendment is requested to apply a portion of the Indianapolis north vein footage to the south drift.

P. O. BOX 309 2721 LOOKOUT VIEW DRIVE CRestview 9-1542
GOLDEN, COLORADO

Mr. Hugh M. Connors October 16, 1962

By way of summation, this requested amendment consists of the following changes:

1. Stop the Indianapolis north drift.

2. Continue the Indiana drift to the north.

3. Drift south on the Indianapolis vein system.

The footage division for each drift should be left open for ease of operation since the size of mine plant and crew is set up to drive two headings simultaneously, and each will continue at about the same rate.

Your consideration of these contract amendments will be much appreciated.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Geological Engineer
Consultant to Nye Metals, Inc.

OFFICIAL FILE COPY
O. M. E
OCT 18 1962

10/18 WJ 800
~~10/18 Murphy 500~~

Building 20 - Federal Center
Denver 25, Colorado

October 16, 1962

AIRMAIL

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

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Contract No. 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado
Operator's Monthly Progress Report for September 1962

Enclosed are the original and two copies of MME Form 60, MME Form 61, Operator's Narrative Report, map showing the drifting accomplished during September, a copy of the assay results from C. O. Parker & Co., and a map showing the incompleted diamond drill hole No. 1.

This contract is on a short form and work which is allowed is on a fixed unit cost basis.

Subject to your verification of the arithmetical accuracy of the report, it is recommended that the Operator be reimbursed $4,063.70 which is 50 percent of the amount claimed on MME Form 60.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
Vouchers, Contract 2149
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/10	Murphy	500
	[illegible]	500
10/10	[illegible]	120
"	[illegible]	110
[illegible]	Fumich	100
10/10	Coe	220
		500

OCT 1 0 1962

Mr. James E. Moore
6162 N. Park Avenue
Indianapolis 20, Indiana

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

Dear Mr. Moore:

In response to your letter of September 27, 1962, the Government approved the subject exploration contract on June 6, 1962. Work under the contract started June 19, 1962, and is still in progress to date.

With respect to your question as to the extent of molybdenum found, such information is considered confidential on the part of the Government. However, Nye Metals, Inc., may give you the information you desire; therefore, it is suggested that you contact the corporation in this matter.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/ama 10-9-62

cc:
Docket
Director's Reading File
Region III (2) w/2 cys of incoming ltr.

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 1 1962

DATE	INITIALS	CODE
		~~200~~
		500

6162 N. Park Avenue
Indianapolis 20, Indiana

1614 Kingwood
Murphy

September 27, 1962

Office of Mineral Exploration
Department of the Interior
C. St. between 18th & 19th. Sts. NW
Washington D.C.

Dear Sirs:

In recent months I have become interested in a Nye Metals, Inc. , located in Rm. 711 Merchants Bank Building in Indianapolis. The company is attempting to mine Molybdenum for a mine in Dakota Mountain located one mile due East of Apex, Colorado.

The company applied to the Department of Interior for a loan, and as I understand the loan was approved. I would appreciate it if you could confirm this, and if you could give any indication of the extent of Molybdenum found on your inspection.

Sincerely,

James E. Moore

James E. Moore

make 2 copies for R. Hill

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 8 1962
DATE | INITIALS
10/8 Received 500
10/8 Murphy

October 4, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

This confirms verbal approval for 63 feet of crosscutting on the Indianapolis Vein accomplished during September 1962.

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
Contract 2149
Contract Corres. 2149
Chron

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

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 5 1962

DATE	INITIALS	CODE
10/5	ama	800
"	FEJ	~~110~~
		~~120~~
"	Greenwald	500
~~10/8~~	~~Murphy~~	

October 2, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Enclosed are the Government's Audit's, and Fiscal Sections executed copies of the subject ~~contract.~~ amendment

for Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 24 1962

DATE		
9/24	800	
	Breakfast	500
	Murphy	

September 21, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

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

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

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

Yours very truly,

Original signed by

High M. Connors
Acting Field Officer, OME
Region III

Enclosures
cc Chief, Division of Field Operations, OME
Contract 2149
Contract Corres. 2149
Chron

HMC/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/12	Murphy	500
	[illegible]	500
9-13	McPhillamy	140
	[illegible]	
		500
9/17	Talbot	800
"	Mleave	130
"	Johnson	110
9/17	Trask	100
9/17	cal	220
		500

SEP 17 1962

R

INTERIOR DEPT.
SEP 12 1962
SOLICITOR

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

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

With reference to your memorandum of September 4, 1962, enclosed are the original and four copies of a proposed Amendment No. 1 to the subject contract signed by the Director for the Government. Also enclosed is an extra copy for your use.

You will note that the amendment is not limited to the specific work outlined in your memorandum. However, with your prior approval, confirmed in writing, the work you recommended can be performed. The proposed amendment was written in this form so that if other crosscutting exposed additional splits, the strongest one could be followed north.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by 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.

FROM SOL
SEP 14 1962
FOR SIGNATURE

W. R. Griswold

Enclosures

FMMurphy/ama 9-11-62

cc:
Docket
Director's Reading File
Review Committee

RECEIVED
SEP 12 1962
ASSOC. SOLICITOR
MINERAL RESOURCES

43683

Ass[illegible]ate Solicitor's Copy

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1962, 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 Exploration Contract No. 2149 (Docket OME-6231), dated June 6, 1962, is amended, effective September 1, 1962, as follows:

1. In Exhibit A the first paragraph is deleted and replaced ~~as follows:~~ there is substituted in lieu thereof the following:

"The purpose of this project is to explore for molybdenum-bearing ore bodies by drifting from the Main Tunnel of the Nye Molybdenum mine along two vein systems, crosscutting from the drifts, and diamond drilling from the drifts or crosscuts into the surrounding Tertiary quartz monzonite."

2. Where the words "drift", "drifts", or "drifting" are written in Exhibit A under General Provisions, Description of the Work, and Estimated Cost of Project, the words "and crosscut", "and crosscuts", or "and crosscutting" are added where applicable.

3. In Exhibit A under Description of the Work, the first paragraph is deleted and ~~replaced as follows:~~ there is substituted in lieu thereof the following:

"On the Main Tunnel level the north drift shall be continued on the Indianapolis vein structure an additional 1200 feet or to the intersection of the Indianapolis and Indiana veins, whichever is the lesser. With prior Government approval the Operator may drive crosscuts from the drift to explore for splits of the Indianapolis vein and may continue the principal drift in a northerly direction along such a split. With prior Government approval any unused drift or crosscut footage remaining in the Contract when the intersection of the Indianapolis and Indiana veins is reached may be used to explore either of these veins."

4. The first paragraph of Article 14, of the Contract, is deleted, and the following is substituted in lieu thereof as ~~Amendment~~ subparagraph "(A)"

"~~Article 14~~ "(A) Nondiscrimination. The provisions governing performance of work under Government contracts,

as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit E and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract.

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

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

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

Executed in quintuplicate the day and year first above written.

The second paragraph of said Article 14 referring to the new subparagraph (i) of Article 6, is designated subparagraph "(B)".

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

NYE METALS, INC.

By _____

Title _____

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 13 1962

DATE	INITIALS	CODE
9/13	Received	500
9/13	Murphy	

September 10, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

Re: CME-6231 (Molybdenum)
Contract 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado
Work Approval

This has further reference to my meeting today with your geologist, Mr. Charles Melbye, regarding the procedure to be followed on Indiana vein system.

This constitutes Government approval to drift northeasterly on the vein, believed to be the Indiana vein, on the north side of the fault at coordinates 100820N and 100950E.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government will be required to contribute, the fixed unit cost of any item of work, nor any item of cost which is expressly designated "maximum."

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
Contract 2149
Contract Corres 2149
Chron

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 12 1962

DATE	INITIALS	CODE
9/12	[illegible]	800
"	Murphy	500

September 10, 1962

AIRMAIL

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Contract 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado
Proposed Amendment No. 1

This has further reference to Mr. Romslo's memorandum dated September 4, 1962 on the subject contract. Will you please incorporate one more change in this Amendment as follows:

In the description of the work, please add the word "system" whenever the Indianapolis or Indiana veins are mentioned.

Also we would like to provide for possible crosscutting where necessary to pick up other indicated splits along both fissures.

All crosscutting footage except that allowed in the contract for drill stations to be in lieu of drifting and allowed at $34 per foot.

Hugh M. Connors

Hugh M. Connors

Proposed amendment No. 1 covers the above request.

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

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 7 1962

DATE	INITIALS	
9/7	Received	300
	Murphy	

September 4, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6231 (Molybdenum)
Contract 2149
Nye Metals, Inc.
(Nye Molybdenum Mine)
Gilpin County, Colorado
Proposed Amendment No. 1

INDIANAPOLIS vein zone

Attached is a letter with map from Mr. Charles E. Melbye, the Operator's geologist, requesting an amendment to the contract.

The proposed amendment is concerned with the Indianapolis vein that has been found to include two splits, the footwall and the hanging-wall. It will provide for; crosscutting to the hanging-wall split from the present face of the footwall split, drifting on the hanging-wall split rather than the footwall split, and crosscutting from the hanging-wall split to explore for other possible splits. Crosscutting from the hanging-wall split would be subject to Governmental approval.

Approval of the requested amendment is recommended. Also recommended is a fixed cost of $34.00 a foot for crosscuts other than those driven for diamond drill stations.

Will you please prepare the Amendment.

T M Connors
for Hugh M. Connors

Attachment
TMR

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

August 31, 1962

Mr. Hugh M. Connors
Acting Field Officer
OME, Region III
Building 20 - Federal Center
Denver 25, Colorado

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

Dear Mr. Connors:

In view of new information gained we are requesting an amendment to the above contract with regard to the drifting on the Indianapolis vein. In driving the crosscut for the drill station at Hole No. 1, it was extended at the operators expense to provide room for switching cars. This crosscut intersected a hanging-wall split of the Indianapolis vein.

By way of review, the Indianapolis vein split near Sta. T25 and the foot-wall split being more highly mineralized, was followed. The present foot-wall vein is very weakly mineralized whereas the hanging-wall vein is a 1.5 foot zone of quartz veinlets with molybdenite.

It is requested that the contract be amended to permit drifting on the hanging-wall split rather than the foot-wall split. In order that the present 120 feet of drifting to the north not be duplicated it is requested that crosscutting be allowed from the present face to intersect the footwall vein and then drifting to the north from that point. This crosscutting could be applied against the drifting footage since identical costs would be involved.

In view of our present findings that these veins are actually vein systems consisting of at least two splits, it is further requested that in the future, crosscutting be allowed in place of drifting whenever it appears expedient to explore another portion of the vein system. This would, of course, be done only with government approval.

Your consideration of these contract amendments will be much appreciated.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Geological Engineer
Consultant to Nye Metals, Inc.

ajm

[redacted] P.O. BOX 309 2721 LOOKOUT VIEW DRIVE CRESTVIEW 9-1542
GOLDEN, COLORADO

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 16 1962

DATE	INITIALS	CODE
8/16	[illegible]	800
	[illegible]	500
8/17	Murphy	[illegible]

August 13, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

This constitutes Government approval to drill the following holes in accordance with the contract:

Hole No. 1 In a westerly direction approximately 200 feet in length from a point on the Indianapolis vein about 500 feet north of the main tunnel as shown on the sketch map accompanying the contract.

Hole No. 2 In a southeasterly direction approximately 200 feet in length from the breast of the main tunnel, which is about 50 feet southeast of the Indianapolis vein shown on the sketch map accompanying the contract, "Diamond Drill Hole No. 1."

Nothing in this work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract 2149
Contract Corres 2149
Chron

(Revised)
(April 1955)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	C. H. Johnson - Executive Ass't for Mineral	
2.	Resources	
3.	~~George Fumich - Director - Office of Minerals~~	
4.	~~Exploration~~	
5.		

For:

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

Remarks: RE: OME-6231

From *(Name)*
Robert W. Geehan Date 7/6/62
Division—Office—Address
Ext: Room:

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

BUREAU OF MINES
WASHINGTON, D. C.

JUL 9 10 35 AM '62

57—ROCKY MOUNTAIN NEWS— Denver 1, Colo., Friday, July 6, 1962

Area Firm Given Minerals Contract

From the Washington Bureau Of The Rocky Mountain News

WASHINGTON, July 5—Another Colorado company has received a minerals exploration contract, the first one ever signed to hunt for molybdenum, the office of Sen. John Carroll (D-Colo) said Thursday.

Nye Metal Inc. of Blackhawk, near Central City, will receive one-half of $77,000 to aid in the search for molybdenum in Gilpin County.

Carroll said the exploration contract is the 129th let in Colorado. Of these, 55 have resulted in mineral discoveries. The Federal Government has anted up $2.3 million for the entire group of contracts.

If a company makes a strike, it repays the Federal Government from royalties at the rate of 5 percent annually. Otherwise, the federal share is written off.

OME-6231

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 11 1962

DATE	INITIALS	CODE
7-11		
7/11		100
	Johnson	110
7/12		120
7/12	Shumaker	500
7/12	Murphy	600

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 21 1962

DATE	INITIALS	
6/21	Coe	210 ~~500~~

June 19, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

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

Hugh M. Connors

Hugh M. Connors

Attachments

Amc

NYE METALS, INC.

FORMERLY NYE-MATHEWS MINING, INC.

BLACK HAWK,
COLORADO

ROOM 711, MERCHANTS BANK BLDG.
INDIANAPOLIS, INDIANA

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 28 1962

DATE	INITIALS	CODE
		500

June 20, 1962

Mr. Hugh M. Connors
Acting Field Officer
OME, Region 111
Building 20, Federal Center
Denver 25, Colorado

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

Dear Mr. Connors:

This letter is to advise you work was started June 19, 1962 on OME-6231 (Molybdenum) contract.

Please send all mail concerning OME-6231 (Molybdenum) to Nye Metals, Inc., Black Hawk, Colorado.

Sincerely yours,

Robert E. Nye
President

REN:mm

George Selfridge

OME
DEPARTMENT OF THE INTERIOR
JUN 26 1962
REGION III
DENVER, COLORADO

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 21 1962

DATE	INITIALS	
6/21	[illegible]	800
"	[illegible]	500
6/21	Murphy	500

June 19, 1962

Mr. Robert E. Nye, President
Nye Metals, Inc.
Black Hawk, Colorado

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

Dear Mr. Nye:

This will confirm the starting points on the captioned contract which we established together.

Indianapolis vein

Breast 12.0 feet north of spad tagged U.S.B.M. on a set spiked and NMC carved in the set which is 200 feet north of the crosscut intersection with the Indianapolis vein, June 19, 1962.

Indiana vein

Spad in a plugged drill hole center of drift 18.1 feet north to breast. Spad is 15 feet north of crosscut intersection with the Indiana vein June 19, 1962.

I would also like to make a matter of record that the 6 percent interest in Article I (c) of the contract accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Chief, Division of Field Operations, OME
Contract 2149
Contract Corres 2149
Chron

rm 7
8)

OFFICIAL FILE COPY

Date	Surname	Code
6-6	Murphy	500
	[illegible]	500
6/6	Talbut	800
6/6	GCS	130
6/6	On leave	110
6/6	Turner	100
6/7	CAC	220
		500

JUN 6 1962

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

Enclosed are the original and four copies of a proposed exploration contract with Nye Metals, Inc., signed by the Acting Director for the Government. The contract consists of MME Form 51 (Short Form) as revised, Annex I (seven pages), Exhibit A (three pages), Exhibit B, and two maps. Also enclosed for your use is an "Extra Copy for Field Office," MME Form 51 as revised, Annex I, and Exhibit A.

If the contract is satisfactory to you and the Applicant, kindly insert the starting date and have an authorized representative of the corporation sign the original and four copies. You will note that the signer must be certified by the secretary (page 6 of MME Form 51). Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6 percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production. If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office with the proposed changes for consideration.

George C. Selfridge

(pl)

Enclosures

FMMurphy/gla
6-6-62
cc to: Director's Reading File
Review Committee
Docket

43683

DRAFT
5/17/62
FMMurphy/gla
as corrected 5/18/62 WRGriswold/GCSelfridge

Copy for the docket

MME Form 51
Feb. 1959

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

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6231	Molybdenum	14-23-090-	Gilpin	Colorado

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

Nye Metals, Inc., an Indiana corporation

_____,

whose mailing address is **Room 711, Merchants Bank Building, Indianapolis, Indiana**, hereinafter called the "Operator," as follows:

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

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $76,650.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $38,325.00 in accordance with the provisions of Articles 4 and 5.

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

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

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

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

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

See Article 14.

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14.

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

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

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

The provisions governing performance of work under Government contracts, as set out in Section 301 of Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract, and shall be included in all contracts executed by the Operator for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Operator and the term "contractor" shall be deemed to refer to the Operator and to contractors awarded contracts by the Operator.

A new subparagraph (i) is added to Article 5 of this contract to read as follows:

"(i) Special Agreement Concerning Royalty. Notwithstanding the certification provisions of this Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on production, regardless of where it is produced, which is transported through any workings or any portion of any workings to the cost of which the Government has contributed, for the period described in Article 6(a)(2) above, and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid under this contract on the same production."

Executed in quintuplicate the day and year first above written.

NYE METALS, INC.

By_____

Title_____

UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

I, _____ [illegible]

the _____ [illegible]

corporation named [illegible] _____,

who signed this contract on behalf of [illegible]

_____ of [illegible], that

said contract was duly [illegible] and is [illegible]

by [illegible]

corporate [illegible].

_____

[illegible]

DRAFT
5/17/62
FMMurphy/gla

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

ANNEX I

The land referred to in Article 2 of the contract consists of sixty-seven (67) patented and sixty-eight (68) unpatented lode mining 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. Recording data of the claims are as follows:

Patented Claims

Name of Claim	U. S. Patent No.
Smart No. 2	16584
Ideal	17185
Klondyke	17185
Dawson	17185
St.Patrick No. 2	9881
Black Hawk	9881
Duke	11854
Wellington	11854
Dolly Varden	11854
Jumbo	19595
Arlington	19595

Patented clai[illegible] continued)

Name of Claim	U. S. Patent No.
Beckteil	124[illegible]
Belcher	1242[illegible]
Belmoral	12420
Crown Point	12420
Cordova	1242[illegible]
David B.	1242[illegible]
Hildalgo	12420
Kimberly	1242[illegible]
Pacific	12420
Tioga	12420
Magdalena	12420
Fairview No. 1	19021
Fairview No. 2	19021
Fairview No. 3	19021
J. H. B.	19021
H. C. B.	19021
Hoosier Boy	1135[illegible]
Josephine	138[illegible]
Aurora	1387[illegible]
Annex No. 1	1387[illegible]
Annex No. 2	1387[illegible]
Annex No. 3	1387[illegible]
Edna	149[illegible]

Patented claim[illegible]ontinued)

Name of Claim	U. S. Patent No.
Gol[illegible]	[illegible]
Water [illegible]	[illegible]
[illegible]umt[illegible]	[illegible]
Iron [illegible]	[illegible]
Le[illegible]	[illegible]
Little Topsy	[illegible]
Redemption	[illegible]
Mattie D.	[illegible]
Eliza [illegible]	[illegible]
Little [illegible]	[illegible]
Golden Cliff	[illegible]
Sun Flower	[illegible]
Hard [illegible]	[illegible]
Excelsior	[illegible]
Gol[illegible]	[illegible]
[illegible]	[illegible]
American	[illegible]
Yankee Doodle	124[illegible]
Prospect	[illegible]
Hope	[illegible]
Union	[illegible]
Missing Link No. 2	13[illegible]
Fly	[illegible]
Intersection	[illegible]

Patented claims (continued)

Name of Claim	U. S. Patent No.
Home	[illegible]
Home No. [illegible]	[illegible]
Home No. 2	1387[illegible]
Home No. 3	1387[illegible]
Home No. 4	1387[illegible]
Beatrice No. 4	1387[illegible]
Brightside No. 1	1387[illegible]
Brightside No. 2	1387[illegible]
Brightside No. 3	1387[illegible]

Unpatented Claims

Recorded at Central City, Gilpin County, Colorado

Name of Claim	Book	Page
Wilma No. 1	226	43
Wilma No. 2	226	42
Wilma No. 3	226	44
Wilma No. 4	226	46
Wilma No. 500	226	45
Nettie Hazel No. 6	226	47
Nettie Hazel No. 7	226	48
Nettie Hazel No. 8	226	49
~~Claim No. Nine~~	~~226~~	~~97~~
Nine	226	97
Ten	226	96
Eleven	226	95
Twelve	226	94

Patented claim[illegible]ontinued)

Name of Claim	Book	Page
[illegible]	[illegible]	93
Fourteen	[illegible]	92
Fifteen	[illegible]	91
Sixteen	[illegible]	90
Seventeen Lode	226	107
Eighteen	226	108
Nineteen	226	111
Twenty	226	112
Twenty Two	226	114
Twenty One	226	113
Alvin No. 1	226	318
Alvin No. 2	226	317
Alvin No. 3	226	316
Alvin No. 4	226	315
Alvin No. 5	226	314
Alvin No. 6	232	79
Ni's No. 1	239	426
Ni'S No. 2	239	427
Ni's No. 3	239	428
Ni's No. 4	239	429
Ni's No. 5	239	430
Ni's No. 6	239	431
Ni's No. 7	239	432
Ni's No. 8	239	433
Ni's No. 9	239	434
Ni's No. 10	239	435

Patented claims (continued)

Name of Claim	Book	Page
Ni's No. 11	239	436
Ni's No. 12	239	437
Ni's No. 13	239	438
Ni's No. 14	239	439
Ni's No. 15	239	440
Ni's No. 16	239	441
Ni's No. 17	239	442
Ni's No. 18	239	443
Ni's No. 19	239	444
Ni's No. 20	239	445
Ni's No. 21	239	446
Ni's No. 22	239	447
Ni's No. 23	239	448
Ni's No. 24	239	449
Ni's No. 25	239	450
Ni's No. 26	239	451
Ni's No. 27	239	452
Ni's No. 28	239	453
Ni's No. 29	239	454
Ni's No. 30	239	455
No. 1	239	456
No. 2	239	457

Patented claims (continued)

Name of Claim	Book	Page
Nye's No. 3	239	458
Nye's No. 4	239	459
Nye's No. 5	239	460
Nye's No. 6	239	461
Nye's No. 7	239	462
Okey No. 1	239	463
Okey No. 2	239	464
Okey No. 3	239	465

The claims are shown in green on Plate 1 entitled, "Mining Property of Nye-Mathews Mining, Inc., Apex Mining Dist., Gilpin Co., Colorado . . . . ," attached hereto and made part hereof.

The Operator is the owner of the claims.

DRAFT 5/17/62 [redacted]urphy/gla
Rewritten 5/18 [redacted]GCSelfridge/WRGriswold/gla

EXPLORATION CONTRACT
NYK METALS, INC.
OME-6231

EXHIBIT A

The purpose of this project is to explore by drifting along two vein systems and diamond drilling from the drifts into the surrounding Tertiary quartz monzonite for molybdenum-bearing ore bodies.

General Provisions

All significantly mineralized areas traversed in the drifts shall be sampled by cutting channels normal to their trends at intervals of not more than 10 feet. The Operator shall store one split of each drift sample in a suitable container properly identified as to location. Diamond drill core showing significant mineralization shall be split and sampled; each such core sample shall represent not more than a 5-foot length of hole. The remainder of each split core sample shall be placed in core boxes with the other core recovered. The core boxes shall be identified as to hole number, and markers shall be placed in the core sections to indicate the depths represented.

The stored samples and core shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples and core. All samples shall be assayed for molybdenum.

True copies of assay certificates for all samples shall be submitted with the Operator's monthly report which shall also

include a map or sketch showing the work completed during the reporting period. The map or sketch should show the general geological formations and structures traversed by the drifts and diamond drill holes, and the location and assay value of the samples.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

The Government will not participate in the cost of work done at locations less than 200 feet from a property boundary.

Description of the Work

On the Main Tunnel level continue the north drift on the Indianapolis vein an additional 1200 feet or to the intersection of the Indianapolis and Indiana veins, whichever ~~occurs first~~ is the. With prior Government approval, 200 feet of drifting from the point of intersection may be done on either vein.

From the east face of the Main Tunnel, diamond core drill one hole to a depth of approximately 200 feet on the same bearing as the tunnel in this area. In the advanced section of the north drift on the Indianapolis vein four drill stations shall be excavated and from each station a diamond core hole shall be drilled to a depth of about 200 feet in a direction normal to the drift and inclined slightly upward. These holes shall be drilled either east or west at intervals of not less than 200 feet. The location of the drill stations and the direction of each hole shall be mutually agreed upon by the

Operator and the Government.

From the present face of the Indiana vein (portal elevation 10,543 feet) drive an additional 300 feet in a northeasterly direction along the vein.

All drifts and drill stations shall not be less than 6' x 8' in cross section in the clear of timber and shall be timbered as necessary using standard drift sets of not less than 8" x 8" timber, or equivalent round timber.

The four drill stations shall each be cut to a depth of about 15 feet from the wall of the drift.

Mine rails shall be not less than 30 pounds, air lines 4-inch, and water lines 1-inch in diameter. The drifts shall be ventilated using not less than 12-inch diameter vent pipe.

Diamond drill holes shall be started not less than BX standard core size (1-5/8-inch); however, the diameter may be reduced to AX standard size if necessary to complete a hole in caving ground.

The Government will contribute to no more than 1700 feet of drifting, 60 feet of crosscutting for four drill stations, 1200 feet of timbering in the drifts and crosscuts, 1000 feet of core drilling, 20 hours of cementing, reaming, or casing drill holes, 100 core boxes, and 300 assays for molybdenum.

The approximate location and extent of the drifts and diamond drill holes are shown in red on map Plate 3 entitled, "Nye Metals, Inc., Sketch Map Showing Proposed CME Exploration ...", attached hereto and made part hereof.

Estimated Cost of Project

Fixed Unit Costs

1700 feet drifting and $34.00/ft.	$57,800.00
60 feet crosscutting for drill stations, @ $30.00/ft.	1,800.00
1200 feet timbering, @ $8.00/ft.	9,600.00
1000 feet core drilling,	
BX core size, @ $5.65/ft.	5,650.00
AX core size @ $5.20/ft.	
20 hours cementing and redrilling, or reaming and casing drill holes, @ $10.00/hr.	200.00
100 cardboard core boxes @ $1.00 each	100.00
300 assays for molybdenum @ $5.00/assay	1,500.00
Total Estimated Cost of Project	$76,650.00
Government Participation @ 50%	$38,325.00

Re: OMC-6231

Exh A. – Genl. Prov.

First sentence of 2nd par. seems a bit out of place.

Exh A – Est. Cost.

30 core boxes @ $1.00 should be $30.00

Total est. cost " " 75,980.00

Govt. part. " " 37,990.00

Talbot 5/18/62

1500.0

1500 [illegible]

5/18/62

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5/17/62
FMMurphy/gla

EXPLORATION CONTRACT
NYE METALS, INC.
OME-6231

EXHIBIT A

The purpose of this project is to explore by drifting along two vein systems and diamond drilling from the drifts into the surrounding Tertiary quartz monzonite for molybdenum-bearing ore bodies.

General Provisions

All significantly mineralized areas traversed in the drifts shall be sampled by cutting channels normal to their trends at intervals of not more than 10 feet. Diamond drill core showing significant mineralization shall be split and sampled; each such core sample shall represent not more than a 5-foot length of hole. All samples shall be assayed for molybdenum.

The Operator shall store one split of each drift sample in a suitable container properly identified as to location. The remainder of each split core sample shall be placed in core boxes with the other core recovered. The core boxes shall be identified as to hole number, and markers shall be placed in the core sections to indicate the depths represented. The stored samples and core shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples and core.

True copies of assay certificates for all samples shall be submitted with the Operator's monthly report which shall also

Estimated Cost of Project

Fixed Unit Costs

1700 feet drifting @ $34.00/ft.	$57,800.00
60 feet crosscuttting for drill stations, @ ~~$25.00~~ 30.	1800 ~~1,200.00~~
1200 feet timbering, @ $8.00/ft.	9,600.00
1000 feet core drilling, BX core size, @ $5.65/ft.	5,650.00
AX core size @ $5.20/ft.	
20 hours cementing, reaming, casing drill holes, @ $10.00/hr.	200.00
100 ~~30~~ cardboard core boxes, @ $1.00 each	100.00 ~~300.00~~
300 assays for molybdenum, @ $5.00/assay	1,500.00
Total Estimated Cost of Project	$76,250.00 76650
Government Participation @ 50%	$38,125.00 38325

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 11 1962

DATE		
5/14	Murphy	500

May 7, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

Enclosed are the following, in duplicate, which constitutes the Applicant's amended application on the subject docket:

(1) Letter from Charles E. Melbye dated May 3, 1962.

(2) Revision in loan application.

(3) Sketch map showing the corrected claim names.

(4) Drilling bid from George Marshall.

(5) Drilling bid from Boyles Bros.

(6) Drilling bid from Malcolm MacPherson.

(7) Claim map.

(8) Surface geologic map showing the elevations requested in the Director's letter dated April 5, 1962. (one copy)

(9) Underground geologic map showing elevations requested in the Director's letter dated April 5, 1962. (one copy)

One copy of the above information is being retained in this office.

Hugh M. Connors

Hugh M. Connors

Attachments

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

ORIGINAL FILE COPY
O. M. E
RECEIVED MAY 10 1962

May 7, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

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

A field examination of the subject property was made by me May 1, 1962 in the company of Robert E. Nye, Applicant, and Charles E. Melbye, the Applicant's geologist.

Another field examination of this property was made by E. N. Harshman and C. M. Harrer July 1, 1957 on DMEA Docket 4490. The field examiners in 1957 found only bulldozer trenches and other shallow workings but they concluded that sufficient molybdenite occurred to justify a modest program of exploration to consist of diamond drilling. The Applicant at that time was not interested in diamond drilling and withdrew his application.

During the past five years the Applicant has driven a crosscut adit approximately 1700 feet long and has drifted on the Indiana and Indianapolis veins about 450 feet. Also during this time the Applicant has increased his holdings from 22 claims to ~~62~~ 68 unpatented claims and 67 patented lode mining claims which are listed in the

OK

OME application. The area covered by these claims is approximately 1600 acres, and will all be benefited by the recommended exploration.

The geology of the area is well covered in Mr. Harshman's report. It is now clear, however, from the work done by the Applicant in the lower tunnel, that the higher molybdenum mineralization, of possible ore grade, is found in the veins and the lower grade molybdenum mineralization is contained in the quartz monzonite intrusive. Three veins have been encountered in the crosscut adit, two of which, the Indiana vein and Indianapolis vein, warrant further exploration.

In a discussion with the Applicant after the field examination, he stated that he would like to amend his application to specify drifting on the Indiana and Indiamapolis veins and core drilling of the quartz monzonite intrusive. The amended application was forwarded your office May 7, 1962.

I recommend drifting on the Indianapolis vein 1200 feet or to its intersection with the Indiana vein, whichever occurs first, and 200 feet of drifting beyond the intersection to be used on either vein and in any direction, with prior Government approval. Drifting on the Indiana vein I consider to be less important, but 300 feet of drifting on this vein could be given consideration. I also recommend a minimum of 1,000 feet of BX diamond drilling in the quartz monzonite intrusive from either the Indiana vein or the Indianapolis vein at locations and depths which have prior Government approval.

My estimate of allowable costs is as follows:

Drifting $34.00 per foot.

30 pound rail, 12 inch vent pipe, 4 inch air line,

1 inch water line.

Timber 8 x 8 or equivalent $8.00 per foot.

80% of the drift will probably require timber. W. H. L.

Diamond drill stations, 4 at $300.00 each. avg - ? 5'x7'x15' each

A good one already exists.

Diamond drilling BX size $5.65 per foot, ($1.00 is included for air and water.)

20 hours total of cementing, reaming or casing at $10.00 per hour.

core boxes

Assays -- 300 at $5.00 each.

The Applicant prefers to do the drilling himself at a price equal to the low bid. ? can't allow for profit.

Low bid BX: 4.65

Hugh M. Connors

Hugh M. Connors

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

May 3, 1962

Mr. Hugh M. Connors
Acting Field Officer, OME, Region III
Building 22- Federal Center
Denver 25, Colorado

Dear Mr. Connors:

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

Accompanying this letter are your copies of our surface and underground geologic maps on which I have inserted the elevations requested in the letter of April 5th from your Washington office.

In regard to the request for the location and extent of exploration work completed by the Company, all of the underground workings as well as the larger surface cuts were done by Nye Metals, Inc., formerly Nye-Mathews Mining, Inc.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

M/am

[redacted] P.O. BOX 309 2721 LOOKOUT VIEW DRIVE CRESTVIEW 9-1542
GOLDEN, COLORADO

CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

May 3, 1962

Mr. Hugh M. Connors
Acting Field Officer, OME, Region III
Building 20- Federal Center
Denver 25, Colorado

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

Dear Mr. Connors:

The attached material is a revision of the OME loan application previously submitted by Nye Metals, Inc.

The changes are primarily in Section 5 of the application- Exploration Work-, and, of course, in the subsequent total costs. The two stages are dropped and all work is proposed under one stage. The proposed exploration work is outlined on the accompanying revised Plate 3. The errors in claim names, as noted by you, have also been corrected. In addition, 4 copies of a claim map showing the entire Nye holdings are included.

We trust this will supply the requested additional information.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye
Consultant to Nye Metals, Inc.

P.O. BOX 309 2721 LOOKOUT VIEW DRIVE CRESTVIEW 9-1542
GOLDEN, COLORADO

EXPLORATION WORK

Revision in Loan Application
of Nye Metals, Inc.
Blackhawk, Colorado
May 3, 1962

Drifting

1. Indianapolis Vein 1,200 1,000 feet

Drifting is proposed only northward from the existing drift and the footage of 1000 feet is planned to intersect the favorable target of the Indiana-Indianapolis vein intersection as well as explore the vein along the way. This drifting will all be within the favorable quartz monzonite intrusive host rock. Since the Nye crosscut tunnel and north drift are already completed, it is believed that the most economical and satisfactory way to explore the Indianapolis vein is by drifting. The drift will also provide the locations from which to most advantageously drill the disseminated molybdenite mineralization which is strongest near the Indianapolis vein.

2. Indiana Vein 300 feet

This drifting is considered very worthwhile since it will intersect the quartz monzonite intrusive in about 10 feet. The veins characteristically widen and increase in grade in the intrusive, as evidenced by the 3 foot highly mineralized vein in the Indiana adit only 100 feet ahead and 230 feet above the present face.

3. Indianapolis-Indiana Vein Intersection 200 feet

After the Indianapolis drift reaches the intersection with the Indiana vein intersection, it will be necessary to explore to some extent in this area. The exact direction should be determined at that time and will depend on the nature of each vein as to which should be explored further.

Drilling

Diamond Core Drilling 1000 feet

Exploration of the disseminated mineralization in the walls away from the Indianapolis vein can best be done by diamond core drilling. This drilling can be done most effectively and at lowest cost from the Indianapolis drift, since it is already 400 feet below surface. Inclined surface holes would necessitate 450-foot holes to just reach the vein.

Five holes, 200 feet each in length, are proposed. Hole No. 1 is proposed from the end of the crosscut tunnel, as disseminated mineralization there is more intense and no drill drill station preparation is needed. Holes Nos. 2-5 should be planned as drifting proceeds northward on the Indianapolis vein. Often there are a number of oblique well-mineralized fractures splitting off from the main vein. It would be well to plan holes to cut these fracture zones.

Each hole will be completed at least AX in size. Angles of each will be ±5° from the horizontal. Coring must be done throughout. Drill stations will be needed for four out of the five holes, and should be 15 feet in length to be out of the way of drifting operations.

Summary

Drifting	1500 feet
Diamond Core Drilling(underground)	1000 feet
Drill stations (cross-cutting)	60 feet

If a contract is executed, we would expect to complete the work within three years. However, while work is being carried out, the anticipated rate of progress would be as follows:

Drifting	300 feet/month
Drilling	500 feet/month

7. ESTIMATE OF COSTS

Except for Indpendent Contracts and Initial Rehabilitation and Repairs, which are items independent of the revisions in this loan application, the other costs are being reduced 45%, based on the new underground exploratory footage of 1500 feet versus the original of 2700 feet, or a percentage of 55%. Although the original application included more costly raising, which is now deleted, this we believe is outweighed by the various new items which must still be purchased but prorated against a small er total footage.

a) Independent Contracts

Diamond Core Drilling(underground), including compressed air and core boxes, AX size	1000' @ $6.60	$6,600.00

b) Personal Services

Original Estimate	$51,951.60
Revised Estimate(55%)	28,573.38

c) Operating Materials and Supplies

Original Estimate	$48,168.30
Revised Estimate(55%)	26,492.57

d) Operating Equipment

Original Estimate	$31,922.96
Revised Estimate	$17,557.63

e) Initial Rehabilitation and Repairs

Extend end of trestle 30 feet and extend double track to end of trestle, $1000.00

f) New buildings, fixtures, installations None

g) Miscellaneous

Original Estimate	$ 7,959.65
Revised Estimate(55%)	4,377.81

Summary

a) Independent Contracts	$ 6,600.00
b) Personal Services	28,573.38
c) Operating Materials and Supplies	26,492.57
d) Operating Equipment	17,557.63
e) Initial Rehabilitation and Repairs	1,000.00
f) New Buildings, fixtures, installations	None
g) Miscellaneous	4,377.81
GRAND TOTAL	$84,601.39

GEORGE MARSHALL

DIAMOND DRILL CONTRACTOR

SURFACE AND UNDERGROUND WORK

MAXIMUM CORE RECOVERY

PHONE 40

IDAHO SPRINGS, COLORADO

May 2, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED
DATE

Mr. Robert E. Nye
Central City, Colorado

Dear Mr. Nye:

As requested I herewith submit my bid for 1000' of underground drilling, maximum depth approximately 200', at Apex:

$6.60 per foot AX
$7.60 per foot BX ✓

I will furnish compressed air and core boxes. Drilling sites to be prepared in advance. Adequate water to be furnished at drill sites. $6.00 per hour standby time for any delays not caused by contractor.

Yours truly,

George G. Marshall

George Marshall

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS

2960 W. 7th Avenue
DENVER 4, COLORADO
Phones: ALpine 5-9244
ALpine 5-0855

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

OFFICIAL FILE COPY
RECEIVED
DATE

May 2, 1962

Nye Metals, Inc.
Black Hawk, Colorado

Gentlemen:

For your consideration we are submitting the following schedule of charges, for your proposed underground drilling program at your Apex Properties near Central City, Colorado.

Minimum of 1000 feet, no charge for mobilization.

Drilling	0 to 200 feet - all sizes, per linear ft.	$6.30 ✓
Reaming (if necessary)	per foot	$3.00
Cementing (if required)	plus cost of cement - per hr.	$10.60
Standby	per hour	$9.60

Drill stations of adequate size, compressed air, and water for drilling to be furnished at no cost to us.

Should this meet with your approval, we would expect to start operations at your convenience.

Thank you for calling on our Company.

Very truly yours,

BOYLES BROS. DRILLING COMPANY

George E. Lensch

George E. Lensch, District Manager

GEL/eg

Consideration Schedule
Nye Metals Company, Inc.
Core drilling underground
Central City, Colorado

To: Nye Metals Company, Inc.
P. O. Box 309
Golden, Colorado

From: MacPherson Drilling Company
P. O. Box 447
Montrose, Colorado

Attention: Mr. Charles E. Melby

Gentlemen:

With my respects to your recent request for bids to core drilling underground at Nye Metals Company, Inc. property near Central City, Colorado. I hereby submit my proposal for your consideration to drilling a minimum of 1000 feet of AX or BX size hole from underground drill sites.

Core drilling, footage rates:

From 0 to 200 ft. in depth, AX-size core $ 4.35 per ft.

From 0 to 200 ft. in depth, BX-size core 4.65 per ft.

Fees for other work to completion of holes;

Cementing in drill holes, drilling out cement, reaming in casing, installing & recovery of casing on completion of drilling, or other work performed by contractor by request of company, contractor shall receive for his services a fee of $ 10.00 per shift hr.

Transportation:

Mobilization & demobilization of drilling equipment and drill personnel to the drilling area, contractor shall receive a net fee of $ 250.00

Contractor's obligation:

Furnish all drilling equipment, diamonds, tools, transportation, labor, insurance as required by the state of Colorado. And all accessories necessary to perform the work in a diligent and workman like manner.

Company's obligation:

~~Provide air & water for drilling at the drill~~ stations, timber for installation of drilling equipment. Furnish cement or cement substuties that may be required for the completion of drill holes. $1.00/ft.

Date: May 4th, 1962

MacPherson Drilling Company

By Malcolm MacPherson
Malcolm MacPherson

OFFICIAL FILE COPY
RECEIVED
DATE

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 26 1962
DATE
4/26 Murphy 500

April 24, 1962

Nye Metals, Inc.
General Delivery
Blackhawk, Colorado

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

Gentlemen:

This is to confirm my conversation with Charles Melbye this date in which it was agreed to make a field examination of the subject property on Tuesday, May 1, 1962.

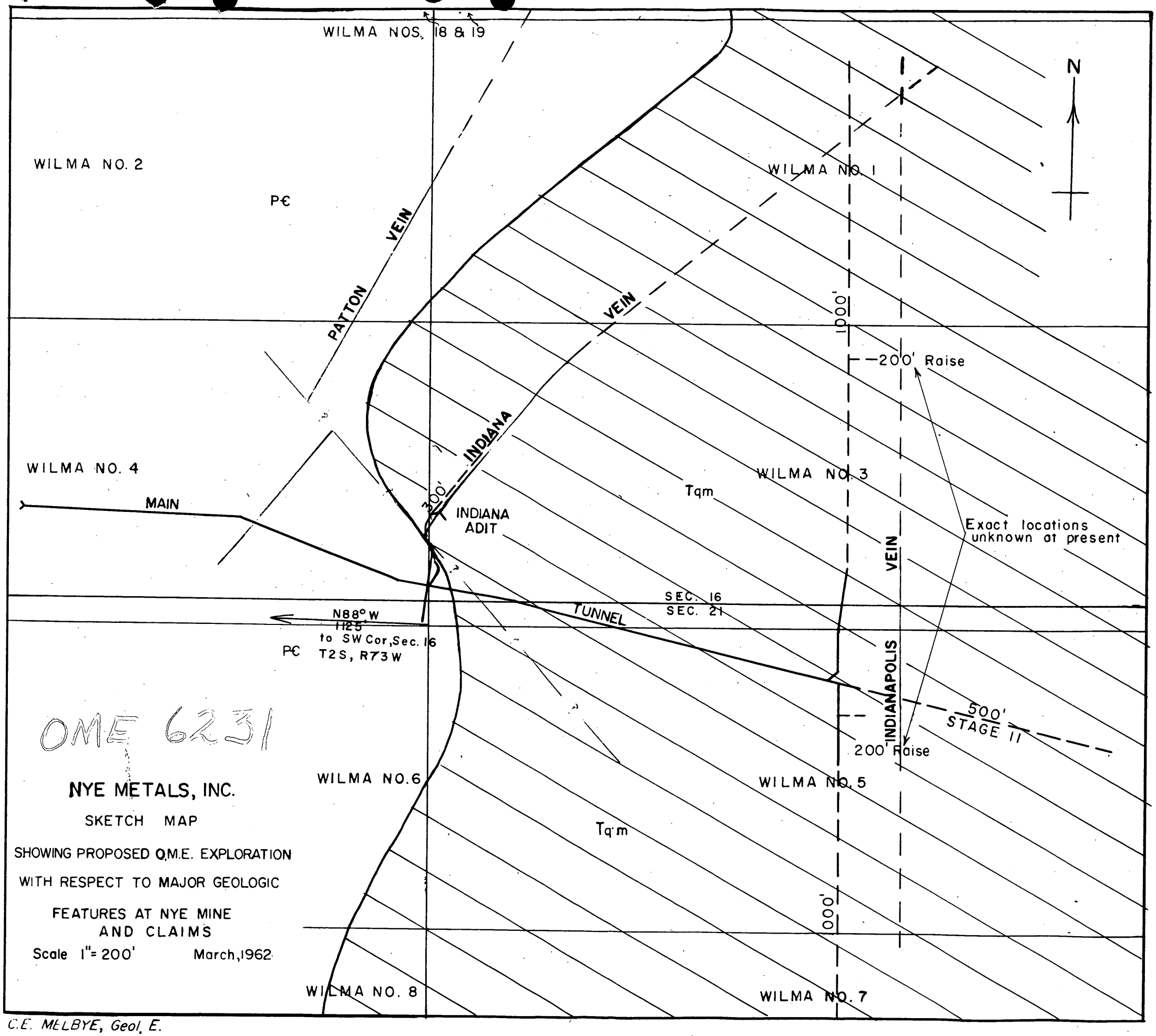
Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Charles Melbye
2721 Lookout View Drive
Golden, Colorado

Chief, Division of Field Operations, OME
OME 6231
Chron



NYE METALS, INC.

SKETCH MAP

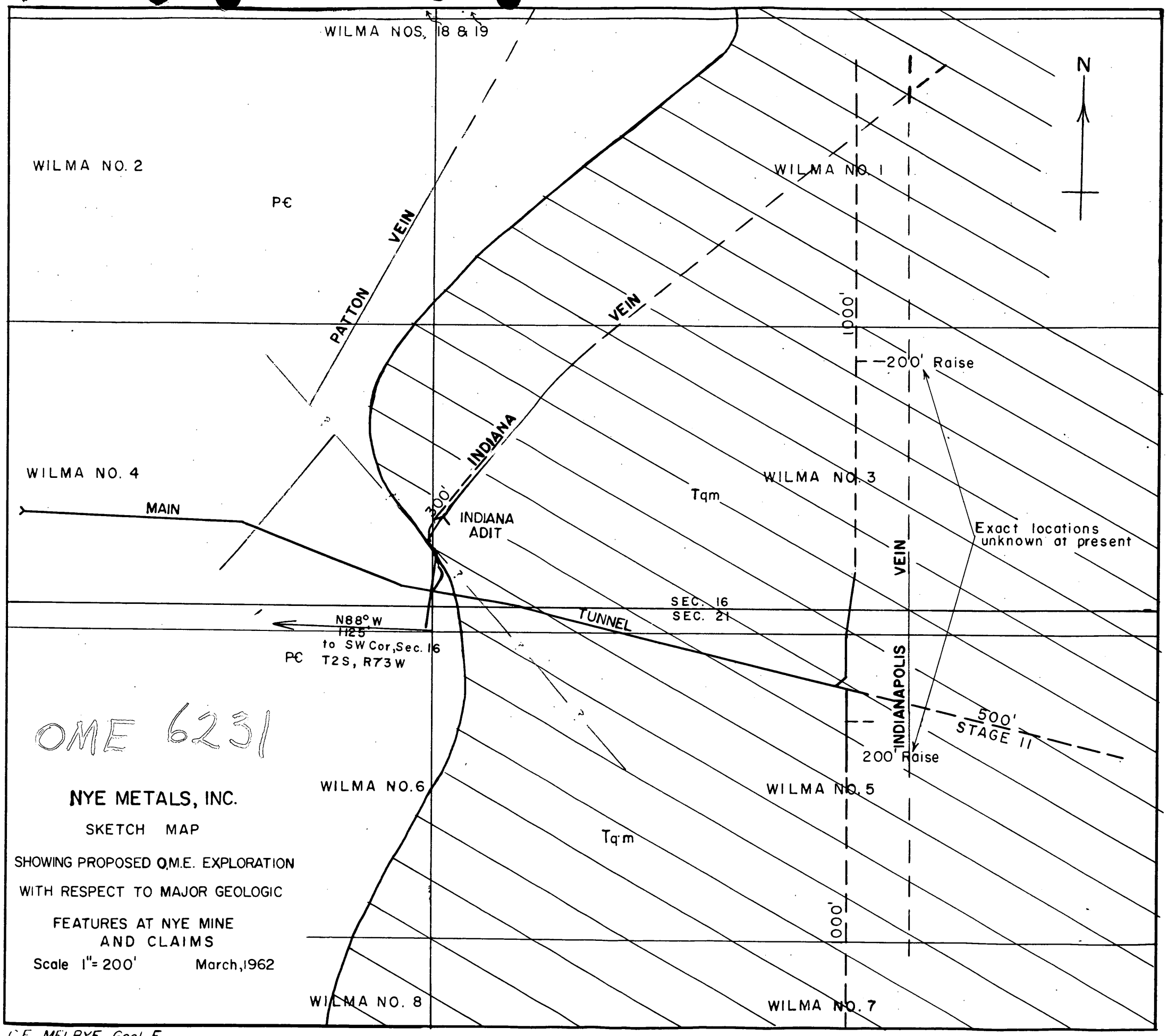
SHOWING PROPOSED O.M.E. EXPLORATION

WITH RESPECT TO MAJOR GEOLOGIC

FEATURES AT NYE MINE AND CLAIMS

Scale 1" = 200' March, 1962

C.E. MELBYE, Geol. E.



C.E. MELBYE, Geol. E.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 19 1962
DATE
4/13 Received 500
11 Murphy

April 13, 1962

Mr. Robert E. Rye
President
Rye Metals, Inc.
General Delivery
Blackhawk, Colorado

Re: OME-6231 (Molybdenum)
Rye Metals, Inc.
(Rye Molybdenum Mine)
Gilpin County, Colorado

Dear Mr. Rye:

Will you please advise when the surface of your property is entirely free of snow so that a field examination of the property can be scheduled.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
OME-6231
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/5	Murphy	500
	[illegible]	500
4/5	Tolbert	800
4/5	Selfridge	130
"	Connors	110
4/5	Fumich	100
4/5	Cole	220
		500

APR 5 1962

Nye Metals, Inc.
General Delivery
Blackhawk, Colorado

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

Gentlemen:

The application for financial assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. H. M. Connors, Acting Field Officer, Region III, Office of Minerals Exploration, Building 20, Denver Federal Center, Denver 25, Colorado.

Will you kindly submit at least two copies of a map or sketch showing the location of each claim with respect to known section corners. This map should also show the location and extent of the exploratory work you have completed, the approximate elevations of the various vein outcrops at places along their strike and the portal elevations of the adits. These maps should be forwarded to Mr. Connors.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/gla 4-3-62
Rewritten: 4-5-62
cc to: Director's Reading File
Region III (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/3	Murphy	500
	Swanel	500
4/4	Talbert	800
4/5	GLS	130
"	Johnson	110
4/6	Tenney	100
		220
		500

APR 5 1962

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

The subject application is referred to Region III for review, a field examination if deemed advisable, and recommendations. Enclosed is an extra copy of the application for your use.

The estimate for the cost of the proposed work is considered high. This reflects the amounts for supervision, labor, equipment, and supplies, listed for each of the proposed stages. Also, the proposed 270 hours of bulldozer work appears excessive in view of the fact that the Applicant has been exploring in the area for several years.

The application does not mention any diamond drilling done prior to the underground work. This possibility should be checked.

George C. Selfridge

(GCS)

Enclosure

FMMurphy/gla
4-3-62
cc to: Director's Reading File
Revidw Committee
Docket

43683

March 30, 1962

Nye Metals, Inc.
General Delivery,
Blackhawk, Colorado

Subject: OME-6231

Gentlemen:

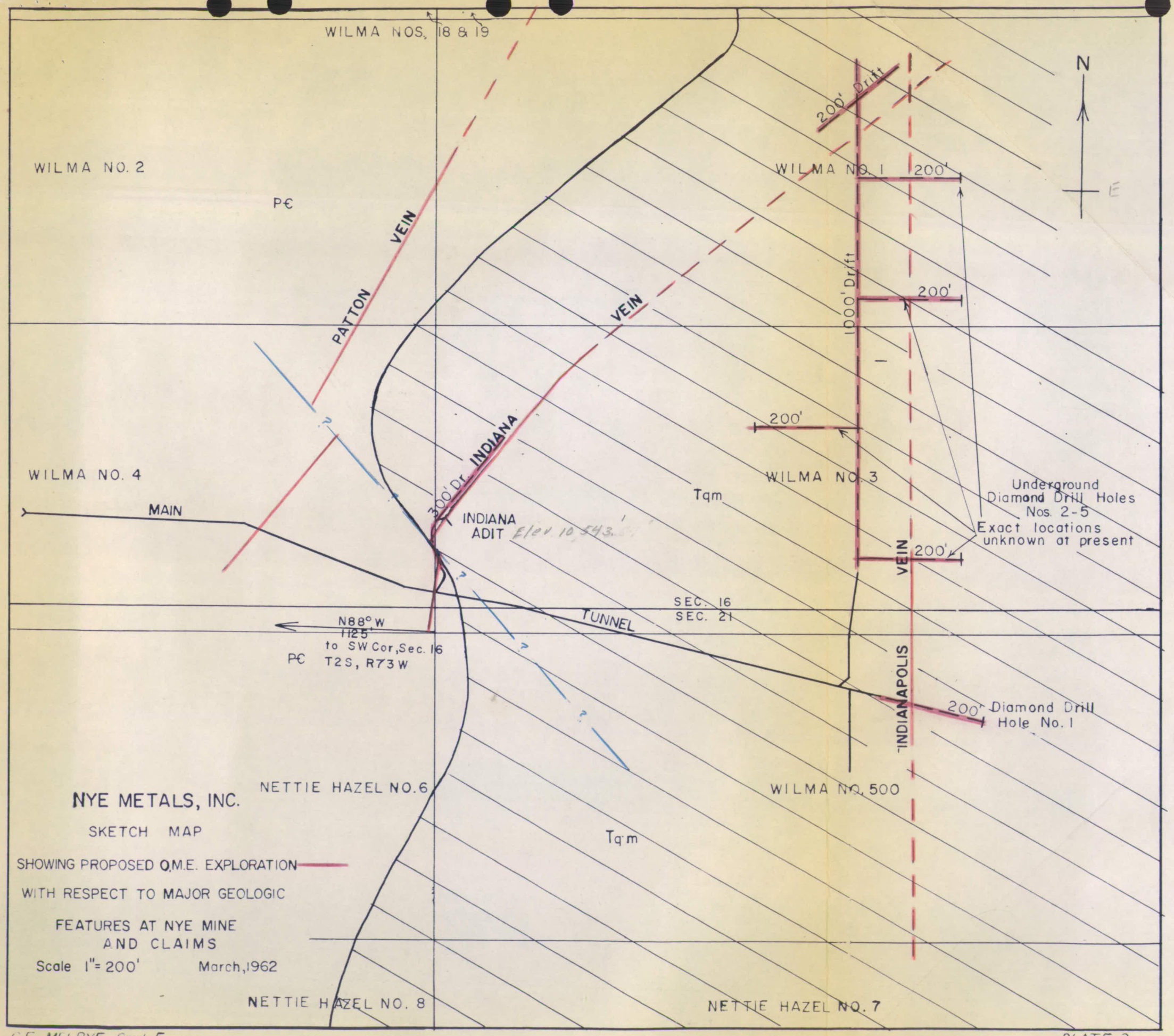
Your application for exploration assistance, dated March 26, 1962 submitted to our office at Washington, D. C. has been assigned Docket Number OME-6231.

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

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region III with
cy. of application
Nye Metals, Inc.
Indianapolis, Indiana



NYE METALS, INC.

SKETCH MAP

SHOWING PROPOSED O.M.E. EXPLORATION

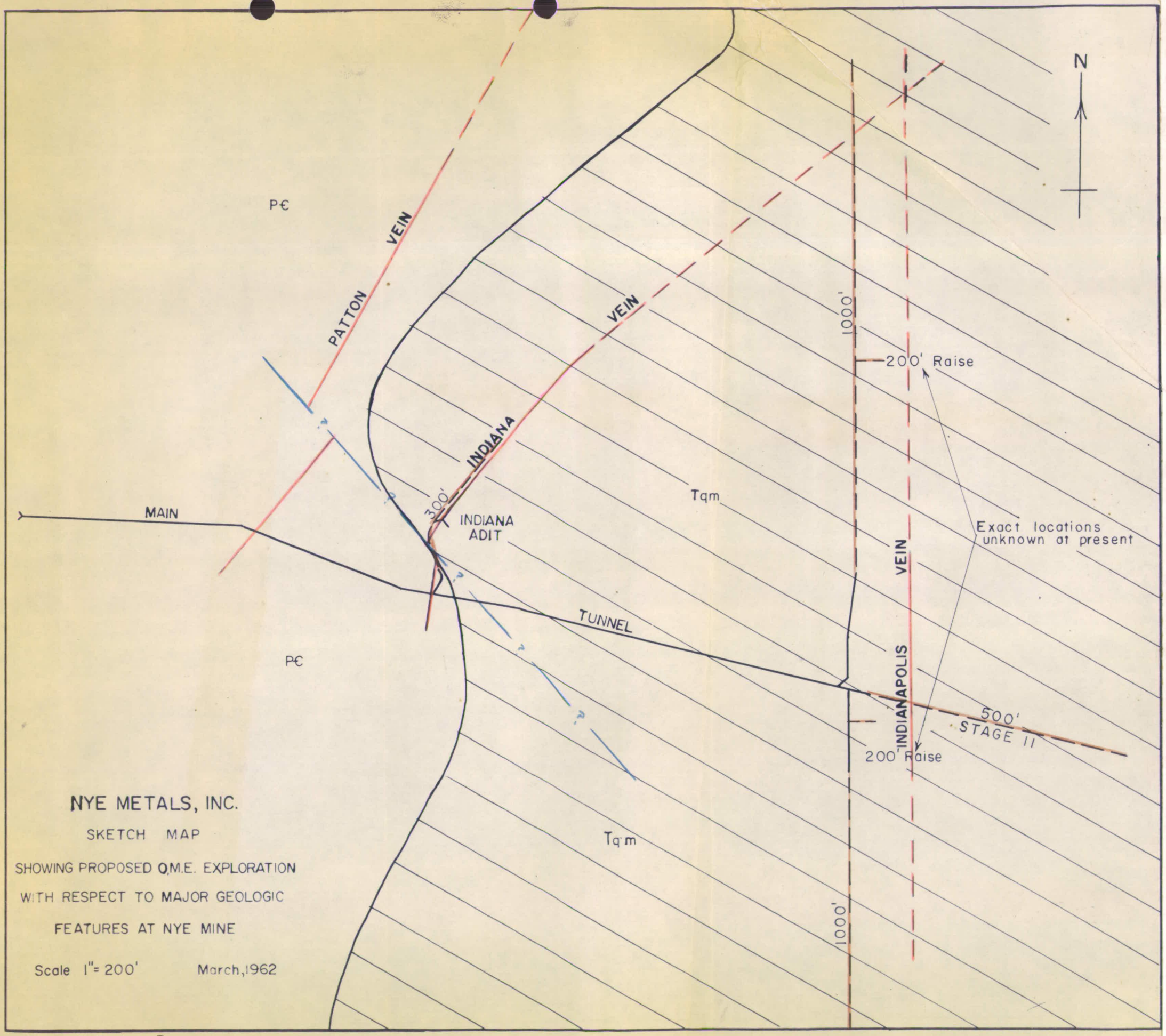
WITH RESPECT TO MAJOR GEOLOGIC

FEATURES AT NYE MINE AND CLAIMS

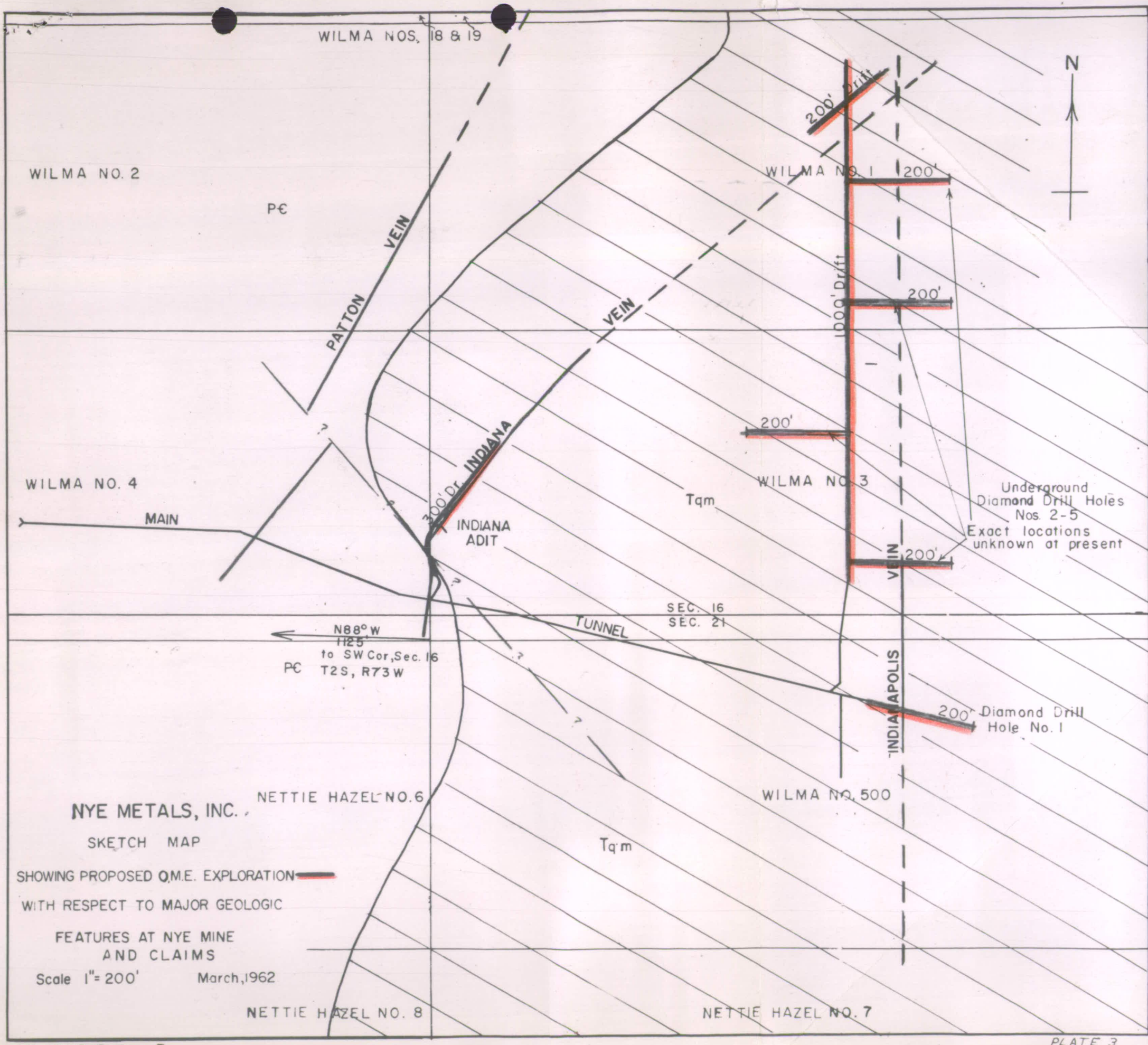
Scale 1" = 200' March, 1962

C.E. MELBYE, Geol. E.

PLATE 3

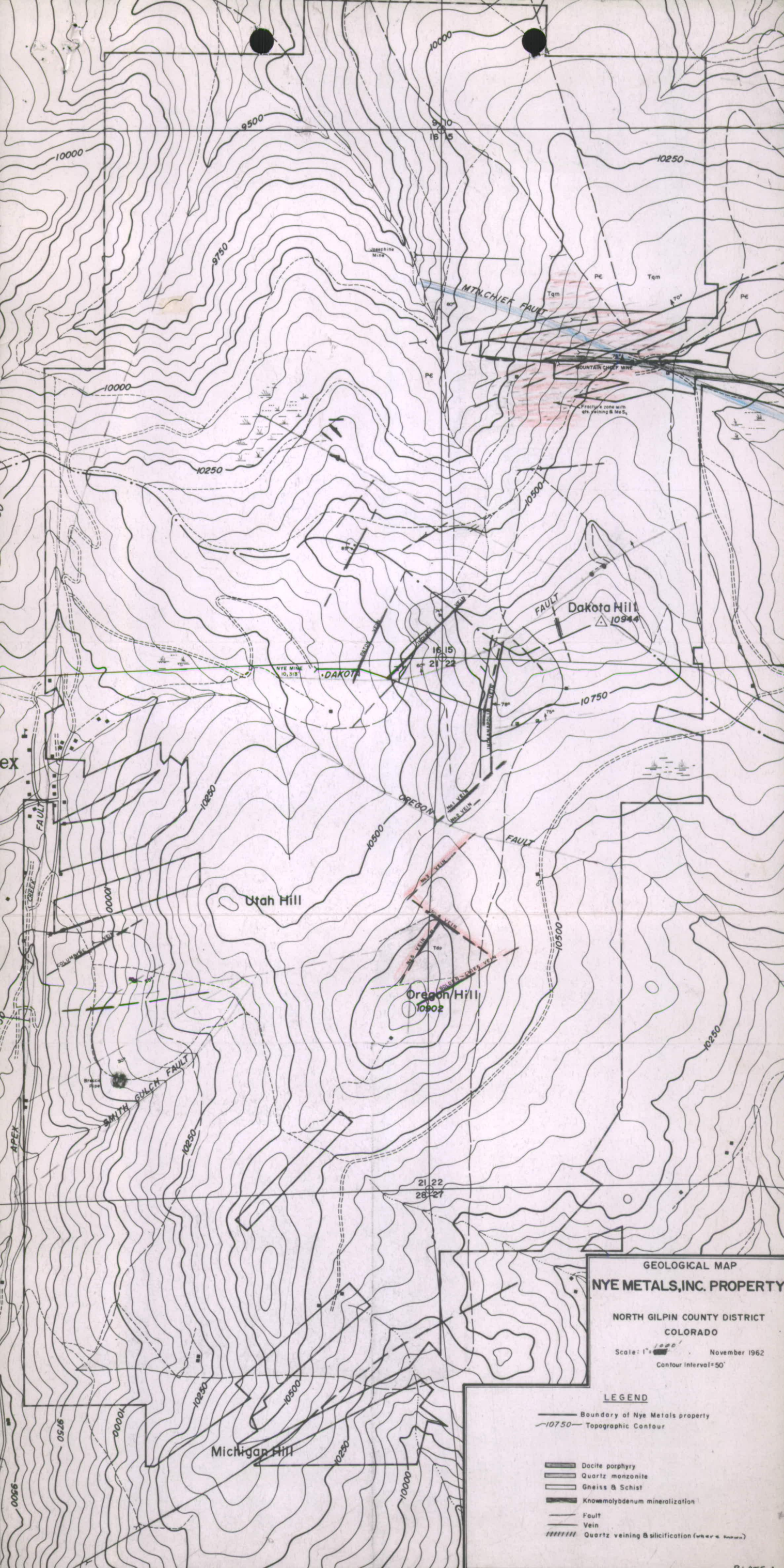


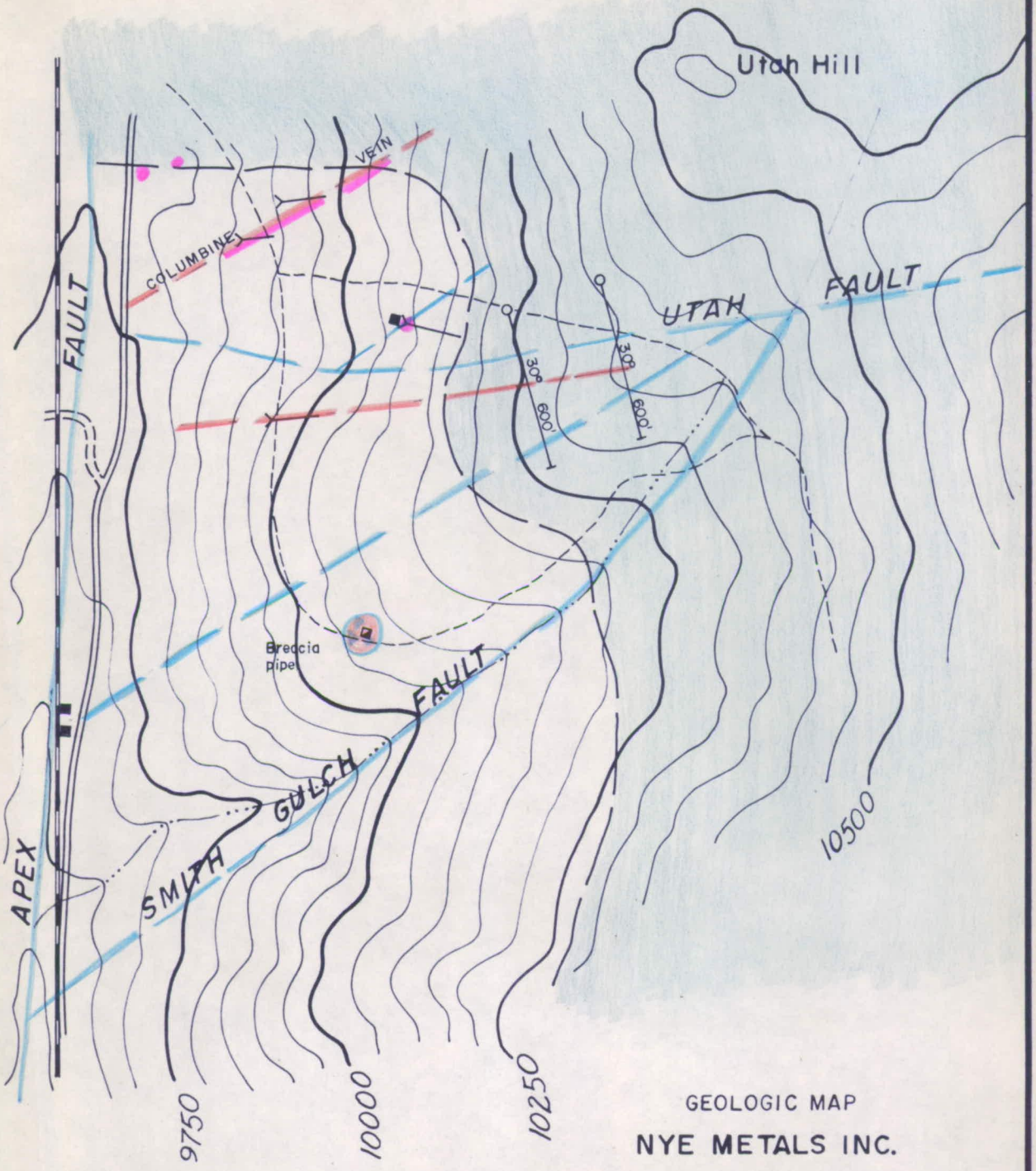
C.E. MILBYE, Geol. E.



C.E. MELBYE, Geol. E.

PLATE 3


GEOLOGICAL MAP
NYE METALS, INC. PROPERTY
NORTH GILPIN COUNTY DISTRICT
COLORADO
Scale: 1" = 1000'
November 1962
Contour Interval = 50'
LEGEND
Boundary of Nye Metals property
10750 Topographic Contour
Dacite porphyry
Quartz monzonite
Gneiss & Schist
Knowmolybdenum mineralization
Fault
Vein
Quartz veining & silicification (where known)
MTN. CHIEF FAULT
MOUNTAIN CHIEF MINE
Fracture zone with qtz. veining & MoS2
Josephine Mine
Dakota Hill
10944
Utah Hill
Oregon Hill
10902
Michigan Hill
NYE MINE
10,313'
DAKOTA
OREGON
FAULT
SMITH GULCH FAULT
APEX
Pє
Tqm
Tdp
10000
9500
9750
10250
10500
10750
16 15
21 22
28 27



GEOLOGIC MAP

NYE METALS INC.

UTAH HILL AREA
(Showing proposed O.M.E. exploration)

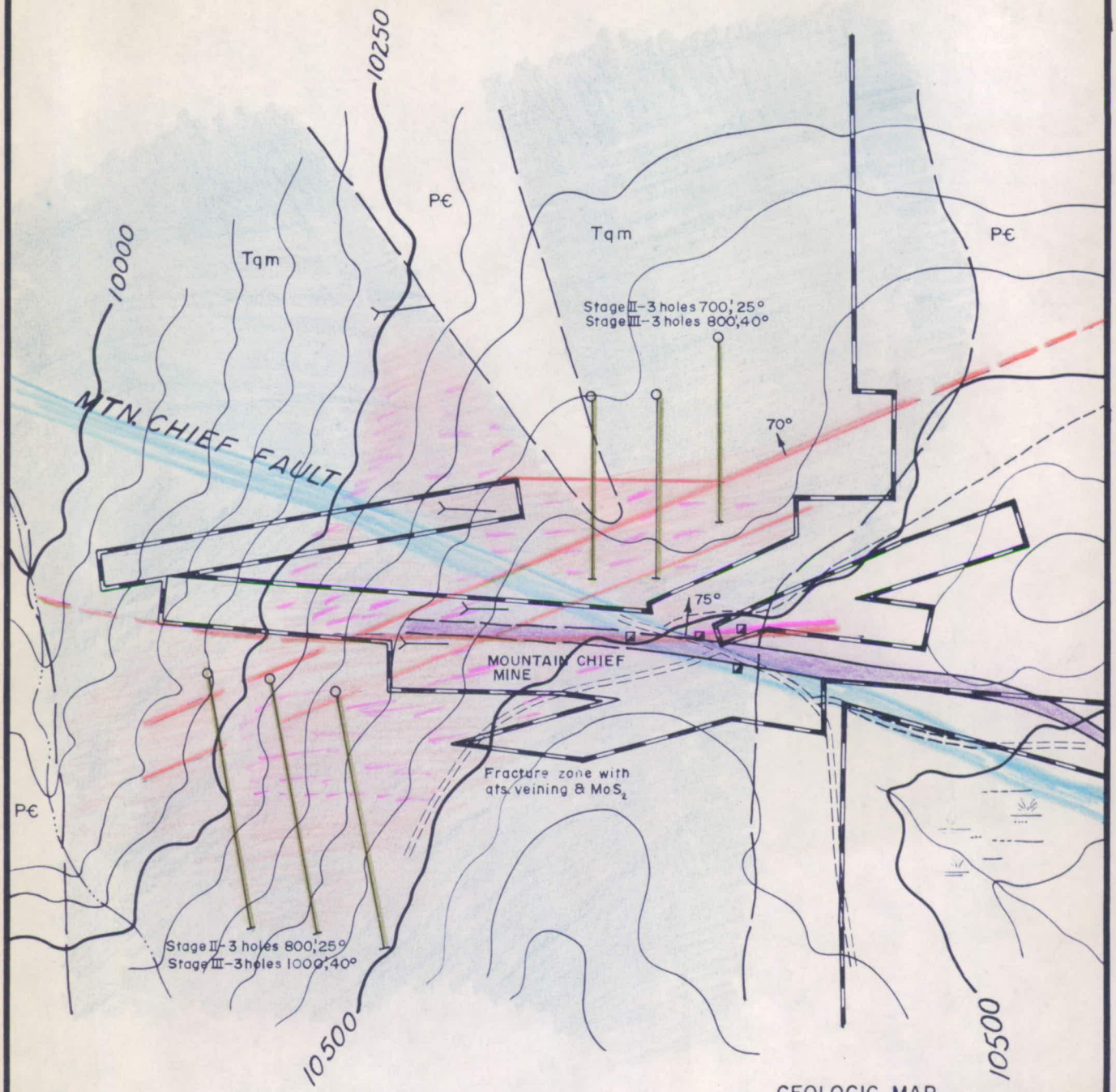
Scale: 1" = 500' November, 1962

NOTE:

For legend see
500 scale map

PLATE 5

Charles E Melbye
Geological Engineer



GEOLOGIC MAP

NYE METALS INC.

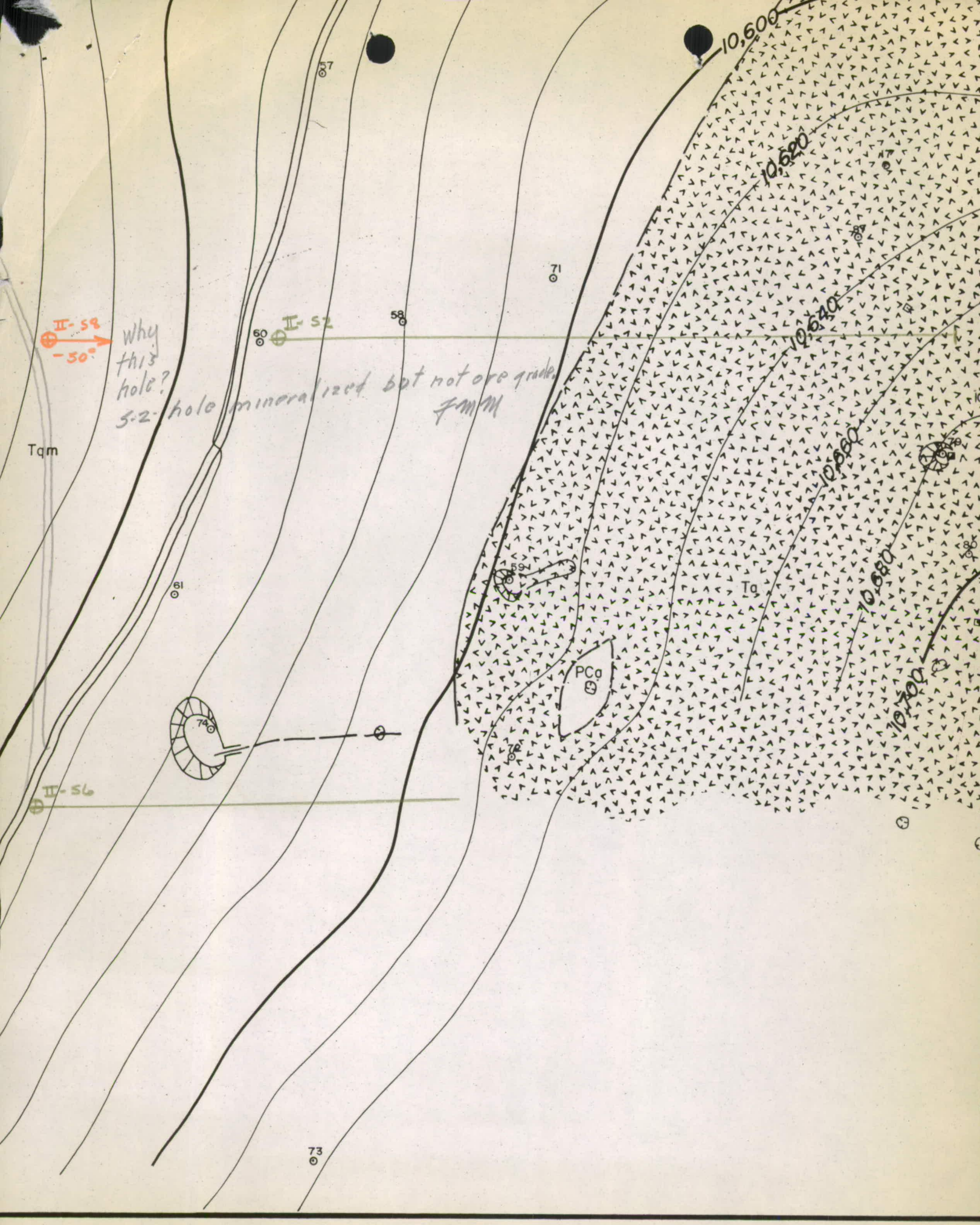
NORTH DAKOTA HILL AREA
(Showing proposed O.M.E. exploration)

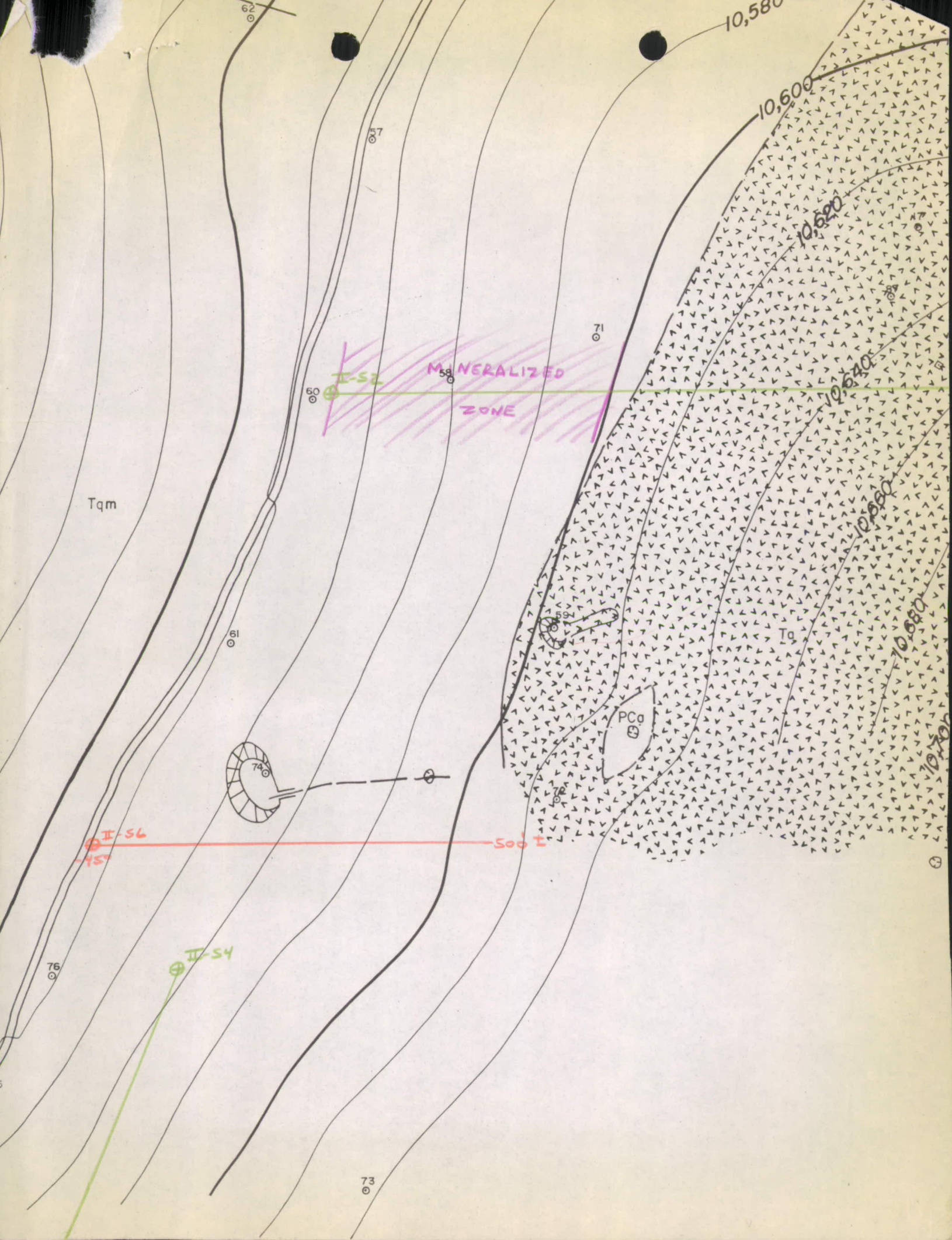
Scale: 1" = 500' November, 1962

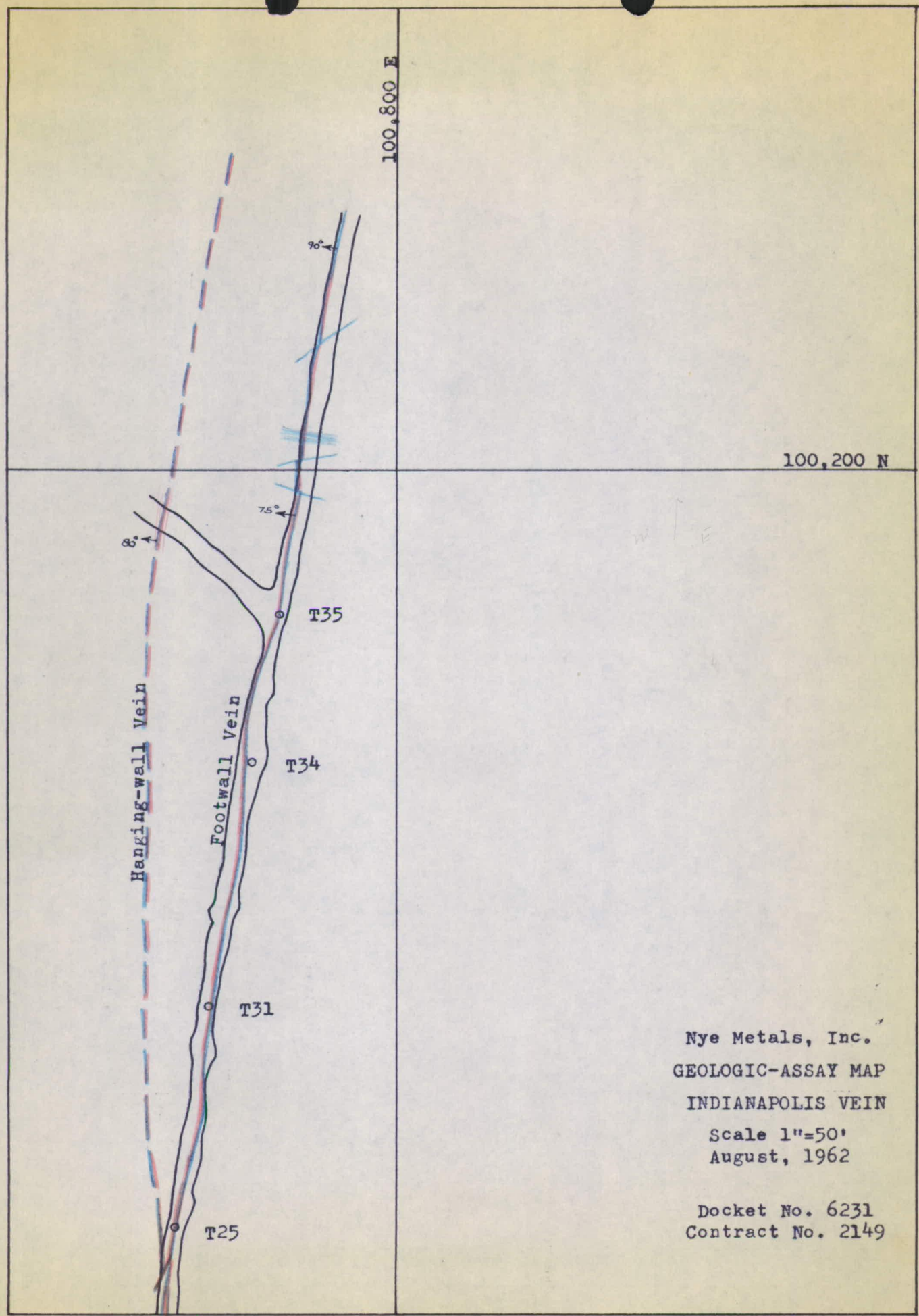
NOTE:
For legend see
500 scale map

PLATE 4

Charles E. Melbye
Geological Engineer


10,600
10,620
10,640
10,660
10,680
10,700
57
58
59
60
61
71
73
74
76
77
78
80
II-58
-50°
II-52
II-56
Tqm
Tq
PCq
why this hole?
5-2-hole mineralized but not ore grade.
JMM


10,580
10,600
10,620
10,640
10,660
10,680
10,700
62
57
71
58
60
I-52
MINERALIZED
ZONE
Tqm
61
59
Tq
PCq
74
76
II-56
-45°
500'
II-54
76
73



Nye Metals, Inc.

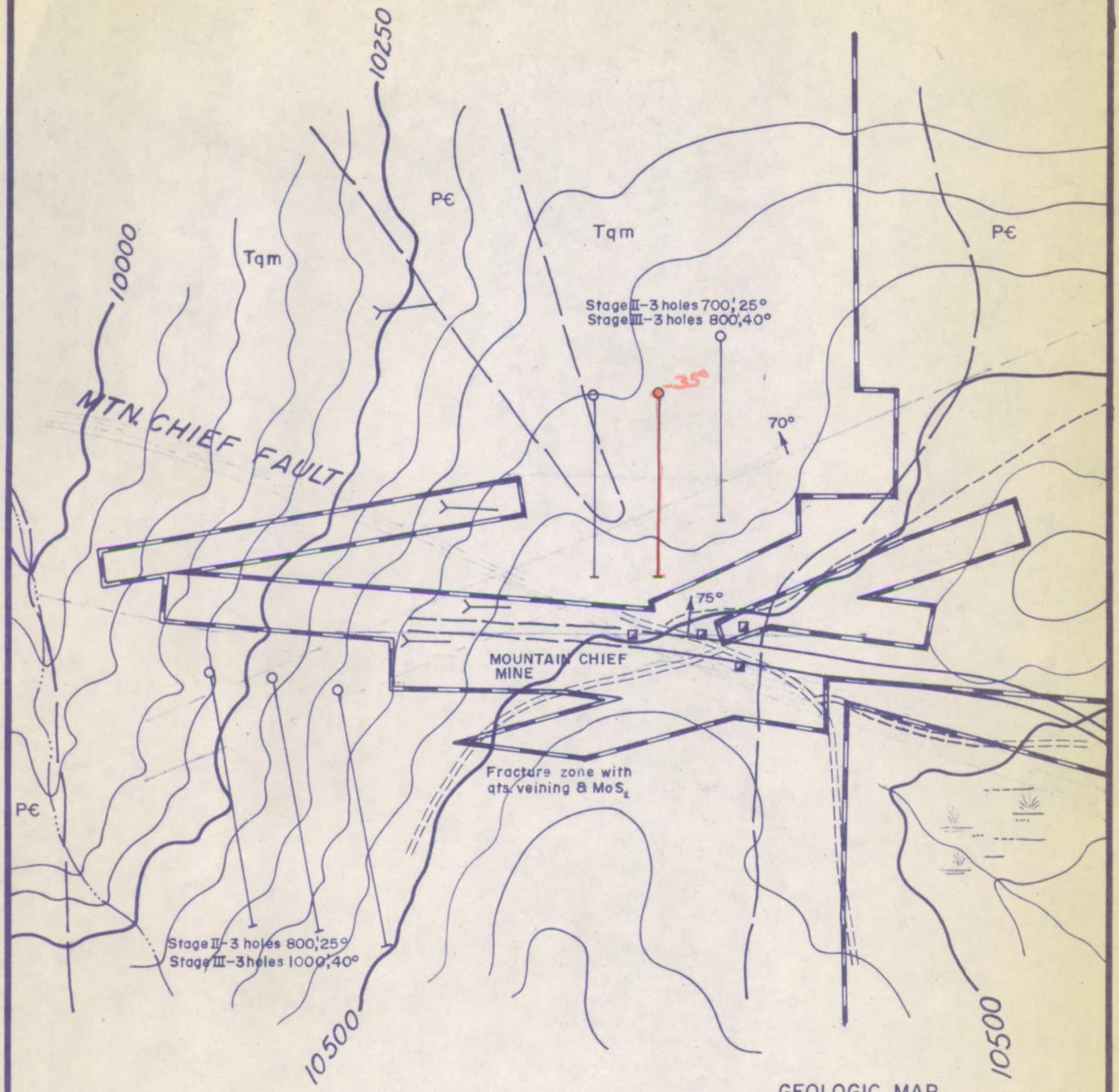
GEOLOGIC-ASSAY MAP

INDIANAPOLIS VEIN

Scale 1"=50'
August, 1962

Docket No. 6231
Contract No. 2149

C. E. Melbye, Geol. E.



GEOLOGIC MAP

NYE METALS INC.

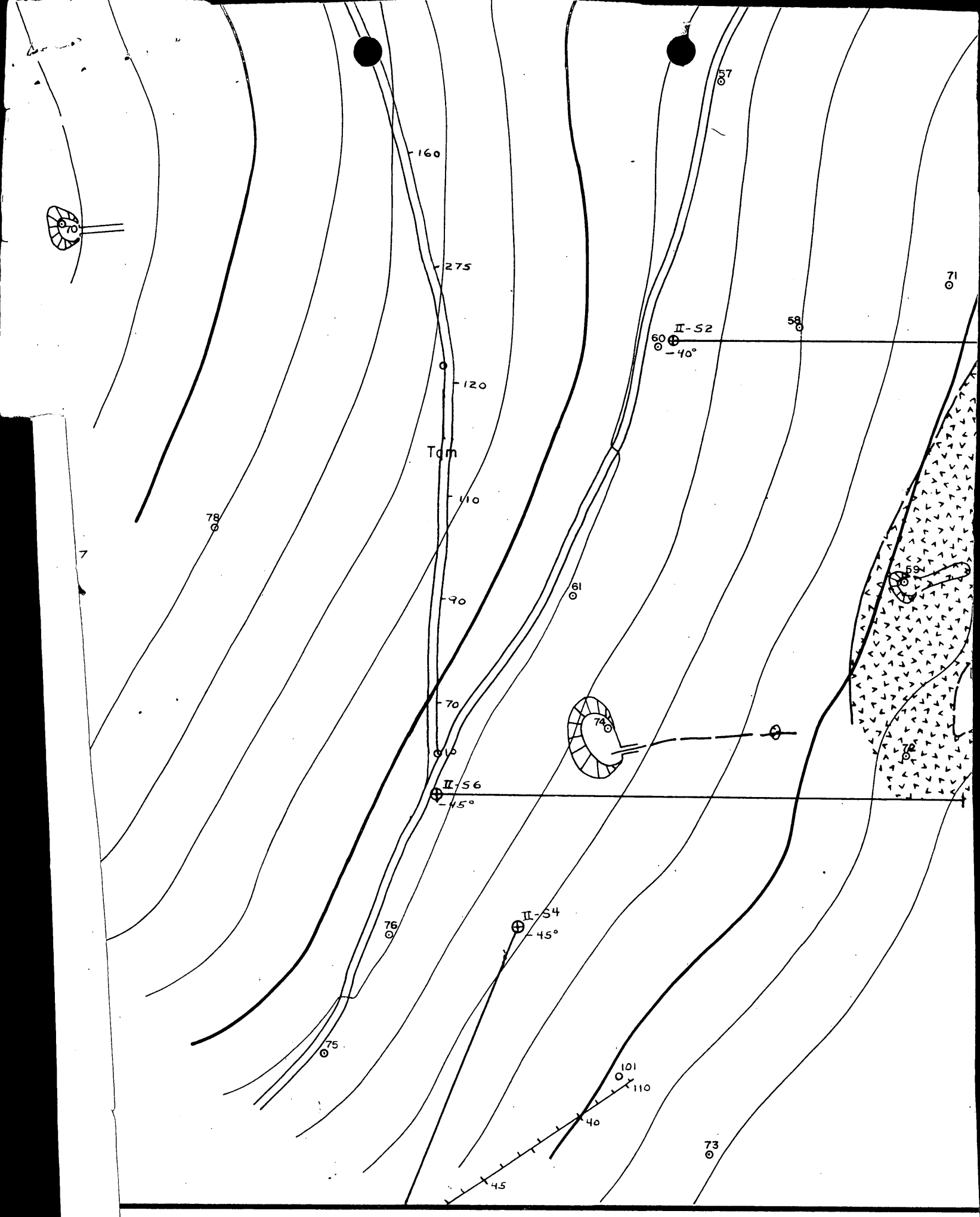
~~NORTH DAKOTA HILL~~ MT. CHIEF AREA

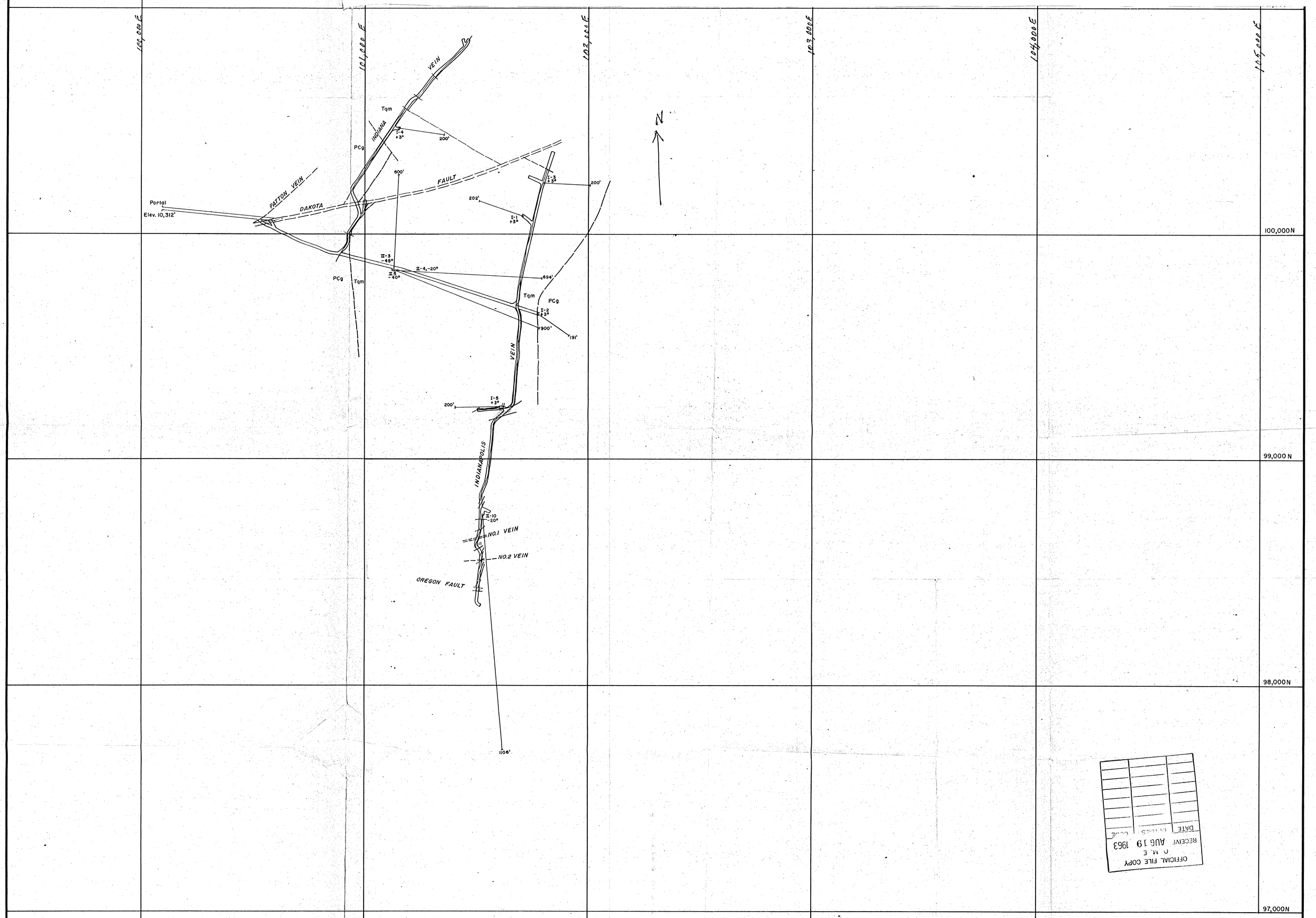
(Showing proposed O.M.E. exploration)

Scale: 1" = 500' November, 1962

NOTE:
For legend see
500 scale map

Charles E. Melbye
Geological Engineer


57
160
70
275
71
II-52
58
60
-40°
120
Tam
110
78
7
61
90
59
70
74
10
72
II-56
-45°
II-54
-45°
76
75
101
110
40
73
45



OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 19 1963
DATE | BY MAIL | CODE

NYE METALS, INC.

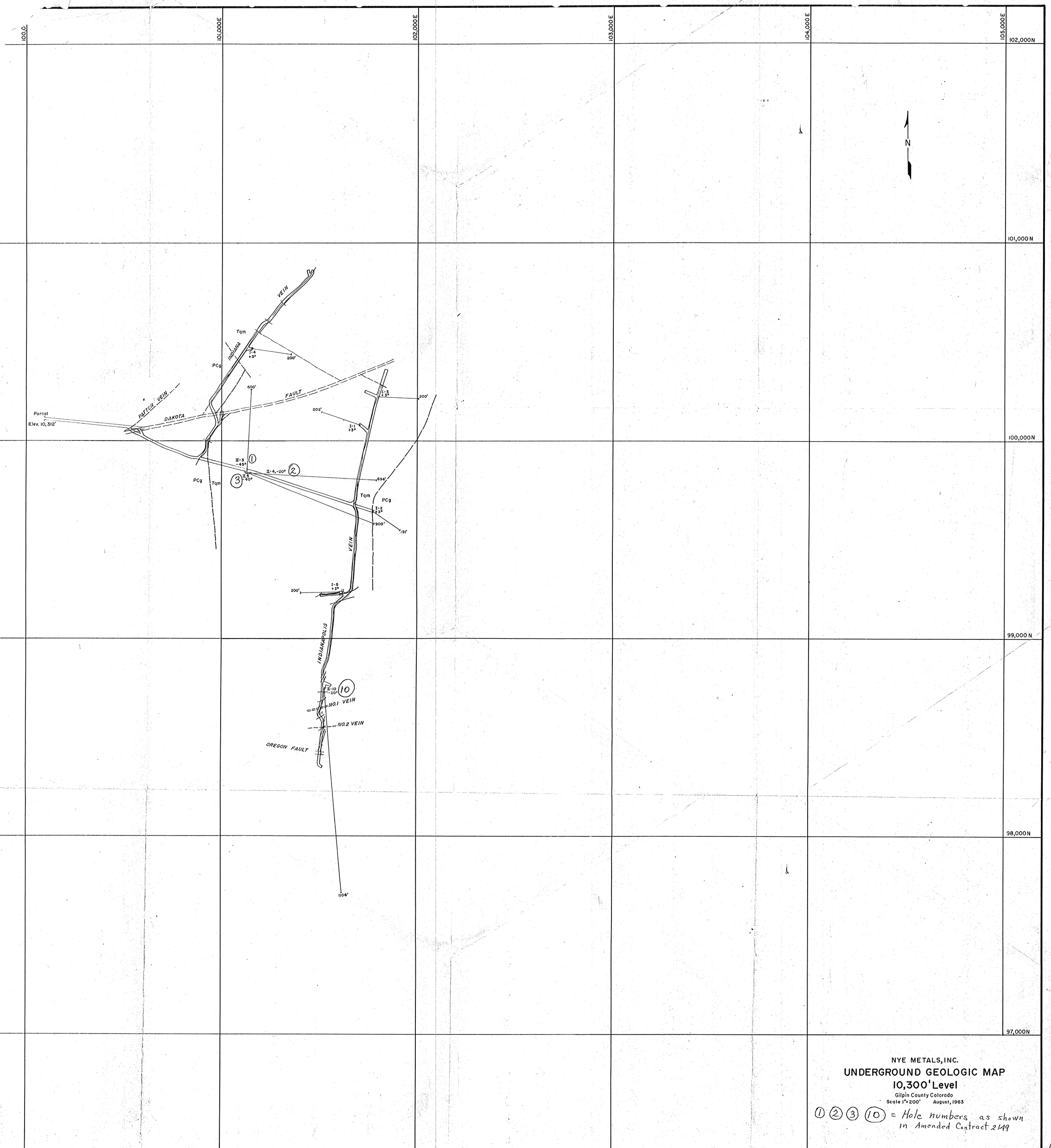
UNDERGROUND GEOLOGIC MAP

10,300' Level

Gilpin County Colorado

Scale 1"=200' August, 1963

CHARLES E. MELBYE
Geological Engineer



NYE METALS, INC.

UNDERGROUND GEOLOGIC MAP

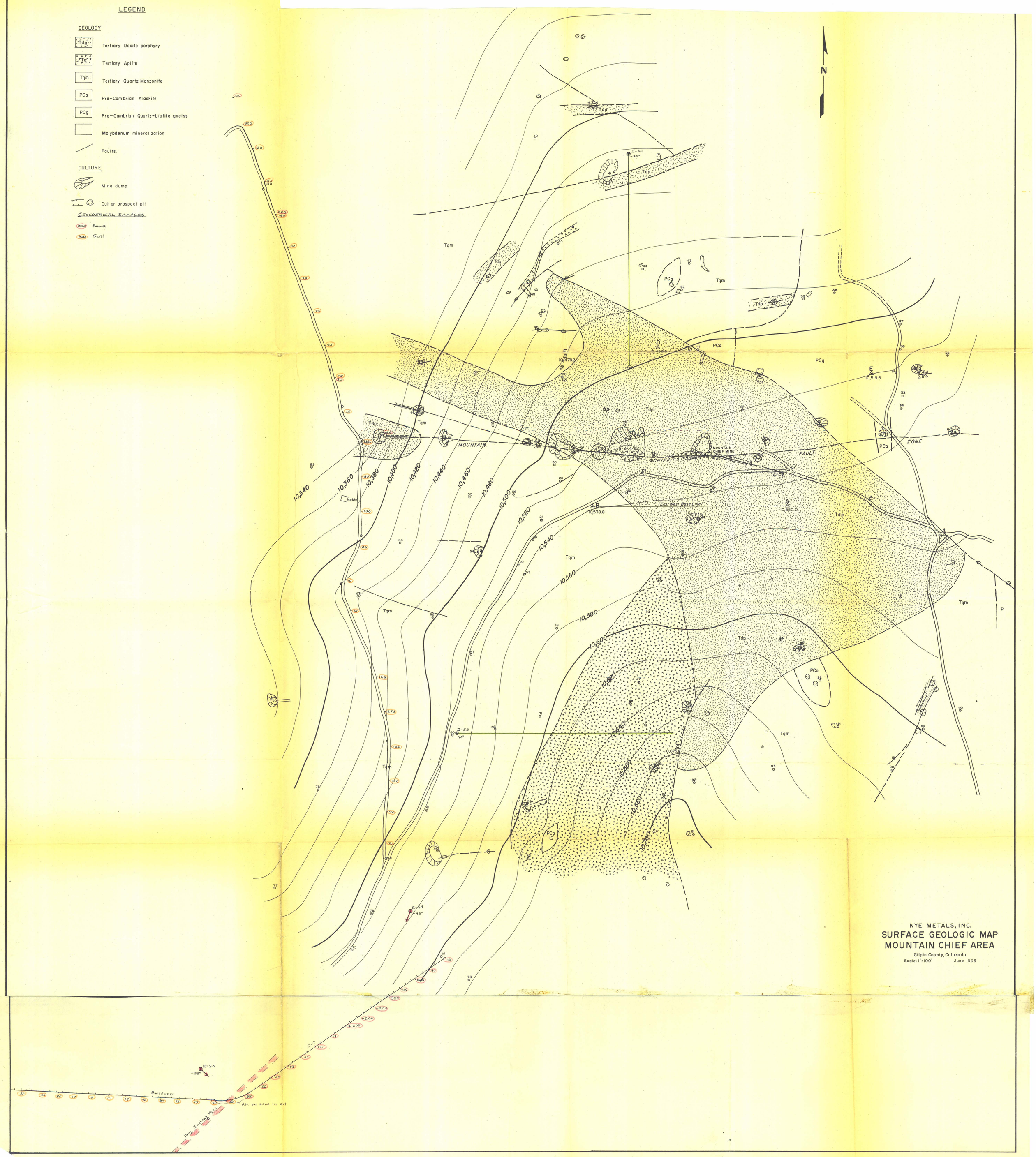
10,300' Level

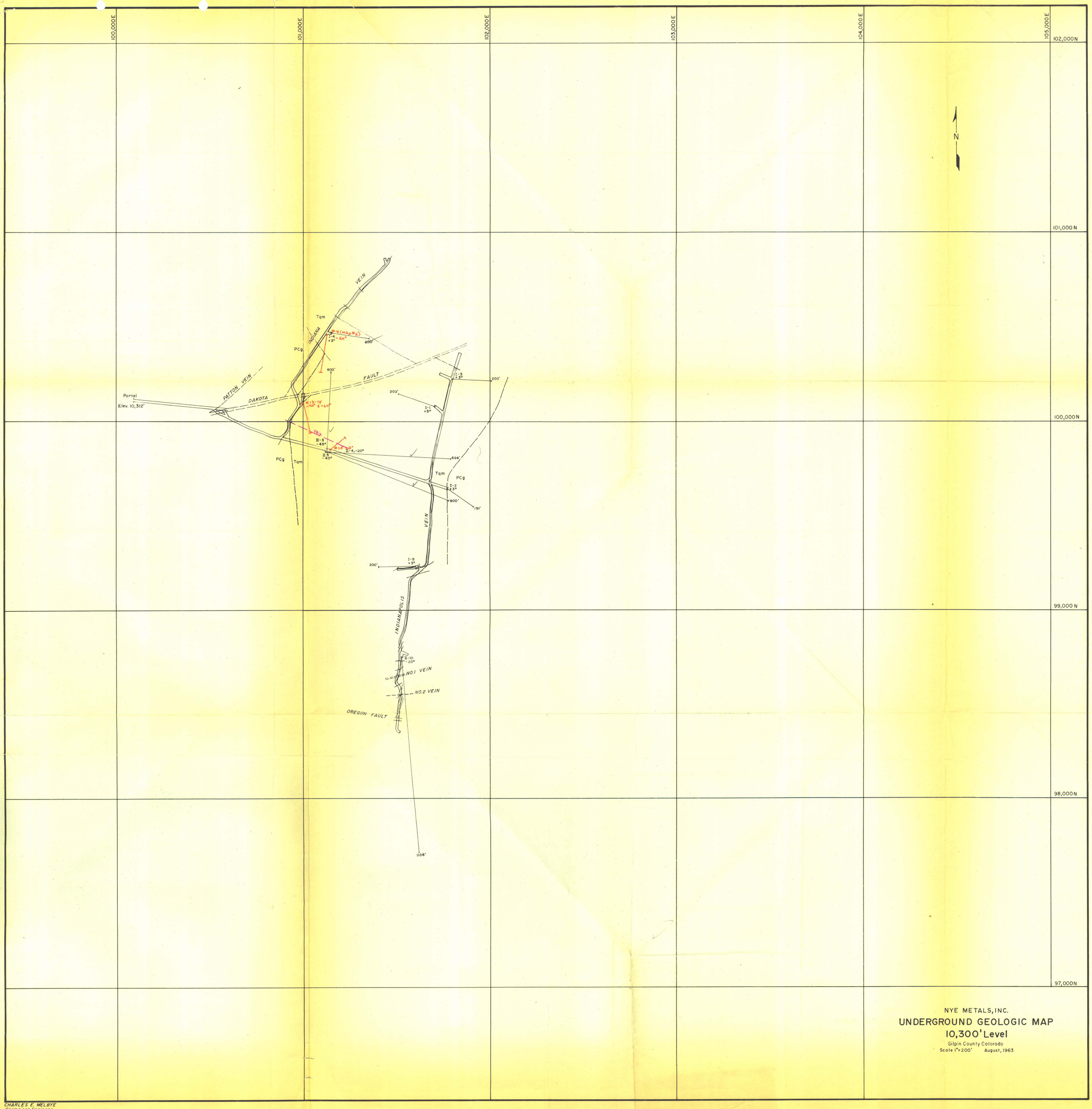
Gilpin County Colorado

Scale 1"=200' August, 1963

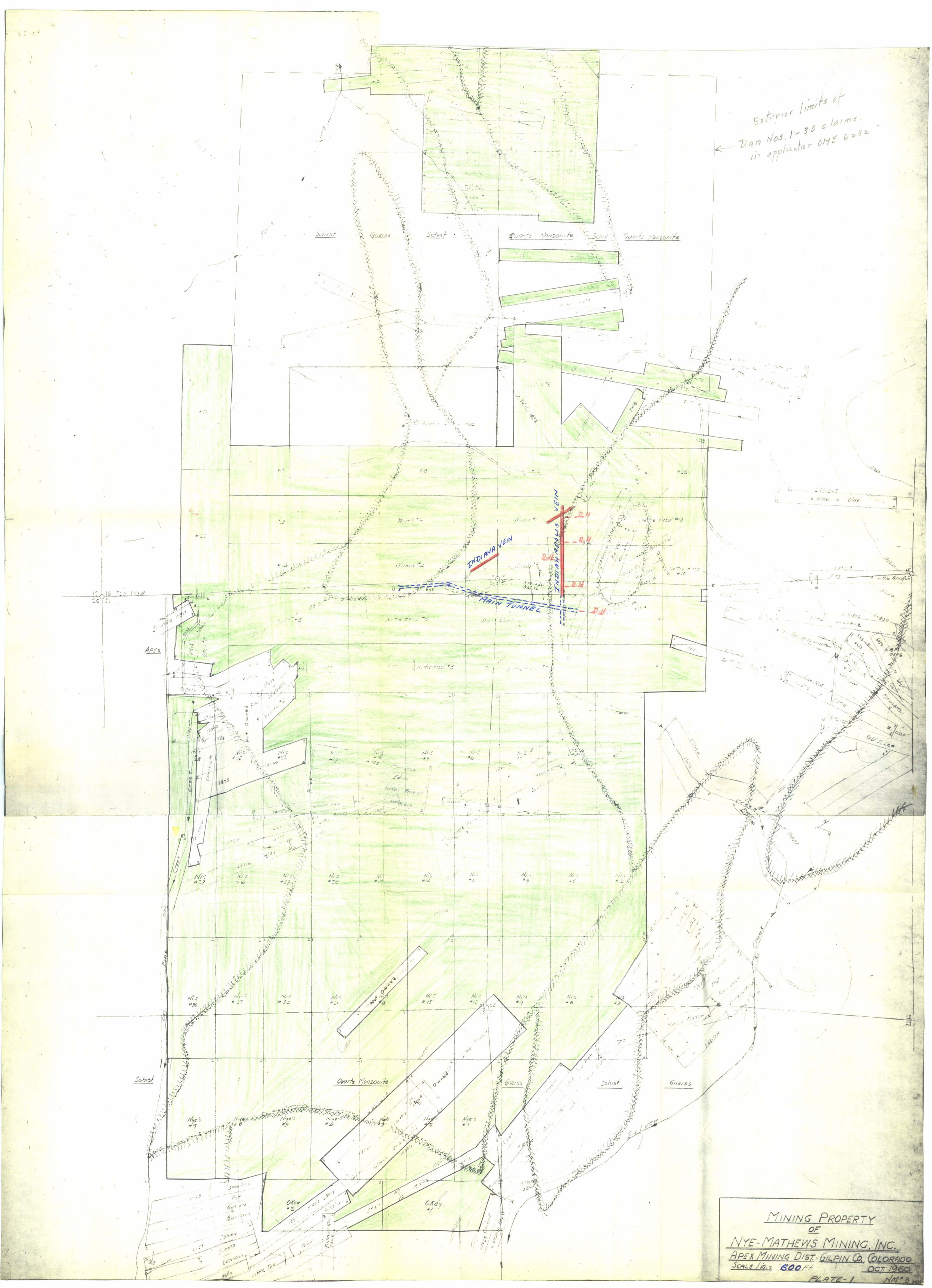
1 2 3 10 = Hole numbers as shown in Amended Contract 2149

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
Faults.
CULTURE
Mine dump
Cut or prospect pit
GEOCHEMICAL SAMPLES
Rock
Soil
N
MOUNTAIN CHIEF FAULT ZONE
MOUNTAIN CHIEF MINE
(East West Base Line)
A 10,550.0
B 10,538.8
C 10,675.7
D 10,498.8
E 10,519.5
F 10,479.2
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
cabin
II-51 -35°
II-52 -10°
II-54 -45°
II-55 -55°
Bulldozer
Cut
Alt. vn. zone in cut
Proj. Indian Vein
NYE METALS, INC.
SURFACE GEOLOGIC MAP
MOUNTAIN CHIEF AREA
Gilpin County, Colorado
Scale: 1"=100'
June 1963



CHARLES E. MELBYE
Geological Engineer


Exterior limits of
Dan Nos. 1-30 claims.
in application OME 6282
Schist
Gneiss
Schist
Quartz Monzonite
Schist
Quartz Monzonite
INDIANA VEIN
INDIANAPOLIS VEIN
MAIN TUNNEL
D.H.
APEX
Olive
Schist
Quartz Monzonite
Gneiss
Schist
Gneiss
Okey #2
Okey #1
MINING PROPERTY
OF
NYE-MATHEWS MINING, INC.
APEX MINING DIST. - GILPIN CO. COLORADO
SCALE 1 in. = 600 FT.
OCT. 1960
PLATE-1
NM#3

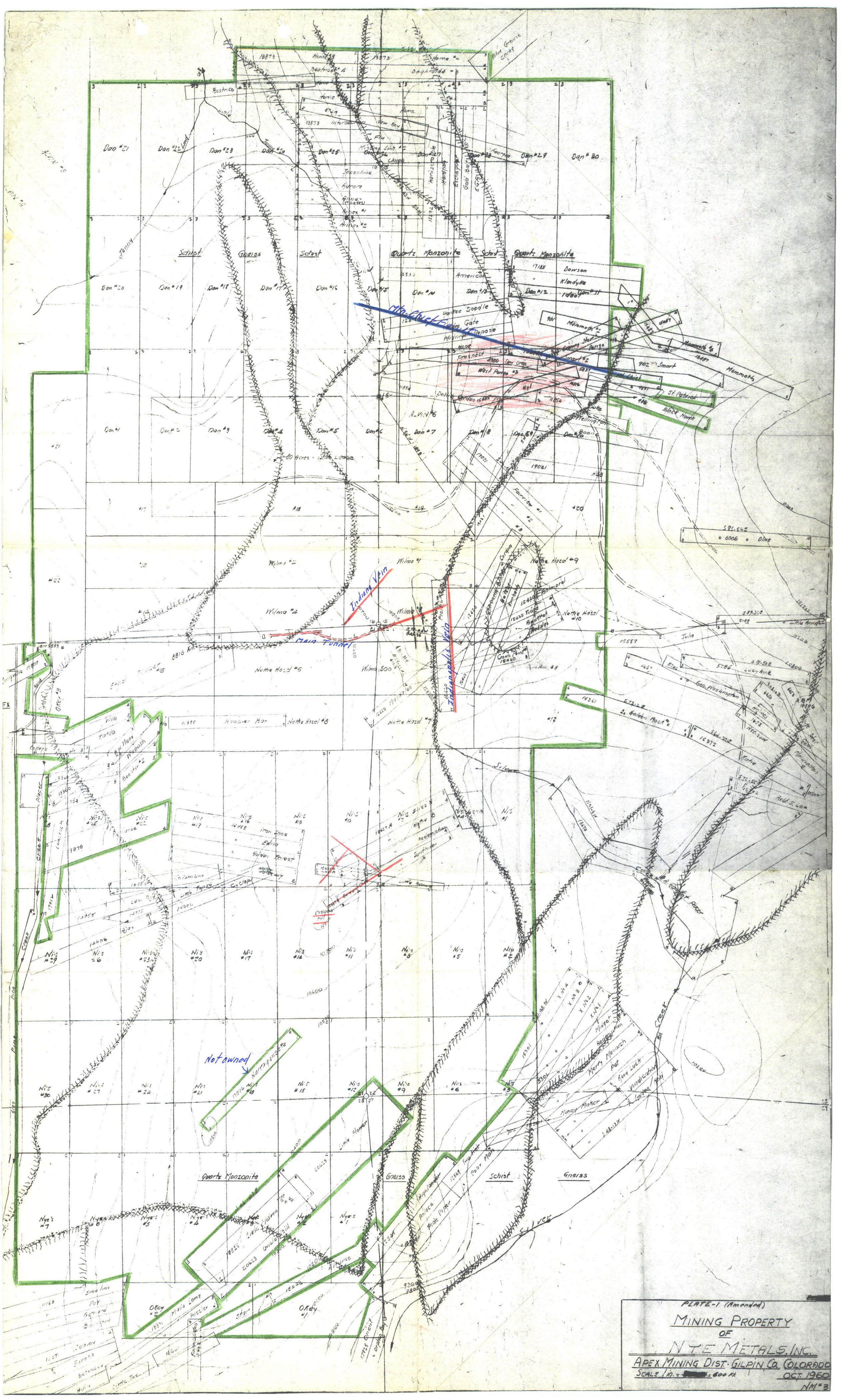


PLATE-1 (Amended)
MINING PROPERTY
OF
NTE METALS, INC.
APEX MINING DIST. - GILPIN CO. COLORADO
SCALE 1 in. = [redacted] = 600 Ft.
OCT. 1960
NM #3
Schist
Gneiss
Quartz Monzonite
Mtn. Chief Fissure Vein
Indiana Vein
Main Tunnel
Not owned
Dan #21
Dan #22
Dan #23
Dan #24
Dan #25
Dan #26
Dan #27
Dan #28
Dan #29
Dan #30
Dan #20
Dan #19
Dan #18
Dan #17
Dan #16
Dan #15
Dan #14
Dan #13
Dan #12
Dan #11
Dan #1
Dan #2
Dan #3
Dan #4
Dan #5
Dan #6
Dan #7
Dan #8
Dan #9
Dan #10
Wilma #1
Wilma #2
Wilma #3
Wilma #4
Wilma #5
Nettie Hazel #6
Nettie Hazel #7
Nettie Hazel #8
Nettie Hazel #9
Nettie Hazel #10
Hoosier Bar
Nis #1
Nis #2
Nis #3
Nis #4
Nis #5
Nis #6
Nis #7
Nis #8
Nis #9
Nis #10
Nis #11
Nis #12
Nis #13
Nis #14
Nis #15
Nis #16
Nis #17
Nis #18
Nis #19
Nis #20
Nis #21
Nis #22
Nis #23
Nis #24
Nis #25
Nis #26
Nis #27
Nis #28
Nis #29
Nis #30
Nye's #1
Nye's #2
Nye's #3
Nye's #4
Nye's #5
Nye's #6
Nye's #7
Okey #1
Okey #2
Okey #3
Star
Poor Man
Silver

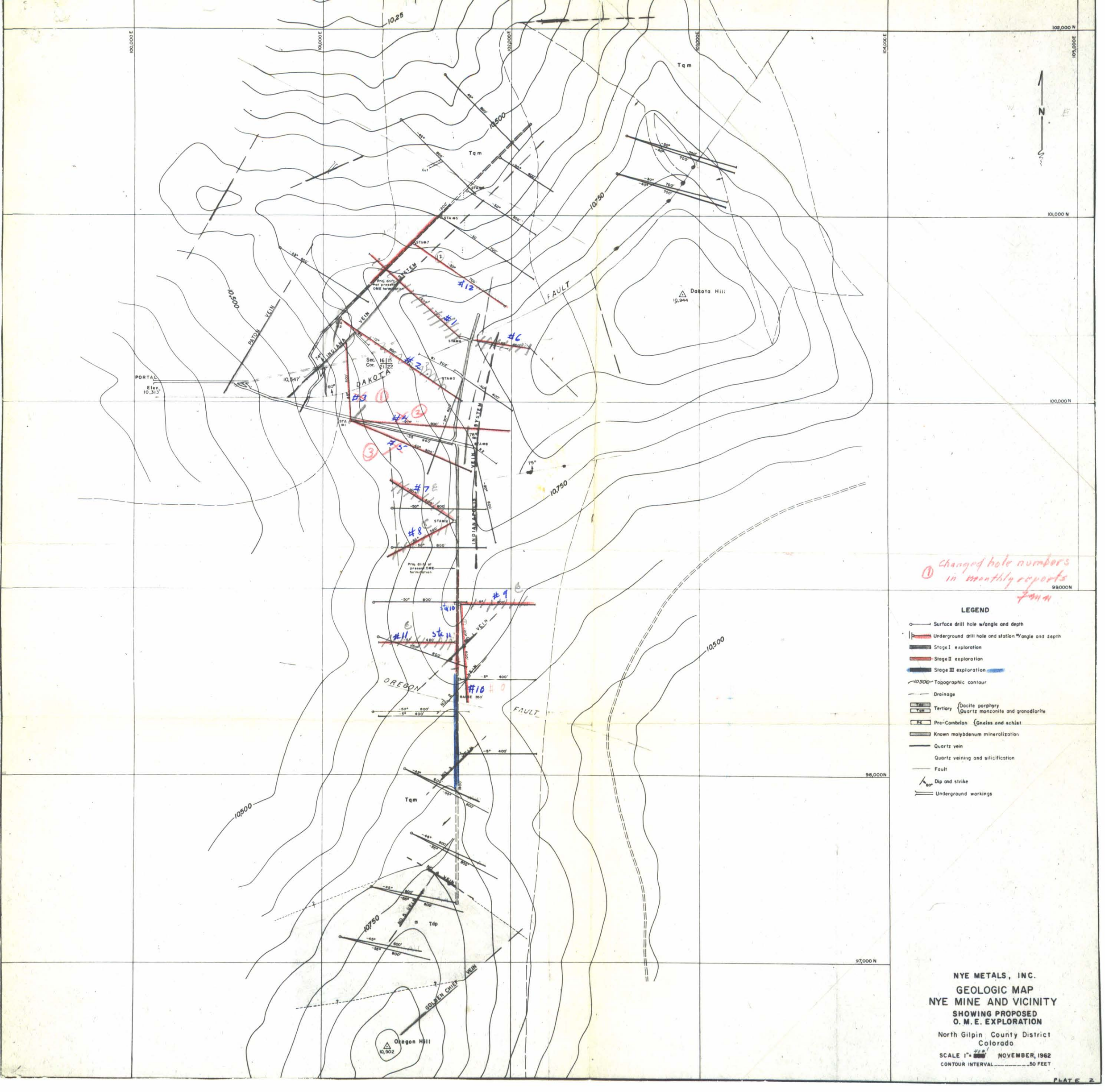

NYE METALS, INC.
GEOLOGIC MAP
NYE MINE AND VICINITY
SHOWING PROPOSED
O. M. E. EXPLORATION
North Gilpin County District
Colorado
SCALE 1" = 400'
NOVEMBER, 1962
CONTOUR INTERVAL 50 FEET
LEGEND
Surface drill hole w/angle and depth
Underground drill hole and station w/angle and depth
Stage I exploration
Stage II exploration
Stage III exploration
10500 Topographic contour
Drainage
Tertiary
Tdp Dacite porphyry
Tqm Quartz monzonite and granodiorite
PC Pre-Cambrian
Gneiss and schist
Known molybdenum mineralization
Quartz vein
Quartz veining and silicification
Fault
Dip and strike
Underground workings
N
102,000 N
101,000 N
100,000 N
99,000N
98,000N
97,000 N
100,000 E
101,000 E
102,000 E
103,000E
104,000 E
105,000E
10,250
10,500
10,750
Tqm
Tdp
Dakota Hill
19,944
Oregon Hill
10,902
PATON VEIN
INDIANAPOLIS VEIN
DAKOTA
OREGON
FAULT
GOLDEN CHIEF VEIN
PORTAL
Elev. 10,313'
10,547'
Sec. Cor. 16 15 21 22
#1
#2
#3
#4
#5
#6
#7
#8
#9
#10
#11
#12
Proj. drift at present OME termination
RAISE 350'
① Changed hole numbers in monthly reports

PLATE 2