For royalty payment of $104.63, dated December 13, 1962, see transmittal letter file.

DEC 3 1962

Mr. William H. Bakes
Trust Officer
Twin Falls Bank & Trust Company
Twin Falls, Idaho

Re: MMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-E18

Dear Mr. Bakes:

Your November 26 letter, addressed to our Region I office in reply to letters dated September 26 and November 21, requests further information regarding a "federal tax due for severance". The matter involved, however, is not a severance tax but a royalty payable to the Government on production from the property under the referenced exploration project contract.

This contract, which was executed on June 22, 1951, provides for the Government to contribute to the costs incurred by United Minerals Reserve Corporation in a minerals exploration project. The contract, as amended, further provides for the payment to the Government of a royalty on the proceeds from production for a period of 11 years or until the Government's contribution is repaid, whichever occurs first.

In consideration of the contract and as an inducement for the Government to enter into it, the owners of the property executed a Landlord's Subordination Agreement on June 12, 1951. This agreement, which is binding upon heirs and successors, grants to the Government a lien upon the land, agrees that such lien is prior to the owner's rights to rental or royalties, and provides that the owners shall assume the royalty obligations of the United Minerals Reserve Corporation in the event of termination or surrender of the Corporation's leasehold interest. Two thermofax copies of the Landlord's Subordination Agreement are enclosed.

None of the Government's contribution of $24,308.99 under the contract has been repaid. Accordingly, the Government is due a royalty on production from the property prior to June 22, 1962, the expiration date of the obligation. The contract provides for computation of the royalty as follows:

"Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

"Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent."

In order to settle this account, the prompt remittance and accounting requested in the September 26 letter will be sincerely appreciated.

Sincerely yours,

(signed) FRANK E. JOHNSON

Director

Enclosures

EDTalbert/ama 11-30-62

cc:
Docket
Director's Reading File
CA & A Division
Region III (2)

So. 157 Howard Street
Spokane 4, Washington
November 28, 1962

EXTRA COPY O. M. E RECEIVED NOV 30 1962		
DATE	INITIALS	
		800

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-E18

Enclosed are two copies of a letter dated November 26, 1962, from William H. Bakes, Trust Officer, Twin Falls Bank & Trust Company, Twin Falls, Idaho, in reply to my letters of September 26 and November 21, 1962, to him.

It is doubtful whether another letter to Mr. Bakes from this office would accomplish much unless accompanied by pertinent parts of the subject contract, as he does not seem to have any knowledge of the contract's existence or its terms.

It is suggested that your office write to him, forwarding copies of the pertinent parts of the contract for his information, and repeat our request for the payment of royalty.

D. R. MacLaren

Enclosures

DRMacLaren:my
cc: CMR
CPF
Reading copies to:
Nolan
McKalvey

So. 157 Howard Street
Spokane 4, Washington
November 21, 1962

O. M. E
RECEIVED NOV 28 1962
DATE

800

Mr. William H. Bakes, Trust Officer
Twin Falls Bank & Trust Company
Twin Falls, Idaho

Re: DMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-R18

Dear Mr. Bakes:

In a letter dated September 26, 1962, we requested payment of royalty on production from the Homestake mine, which is due under the terms of contract Idm-R18. As yet we have received no reply.

If you have any questions concerning this matter, we will be happy to attempt to answer them. In any case, we would appreciate your advising us as to when payment may be expected.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my

cc: OME(2); CPF
Reading copies to:
Helen
McKelvey

NOV 6 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: DMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-818

Concerning your September 26 letter to the bank requesting royalty due on the referenced contract, we suggest that you follow this up if no reply has been received. Perhaps it would also be well to request the Bunker Hill Company to provide you with copies of the pertinent settlement sheets.

George C. Selfridge

WRGriswold/mm
11-6-62
cc: Director's reading file
Review Committee
CA&A Division
Docket

So. 157 Howard Street
Spokane 4, Washington
September 26, 1962

EXTRA COPY
O. M. E
RECEIVED SEP 28 1962
DATE | INITIALS
800

Mr. William H. Bakes, Trust Officer
Twin Falls Bank & Trust Company
Twin Falls, Idaho

Re: DMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-E18

Dear Mr. Bakes:

The Office of Minerals Exploration is the successor agency to the Defense Minerals Exploration Administration and is charged with the responsibility of collecting royalty due the Government on production from certified DMEA projects.

In your reply to a request for production information sent to Mr. and Mrs. Lester T. Ditter by our Washington office, you indicate that between December 11, 1961, and June 22, 1962, production from the land subject to DMEA contract Idm-E18 and having a value of $2,092.54 was sold to the Bunker Hill Company. Under the terms of Amendment No. 6 to the contract, royalty on production from the land is due the Government. As the value of the shipment or shipments is $20.79 per ton, the royalty due the Government is 5 percent, or $104.63, payment of which is hereby requested.

Checks should be made payable to the Office of Minerals Exploration and should be mailed to this office, accompanied by two copies of the relevant settlement sheets.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:ny

cc: OME(2)
CPF
Reading copies to:
Nolan
McKelvey

SEP 1 8 1962

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: [illegible]-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Ida-[illegible]

We are enclosing copies of two [illegible] Form 63's executed by an officer of the Twin Falls Bank & Trust Company, Twin Falls, Idaho, with a copy of the bank's letter of September 12 stating it is acting as Executor of the Dibber estate.

Will you please make the proper demand upon the bank for the royalty due the Government, to be accompanied by the customary settlement sheets.

[illegible]

Enclosures

WHGriswold/gla
9-18-62
cc to: Director's Reading File
Review Committee
Contract Division
Docket
Code 500

TWIN FALLS BANK & TRUST COMPANY

12, 1968

United States
Department of
of Mi
Washington

Gentlemen:

return home
our
Lester
found for
elde

Mrs. Anna B. Dittes died and her property
was distributed as her own. Mr. Lester T.
Lester T. Dittes died in 1957 and his
distributed upon
to his wife, Mrs.
Dittes. Mrs.
Dittes died in
bank had
probate is
child,
11. Reaches the age

Yours very truly,

William H. Hahn
Trust Officer

Enc.

Enclosures

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E18, Docket DMA-81 (zinc-lead), dated June 22, 1951, with

United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

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 Homestake and Long Grade Mines located in Blaine County, Idaho, during the period September 9, 1959, through December 11, 1961.

In accordance with Amendment No. 6 and Article 14 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated July 24, 1956, indicated accepted costs under the exploration contract amounting to $43,567.83 with the Government's contribution on a 50 percent basis being $21,783.91; however, the Government's actual contribution amounted to $24,308.99.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through September 8, 1959. The royalty account as of September 8, 1959, was:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

As of December 11, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

March 5, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Exploration work under the contract was suspended for the winter months on October 15, 1952. However, due to financial difficulties, the Operator made no attempt to resume work and the termination provisions of Amendment No. 6 became effective on May 1, 1954. One provision thereof requires the payment of royalty, in the same manner as if certification of discovery or development had been made, on all mineral production from the land under the contract.

The land under the contract consists of 13 claims in the Homestake Group and 10 claims in the Long Grade Group located in the Lake Creek Area. At the time the contract was executed the Operator was in possession of the Homestake Group by assignment on June 26, 1950, by Harold A. Covey, George W. Snyder, Jr., and Mason W. Rankin (all officers of the Operator-Corporation) of a Lease and Option granted on May 26, 1959, by Anna B., Lester T., and Angela Ditter of Twin Falls, Idaho, and Alfred F. and Hazel M. Donovan of Grand View, Washington.

Possession of 4 of the claims in the Long Grade Group was by assignment on June 26, 1950, by Harold A. Covey and George W. Snyder, Jr., of a July 10, 1959, Lease and Option from Grant W. and Thelma E. Crutchley, Ketchum, Idaho. Possession of the other 7 claims in the Long Grade Group was by virtue of a Mining Deed executed on June 26, 1950, by Harold A. Covey and George W. Snyder, Jr., as owners.

In connection with the contract, the several lessors executed Landlord's Subordination Agreements, which provide for assumption by the lessors of the Operator's royalty obligations in the event of termination or surrender of the leasehold. However, in a February 2, 1954, memorandum the DMEA Chief Counsel indicated that, inasmuch as certification was not made, the subordination agreements may not be binding.

There was no production from the property from the date of the contract up to the cessation of exploration work. The files indicate that subsequent examinations of the property and local inquiries have disclosed no activity other than some assessment work. In a December 11, 1961, reply to an inquiry on MME Form 63, George W. Snyder, Jr., the Operator's president, stated that there has been no production but "The property owners granted a second or top lease to other persons and litigation appears probable".

Final accounting for exploration costs of this project disclosed an overpayment of $3,272.07, which the Operator failed to refund. The

matter was referred to the Attorney General of the United States on June 20, 1956. Negotiations by the United States Attorney at Salt Lake City resulted in a compromise settlement by acceptance in April 1958 of the Operator's six month's interest bearing note in the amount of $1,500.00 and offset of $746.99 due George W. Snyder and George W. Snyder, Jr., under Contract Idm-E322, Docket DMEA-1949. The Operator defaulted on the note and the case was closed "on the ground of uncollectibility". This decision was based on findings by the United States Attorney that the Operator had no assets, was not operating, was subject to unsatisfied tax liens of the Internal Revenue Service, and owed considerable sums to others.

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

(1) The files indicate that the property under the contract has been inactive since October 1952;

(2) No minerals have been produced since the date of the contract; and

(3) 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 royalty which might be disclosed.

CAAA Div., OME

EXTRA COPY
O. M. E
RECEIVED MAR 19 1962
DATE
800

No. 137 Howard Street
Spokane 4, Washington
March 15, 1962

Memorandum

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

From: Acting Field Officer, OME, Region I

Subject: DMM-81 (Zinc-Lead)
United Minerals Corporation
Homestake and Long Grade Mines
Blaine County, Idaho
Contract I&m-K18

There is enclosed a Report of Royalty Review dated March 5, 1962, 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 Homestake and Long Grade Mines located in Blaine County, Idaho, during the period September 9, 1959, through December 11, 1961.

This Report of Royalty Review is for record purposes only and no copy has been provided for the Operator.

D. R. Maclaren

Enclosure

MLMaclaren:mls
cc: CAAA Div., OME
OME; CFF
Reading copies to:
Nolan
Hobbs
Guild

MAR 5 1962

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMA-31 (Zinc-Lead)
United Minerals Corporation
Homestake and Long Grade Mines
Blaine County, Idaho
Contract Idm-E13

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and
(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

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

Enclosures

EDTalbert/ama 3-5-62

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

OCT 1 3 1981

Memorandum

To: Fiscal Section
Division of Administrative Services
Office of the Secretary

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

Subject: DMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-E18
and
DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

The Department of Justice has advised that our claim for $3,272.07 overpayment on the first of the subject contracts has been closed as uncollectible after partial offset by application of the $746.99 balance due the Operator under the second of the subject contracts.

Please make the necessary adjustment on your accounts to reflect an additional payment of $746.99 under contract Idm-E322 and a refund of the same amount under contract Idm-E18.

An Obligation Document increasing the obligation on contract Idm-E18 ~~[illegible]~~ by $2,525.08 is being prepared. Both Operator's accounts will then be balanced.

Talbert

EDTalbert/ama
October 13, 1961

Copy to: Docket
Director's Reading File
CA & A Division - Idm-E18
Acting Field Officer, Region I (2)
Acting Field Officer, Region II (2)
Miss Curtin

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E18, Docket No. DMEA-81 (Zinc-Lead), dated June 22, 1951, with

United Minerals Corporation
518 Felt Building
Salt Lake City, Utah

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Homestake Mine located in Blaine County, Idaho, during the period June 22, 1951, through September 8, 1959.

In accordance with Amendment No. 6 of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated July 24, 1956, indicated accepted costs under the exploration contract amounting to $43,567.83 with the Government's contribution, on a 50 percent basis, being $21,783.91. However, the Operator actually received net contributions of $25,055.98, an overpayment of $3,272.07. The Attorney General is attempting to recover the amount of the overpayment.

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

(1) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the file indicate that there has been no production from the mine since June 22, 1951, and that the property has been idle since termination of the exploration work in October, 1952; 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 royalty which might be disclosed.

The review indicated that there has not been any production or sales of minerals from the land described in Article 2 of the contract since June 22, 1951, and no royalty is due the Government.

C. E. Fisher
C. E. Fisher, OME Auditor

October 20, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name United Minerals Corporation

Address Felt Building

Salt Lake City, Utah

Exploration Contract No. Idm-E18 Docket No. DMEA-81

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

INTERIOR DEPT.
JUL 31 1959
SOLICITOR

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 5 1959

DATE	INITIALS	CODE
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		800

GCD:FLC
77-77-214

JUL 30 1959

A. Pratt Kesler, Esq.
United States Attorney
Salt Lake City, Utah

Re: United Minerals Corporation Department the Interior Claim for Refund of payments advanced under Contract No. Idm-K18, Docket No. DMEA-81, $3,272.07.

Dear Mr. Kesler:

Reference is made to our letter of March 27, 1958, relative to the above-captioned claim.

Since it appears from our records that the debtor has not met the terms of the compromise offer accepted by the Department, it is suggested that you institute suit for the full amount of the claim.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:

George F. Foley
Chief, Government Claims Section

cc: Department of the Interior
Washington 25, D. C.

Attention: Solicitor
(ref: DMEA-81)

INTERIOR DEPT.
MAR 28 1958
SOLICITOR

DMEA

rrw 1

GCD:PLC
77-77-214

MAR 27 1958

A. Pratt Kesler, Esq.
United States Attorney
Salt Lake City, Utah

Re: United Minerals Corporation Department the Interior Claim for Refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA-81 $3,272.07.

Dear Mr. Kesler:

Reference is made to your letter of February 17, 1958, with enclosures, relative to the debtor's settlement proposal under which it will waive its claim for the sum of $747.00 (stated by the debtor to be $727.00) and will furnish the Government with a 3% note in the sum of $1,500 payable in 180 days in full settlement of the claim.

Since it appears that the debtor's assets are presently pledged and, in view of your report that the Internal Revenue Service and the State Tax Commission has appraised the debtor's mining property, as valueless for the purpose of taxation, we are accepting the offer upon the understanding that, if the note is not paid in accordance with its terms the Government may reinstate its claim for the full amount.

Enclosed for your information is a copy of a letter dated March 18, 1958 from the Department of the Interior.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:

George F. Foley
Chief, Government Claims Section

cc: Department of the Interior
Washington 25, D. C.
Attention: Solicitor
Ref: DMEA-81

In reply refer to:
DMFA-61

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

MAR 18 1958

George Cochran Doub, Esq.
Assistant Attorney General
Civil Division
Department of Justice
Washington 25, D. C.

Dear Sir:

The proposed settlement set forth in your letter dated March 6, 1958 (file reference GCD:PLC 77-77-214) with respect to this Department's claim for refund of overpayment to United Minerals Corporation, while disappointing, undoubtedly is the best that can be obtained. Therefore, the Department accepts it with the proviso that, if the $1,500 note should not be paid according to its terms, the Government may restate its claim for the full amount of the overpayment.

Sincerely yours,

Edward J. Fritz

ACTING Solicitor

CEFisher/ama
March 13, 1958

Copy to: Solicitor's Docket
DMEA Docket
Admr. Reading File
Field Team, Region I (2)
R. P. Dwyer
J. L. Chambers

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D. C.

Address Reply to the Division Indicated and Refer to Initials and Number

rrw

GCD:PLC
77-77-214

RECEIVED
MAR 10 1958
ASSIST. SOLICITOR
MINERAL RESOURCES

Department of the Interior
Washington 25, D. C.

Attention: Solicitor

Re: United Minerals Corporation Department the Interior Claim for Refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA081 $3,272.07.

Dear Sir:

Reference is made to previous correspondence relative to the above-captioned claim.

Enclosed is a copy of a letter dated October 29, 1957 from the United States Attorney relative to the financial condition of the debtor corporation. Also enclosed is a copy of a letter dated February 17, 1958, with enclosures, from the United States Attorney relative to a settlement proposal under which the debtor would waive its claim for the sum of $747.00(stated by the debtor to be $727.00) and would furnish the Government with a 3% note in the sum of $1500 payable in 180 days in full settlement of the claim.

Please let us have your report and recommendation as to whether this proposed settlement is satisfactory to you.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:

George F. Foley
Chief, Government Claims Section

cc: A. Pratt Kesler, Esq.
United States Attorney
Salt Lake City, Utah

[redacted]
77-77-214

February 17, 1958

George C. Doub
Assistant Attorney General
Civil Division
U. S. Department of Justice
Washington, D.C.

ATTENTION: George F. Foley

Re: United Minerals Corporation - Department of the Interior Claim for refund of payments advanced advanced - M-1968, Docket No. RMA-81

Dear Sir:

After receiving your letter of January 20, 1958 we advised Mr. George W. Snyder, Jr., President of United Minerals Corporation, that the Department of Justice could not accept his last compromise proposal. Mr. Snyder advised that the corporation did not have any assets at this time to pay the claim but that he would submit a new compromise offer.

We have just received Mr. Snyder's new compromise offer and we are mailing to you herewith the original of said offer together with a copy of the note referred to in said offer. We are retaining the original note in our file.

As you can see by Mr. Snyder's offer, he is willing to waive the $727.00 item owing to the United Minerals Corporation under the RMA contract. In addition, the corporation has tendered its note in the amount of $1500.00, payable in six months, and bearing interest at the rate of 3%.

In view of our knowledge of the financial condition of United Minerals Corporation and also in view of the mining industry in Utah, we strongly recommend that you accept this offer. Would you please advise us of your decision in this matter at your earliest convenience.

Very truly yours,

A. PRATT KESLER
United States Attorney

Encl.

JRA:jj

October 29, 1957

George C. Doub
Assistant Attorney General
Civil Division
U. S. Department of Justice
Washington, D.C.

ATTENTION: Mr. Madley W. Libbey
Acting Chief, Government Claims Section

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-818, Docket No. IMRA-81 - $3,272.97.

Dear Sir:

The United Minerals Corporation previously submitted a compromise offer to settle the Department of Interior's claim against them. In Mr. Foley's letter of January 16, 1957 he advised: "As indicated by the Department of the Interior, while the debtor may be short of cash, it apparently has property of considerable value over and above its liabilities. In view of the report submitted by the Department of the Interior, please advise us as to whether you can obtain a substantial increase in the offer."

Negotiations have been pending for an increase in the offer. We have just received a new offer by the corporation which is enclosed herewith for your consideration.

I have been advised by the officials of the Internal Revenue Office in Salt Lake City, Utah that they have been attempting to collect a tax claim against the United Minerals Corporation since the third quarter of 1952. They advise that the mine has been closed down and that the Utah State Tax Commission has appraised that mining property at zero, or completely valueless for purposes of taxation. The tax commission has determined that the property

is worthless. The officials of the Internal Revenue Service further advise that they have sold the corporation's personal property and what remaining property the United Minerals Corporation has has no value at all; therefore, the Internal Revenue Service has been unable to collect the balance due and owing them on the 1952 tax claim which totals $1539.35. The officials of the Internal Revenue Service further advise that the financial statement of the United Minerals Corporation indicates that they have assets in excess of $400,000.00 but, as indicated above, both the Internal Revenue Service and the Utah State Tax Commission have determined that that financial statement is false and that the property has no value at all.

In view of the circumstances in this case, together with our knowledge of George W. Snyder, Jr., and of the operations of the United Minerals Corporation, we again strongly recommend that this offer in compromise be accepted. Would you please advise us of your decision in this matter at your convenience.

Yours very truly,

A. PRATT KESLER
United States Attorney

No. 1 [illegible]

Duplicate

February 11, 1954

One hundred and eighty days after date without grace we promise to pay to the order of Treasurer of the United States

One thousand five hundred and no/100ths ..... for value received Dollars

payable at maturity without deduction or discount, together with interest thereon at the rate of 3 per cent per annum from date until maturity and from maturity until paid before and after judgment at the rate of 3 per cent per annum. All interest payable at maturity

Every installment of the interest be not paid promptly as stipulated, the legal holder of this note may declare without notice and collectable with principal and interest. If this note is unpaid at maturity, the undersigned agree to pay reasonable attorney's fee in addition, including costs.

In accordance with settlement proposal of February 11, 1954.

INITIATED CODE

United Mineral Corporation

1028

No.

DWEV Pres.

Secretary

37 100 Pamphlet Co. Salt Lake City, Utah.

OFFICIAL FILE COPY
DMEA
RECEIVED 11 1958
DATE CODE

February 11, 1958

Mr. J. Raymond Allred
Assistant United States Attorney
United States Attorney,
District of Utah
Salt Lake City 1, Utah

Re: United Minerals Corporation - Department of the Interior Claim for refund of payments advanced - M-1968

Dear Mr. Allred,

Pursuant to our conversations and correspondence, we submit to you the following proposal.

In consideration of the settlement of the disputed claim against us we would be willing to waive the $727.00 item owing us under separate DMEA contract.

Additionally, we tender to you a note of the corporation in the amount of $1,500.00, payable [illegible] months and bearing interest at the rate of three per cent. This note has been authorized by resolution of the board of directors at a meeting held January 24, 1958. It must not be construed that any preferential position is created by virtue of this instrument.

As we have repeatedly pointed out, we do not have any unpledged assets other than mining property interests. Certain machinery owned by the corporation is pledged but if sold at any reasonable prices, would bring sufficient funds to take care of all creditors.

We again point out to you that we believe that the claim is unjust and arbitrary and that this settlement proposal is submitted only because the Company is presently without funds with which to defend any action.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.,
President

GWSjr/pt

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

JAN 31 1958

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Ida-218
and
Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Ida-3322

Dear Mr. Weissenborn:

There are enclosed for your information and files two copies of a letter dated January 16, 1958, from the Assistant Attorney General of the Department of Justice, to A. Pratt Kesler, Esq., United States Attorney at Salt Lake City, Utah, in regard to our claims on the above-cited projects.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

O. M. Bishop

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosure

JIChambers/Wb
January 29, 1958

Copy to: Dockets DMEA-81, DMEA-1949
Admr. Reading File
Operating Committee
Mr. Ricker, Region II (2)
Mr. Chambers

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D. C.

rrw

Address Reply to the
Division Indicated
and Refer to Initials and Number

GCDPIC
77-77-214

January 16, 1958

A. Pratt Kesler, Esq.
United States Attorney
Salt Lake City, Utah

Re: United Minerals Corporation; Department of the Interior Claim for Refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA-81 - $3,272.07

Dear Mr. Kesler:

Reference is made to your memorandum of December 3, 1957, with enclosure, relative to the above-captioned claim.

We cannot agree to a proposal which, by its terms, may result in no recovery by the Government except the amount of $747 due the debtor. Accordingly, it is suggested that you file suit for recovery of the overpayment, either for the full amount of the claim, or if the debtor is willing to have the sum of $747 now due it applied in reduction of the claim, for the reduced amount. Upon recovery of judgment consideration can be given to what further action should be taken.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:

George F. Foley
Chief, Government Claims Section

cc: Department of Interior
Washington 25, D. C.

Attention: Solicitor

Mr. A. F. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Keystone Mine
Blaine County, Idaho
Contract No. Ida-F18
and
Docket No. DMEA-1949 (Lead-Zinc)
C. F. Snyder & C. F. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Ida-F322

Dear Mr. Weissenborn:

There are enclosed for your information and files two copies of a letter dated November 15, 1957, from the Assistant Attorney General of the Department of Justice, to A. Pratt Kesler, Esq., United States Attorney at Salt Lake City, Utah, in regard to our claims on the above-cited projects.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosure

JHChambers/wb
November 20, 1957

Copy to: Dockets DMEA-81, DMEA-1949
Admr. Reading File
Operating Committee
Mr. Ricker, Region II (2)
Mr. Griswold (2)
Mr. Chambers

77-77-214

INTERIOR DEPT.

NOV 18 1957

SOLICITOR

ak

GCD:PLC
77-77-214

A. Pratt Kesler, Esq.
United States Attorney
Salt Lake City 1, Utah

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-E18, Docket No. IMEA-81 - $3,272.07.

Dear Mr. Kesler:

This will acknowledge the receipt of your letter of October 29, 1957, with enclosure, relative to the debtor's proposal to compromise the above-captioned claim by waiving any sums due under Contract No. Idm-E322 (apparently the sum of $747.00, see Department of the Interior's letter of January 7, 1957) and by furnishing an unsecured note for $1500.00, apparently to be paid out of corporate assets remaining after payment of all other corporate obligations.

This proposal is less attractive than the previous proposal because there is no assurance of any payment being made on the note. However, in view of the report on the financial condition of the company given to you by the Internal Revenue Service and by the Utah State Tax Commission, we would give serious consideration to a cash offer of $1500 plus relinquishment of any claim to the funds due under Contract No. Idm-E322.

Please advise the debtor of our views and let us have a further report.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

RECEIVED NOV 19 '57 U.S.A.

By:
George F. Foley
Chief, Government Claims Section

cc: Department of the Interior
Washington 25, D. C.
Attention: Solicitor

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D. C.

Address Reply to the
Division Indicated
and Refer to Initials and Number

INTERIOR DEPT.
77-77-214
OCT 11 1957

SOLICITOR

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 16 1957

DATE	INITIALS	CODE
10/16	B	220
		800

re

A. Pratt Kesler, Esquire
United States Attorney
Salt Lake City 1, Utah

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA-81 - $3,272.07.
Your ref: JRA:lm

Dear Mr. Kesler:

Reference is made to our letter of January 16, 1957, with enclosures, relative to the above-captioned claim.

Please advise us as to whether negotiations are pending for a substantial increase in the offer.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:

Hadley W. Libbey
Acting Chief, Government Claims Section

cc: Department of the Interior
Washington 25, D. C.
Attention: Solicitor

In reply refer to:
OCD:PIC 77-77-214

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

JAN 17 1957

Mr. George Cochran Doub
Assistant Attorney General
Civil Division
Washington 25, D. C.

Dear Mr. Doub:

Your letter of January 9, 1957, requesting this Department to advise your office as to the validity of a counter claim of the United Minerals Corporation in the amount of $2,300.00 in connection with Contract Idm-E322 to be used as an offset to our claim under Contract Idm-E18, was probably written prior to receipt of our letter dated January 7, 1957. The excess of the claim made by the United Minerals Corporation under Contract Idm-E322 with the Government was explained in some detail in our letter.

If you have not received our January 7 letter or if you need further information concerning the contracts mentioned therein, please write again and detail the type of information needed.

Sincerely yours,

Frederick Cammerzoy

Solicitor

JLChambers/wb
January 14, 1957

Copy to: Solicitor's Docket
DMEA Docket
Admr. Reading File, DMEA
Administrator, DMEA
RFDwyer
WRGriswold, DMEA
JLChambers, DMEA
Field Team, Region I (NWD) (2)

1. [illegible]
2. Miss [illegible]
Rm 4448

INTERIOR DEPT.
JAN 18 1957
SOLICITOR

jdh

GCD:PLC

77-77-214

A. Pratt Kesler, Esquire
United States Attorney
Salt Lake City 1, Utah

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-818, Docket No. DMEA-81 - $3,272.07.
Your ref: JRA:lm

Dear Mr. Kesler:

Reference is made to your letter of December 4, 1956, with enclosure, relative to a settlement proposal under which the above-named debtor would pay the sum of $1,000.00 and waive an alleged claim of $2,300.00 under another contract.

Enclosed is a copy of a letter dated January 7, 1957, with enclosures, from the Department of the Interior, from which it appears that the debtor is entitled to an offset of only $747.00 and that its liability under the instant contract has been substantiated. As indicated by the Department of the Interior, while the debtor may be short of ready cash, it apparently has property of considerable value over and above its liabilities.

In view of the report submitted by the Department of the Interior, please advise us as to whether you can obtain a substantial increase in the offer.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:

George F. Foley
Chief, Government Claims Section

Enclosures

cc: Department of the Interior
Washington 25, D. C.
Att: Solicitor

In reply refer to:
GCD:PLC 77-77-214

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

JAN 7 1957

Mr. George Cochran Doub
Assistant Attorney General
Civil Division
Washington 25, D. C.

Dear Mr. Doub:

Your letter of December 13, 1956 (your reference GCD:PLC 77-77-214), requests information concerning a statement by United Minerals Corporation in its letter of November 10 to U. S. Attorney Emler, that the Government owes the corporation approximately $2,300.00 pursuant to DMEA Contract Idm-2322. The corporation, in its letter, proposed to compromise the Government's claim of $3,272.07 against it under DMEA Contract Idm-218 (Docket No. DMEA-81), by paying $1,000.00 cash on or before April 15, 1957, and by waiving its claim against the Government under Contract Idm-2322 (Docket No. DMEA-1949).

Contract Idm-2322 is with George W. Snyder and George W. Snyder, Jr., as individuals, who are a Vice President and the President, respectively, of the United Minerals Corporation. By this contract the Government owes the sum of $747.00 payable from DMEA funds, for exploration at the Lucky Strike Mine, Lander County, Nevada. This amount was determined after audit, and was agreed to by the Snyders in a letter dated November 2, 1955, in reply to letters dated October 18 and 31, 1955, from Mr. Richar, Executive Officer, DMEA Field Team, Region II. Copies are attached.

The Department is willing to accept the Snyders' proposal that the amount payable by the Government under Contract Idm-2322 be offset against the amount payable by the United Minerals Corporation under Contract Idm-218.

With respect to the statement by Mr. Snyder, Jr., that he is "unable to reconcile the amount of the claimed overpayment," it is suggested that he should refer to his copy of the DMEA audit report of July 13, 1955, and to his letter from DMEA Administrator Mittendorf, dated April 16, 1956, increasing the amount of acceptable costs and thereby reducing the corporation's liability for overpayment to $3,272.07. The audit report was discussed with Mr. Snyder, Jr.

With respect to the statement by Mr. Snyder, Jr., seeking to disclaim responsibility for costs "during shutdown periods," your attention is called to Article 3 of Amendment No. 6 of Contract Idm-218,

providing that the Government would not contribute to any costs during the period of suspension, and requiring the corporation to "do all things necessary and proper to preserve the work and any property in which the Government may have an interest, during the period of suspension."

The compromise offer ($1,000.00 plus waiver of the claim of $747.00 under Contract Idm-2322) comes to $1,747.00, as against $3,272.07 owed by the corporation under Contract Idm-218. The corporation's balance sheet attached to its letter of November 10 indicates that although it apparently has no cash on hand, it does have property of considerable value. According to its balance sheet, its assets of $898,855.03 are subject to liabilities of only $162,590.93. In the light of such financial position, it would appear that an offer of $1,747.00 to settle an indebtedness of $3,272.07 is inadequate, and that the corporation should be requested to make a more realistic offer.

Sincerely yours,

Edward J. Fitz

ACTING Solicitor

Enclosures

JLChambers/PIndritz/end
1/3/56
Copies to: Solicitor's Docket (2)
DMEA Docket
Adm. Reading File, DMEA
W. R. Griswold, DMEA
J. L. Chambers, DMEA
Field Team, Region I (RBM) 2
R. P. Dwyer
P. Indritz
Mr. Bishop USBM
Mr. Kiilsgaard USGS
chron.
pending

In reply refer to: GCD:PIC 77-77-214

Rewritten 1/3/56 RD/end

Mr. George Cochran Doub
Assistant Attorney General
Civil Division
Washington 25, D. C.

Dear Mr. Doub:

This refers to your letter dated December 13, 1956, and attachments (your reference: GCD:PIC 77-77-214), relative to a compromise offer by United Minerals Corporation in connection with a claim for refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA-81.

According to the records of this Department an amount of $747.00 is payable from DMEA funds under Contract No. Idm-E322, Docket No. DMEA-1949, covering exploration at the Lucky Strike Mine, Lander County, Nevada. The amount was determined after audit of the project accounts. It was agreed to by George W. Snyder and George W. Snyder, Jr., in a letter dated November 5, 1955, to Mr. S. Richer, Executive Officer, DMEA Field Team, Region II, Reno, Nevada, in response to Mr. Richer's letters dated October 18 and 31, 1955. Copies of the referenced letters are attached for your information.

Payment of the amount of $747.00 has been withheld pending results of efforts to collect the amount of $3,272.07 due the Government under Docket No. DMEA-81, Contract No. Idm-E18.

This Department has no objection to applying the amount payable under Contract No. Idm-E322 as an offset against the amount due to the Government under Contract No. Idm-E18, which would result in a net amount due to the Government of $2,525.07.

With respect to Mr. Snyder's statement that neither he nor his son "is able to determine how the Department of Interior arrived at the sum of $3,272.07 as the amount due under the contract", he should refer to a copy of the audit report of July 13, 1955, a copy of which was furnished him and discussed with him by the auditor for the Department. This report showed that the amount payable to the corporation was $18,903.15, while the actual payment made to the corporation was $25,055.98, indicating an overpayment

of $6,152.83. Part of the last sum included the partial cost of a compressor in which the Government later determined it had no equity, and the Administrator of the Defense Minerals Exploration Administration adjusted the overpayment downward from $6,152.83 to $3,272.07. The corporation should have all the details relative to this item in its files.

It hardly seems reasonable for the Department to accept a compromise of $1,000.00 when the corporation owes a net amount of $2,525.07. The offer should be more realistic.

Sincerely yours,

Solicitor

Attachments

JLChambers/ama
December 21, 1956

Copy to: Solicitor's Docket
DMEA Docket
Admr. Reading File, DMEA
Administrator, DMEA
WRGriswold, DMEA
RPDwyer
JLChambers, DMEA
Field Team, Region I(NWD) - 2

Mr. Chambers
DMEA

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D. C.

jdh

Address Reply to the
Division Indicated
and Refer to Initials and Number
GCD:PLC

77-77-214

DEC 13 1956

RECEIVED
DEC 1 1956

INTERIOR DEPT.
DEC 14 1956
SOLICITOR

Department of the Interior
Washington 25, D. C.

Attention: Solicitor

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA-81 - $3,272.07.

Dear Sirs:

Enclosed is a copy of a letter dated December 4, 1956, with enclosures, from the United States Attorney at Salt Lake City, Utah, relative to a compromise offer on the above-captioned claim.

This office has no information regarding the debtor's allegation that a sum of approximately $2,300.00 remains payable to it under a contract other than the one here involved. It will therefore be appreciated if you will advise as to the amount, if any, due to the debtor under Contract No. Idm-E-322.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By: George F. Foley
George F. Foley
Chief, Government Claims Section

RECEIVED
DEC 14 1956
ASSOC. SOLICITOR
MINERAL RESOURCES

Enclosures

cc: A. Pratt Kesler, Esquire
United States Attorney
Salt Lake City 1, Utah
Your ref: JRA:lm

United States Department of Justice

UNITED STATES ATTORNEY
DISTRICT OF UTAH
SALT LAKE CITY 1, UTAH

JRA:lm

December 4, 1956

Mr. George Cochran Doub
Assistant Attorney General
Civil Division
United States Department of Justice
Washington, D. C.

Attention: Mr. George F. Foley
Chief, Government Claims Section

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-E-18, Docket DMEA-81 - Our File M-1968

Dear Sir:

This is to advise that we have had several conferences with George W. Snyder, Jr., President, United Minerals Corporation, and his father, George W. Snyder, Sr., regarding payment of the Department of the Interior claim for refund of payments totaling $3,272.07.

We are well acquainted with Mr. Snyder and his son and we have not filed suit in this matter because a judgment obtained against them would be uncollectible. The United Minerals Corporation has not preferred the claims of other creditors to that of the United States, and no preference has been given to any creditor.

Mr. Snyder advised that he is unable to determine how the Department of Interior arrived at the sum of $3,272.07 as the amount due under the contract. He stated that no recovery has been made by the company from the sale of any of the supply or equipment items accounting for a substantial portion of said claim. He further advised that approximately $2300.00 remains payable to the United Minerals Corporation under a separate DMEA contract, No. Idm-E-322, on the Lucky Strike Mine in Lander County, Nevada. Apparently this sum was held pending a final audit. However, Mr. Snyder advised that by mutual agreement this contract was terminated.

Mr. Snyder submitted to this office for referral to you an offer in compromise to settle the government's claim against them by paying the sum of $1,000.00 and also to waive payment to United Minerals Corporation of the said sum due under the Idm-E-322 contract in the approximate sum of $2,300.00.

We are enclosing herewith the original and one copy of said compromise offer, together with the original and one copy of the balance sheet showing the assets and liabilities of United Minerals Corporation as of April 30, 1955.

In view of all the circumstances in this case, together with our knowledge of George W. Snyder, Sr. and George W. Snyder, Jr. and of the operations of the United Minerals Corporation, we strongly recommend that this offer in compromise be accepted. Would you therefore please advise us of your decision in this matter at your earliest convenience.

Very truly yours,

A. PRATT KESLER
United States Attorney

Enclosures

November 10, 1956

RECEIVED
DEC 1 1956
D.M.E.A.

Mr. A. Pratt Kesler
United States Attorney, District of Utah
Room 200, Federal Building
Salt Lake City, Utah

Re: Defense Minerals Exploration
Loan Contract No. DMEA
Idm E-81 Homestake Mine,
Blaine County, Idaho

Dear Mr. Kesler:

During the past few weeks we have discussed with your office the question of an alleged overpayment to this company of the sum of $3,272.07 under the subject contract.

As we have advised you, we believe that the claim is an arbitrary one and is not in conformance with the contract or the monthly audits by the government as previously approved.

We have carefully reviewed all of our correspondence and still remain unable to reconcile the amount of the claimed overpayment. Would it be possible to obtain a breakdown of this amount showing exactly how this figure was reached.

A question also remains as to the responsibility of the operator for pilferage during shutdown periods. We can assure you that no recovery has been made by the company from the sale of any of the supply or equipment items accounting for a substantial portion of the said claim. It is obviously impractical to maintain watchman service to protect a small amount of equipment.

We have also advised you that approximately $2,300.00 remains payable to us under a separate DMEA contract, No. Idm-E322 on the Lucky Strike Mine in Lander County, Nevada. We were advised that this sum was withheld pending a final audit. By mutual agreement this contract was terminated.

It should be pointed out that payment previously received from the sale of certain items of equipment have all been dedicated toward retirement of a mortgage outstanding against the company's equipment and the retirement of a tax lien against same. No preference has been given to any creditor.

Our concern is without any unpledged assets except its property interests although a negotiation for sale of one property is now underway. We therefore can only make the following offer of compromise.

> We are willing, without waiving any of our future rights to defend or dispute this amount claimed, to waive payment to us of the said sum due under the Idm-E322 contract. We would further pay the cash sum of $1,000.00 as soon as funds become available to us as a residue from a pending sale of certain items of equipment. In no event would cash payment of this amount be made later than April 15, 1957, at or before which time a cashiers check in this amount would be tendered.

The officers and directors of this firm have advanced very considerable sums as well as their services toward protecting the interests of some 2,500 stockholders. The present plight of the company is a direct result of a failure of prices for lead and zinc metals, and increased operating costs, conditions completely beyond the control of management.

Copies of the most recent balance sheet of the Company are enclosed.

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder Jr.

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosures

UNITED MINERALS CORPORATION
BALANCE SHEET
April 30, 1955

ASSETS

Current Assets			
Mine Operating Supplies			$ 11,369.25
Equipment Held for Resale			10,303.54
Total Current Assets			$ 21,672.79
Investments - at Cost			
Stocks in Other Companies			51,903.28
Fixed Assets			
Property Deeds, Leases, and Options		$131,785.00	
Water Rights, Rip Van Winkle		12,500.00	
Mine Exploration and Development			
Lake Creek	$ 93,137.65		
Rip Van Winkle	229,552.93		
Lucky Strike	135,560.28	458,250.86	
Equipment			
Lake Creek	$ 6,287.02		
Rip Van Winkle	84,561.59		
Lucky Strike	16,711.22		
Home Office	533.64	108,093.47	
Buildings and Improvements			
Lake Creek	$ 5,391.06		
Rip Van Winkle	63,038.09		
Lucky Strike	29,533.48	97,962.63	
Total		$808,591.96	
Less: Reserve for Depreciation		75,383.96	
Total Fixed Assets			733,208.00
Other Assets			
Organization Expense			92,070.96
Total Assets			$898,855.03

The foregoing Balance Sheet was prepared from original records of the company without audit.

LIABILITIES AND NET WORTH

Current Liabilities			
Accounts Payable, Trade - Schedule A.		$ 31,495.15	
Less: Escrow Funds for Specific Accounts		1,450.00	$ 30,045.15
Utah Corporation Franchise Tax Payable			26.70
Withholding and F.I.C.A. Taxes Payable			7,930.06
Property Taxes Payable			478.24
Accrued Interest on Current Notes Payable			3,906.85
Advances from Officers			25,814.53
Notes Payable - Bank			3,637.04
Notes Payable - Officers			19,317.67
Notes Payable - Other			17,000.00
Total Current Liabilities			$108,156.24
Non-Current Liabilities - Contingent upon Production			
Accounts Payable - Road Improvements		$ 5,109.26	
Notes Payable		51,835.03	
Ore Advances		9,717.26	
Accrued Interest Payable		7,773.14	
Total Non-Current Liabilities			74,434.69
Net Worth			
Preferred Stock, 5% Cumulative, Convertible, $1.00 par			
Authorized, 250,000 shares	$250,000.00		
Unissued, 239,800 shares	239,800.00		
Issued and Outstanding, 10,200 shares		$ 10,200.00	
Common Stock, 10¢ par value			
Authorized 6,000,000 shares	$600,000.00		
Unissued 3,032,297 shares	303,229.70		
Issued and Outstanding 2,967,703 shares		296,770.30	
Paid-In Surplus			
Premium on Sale of Common Stock		450,879.70	
Total		$757,850.00	
Less: Operating Deficit		41,585.90	
Total Net Worth			716,264.10
Total Net Worth and Liabilities			$898,855.03

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the records pertaining to the operations of the:

United Minerals Corporation
518 Felt Building
Salt Lake City, Utah

under Exploration Project Contract No. Idm-E18, Docket No. DMA-81, including Amendments Nos. 1 to 6, inclusive, covering a project for the exploration of zinc and lead on property known as the Homestake Mine, located in Blaine County, Idaho, for the period of July, 1951, to October, 1952, and the subsequent disposition of project property.

This review was for the purpose of revising the findings stated in an Audit Certificate issued by T. H. Brading, DMEA Auditor, on July 13, 1955. Such revision is required by the Administrator's decision (as stated in his letter of April 16, 1956, to the Operator) that the Government had no liquidation equity in a certain compressor, which had been considered by the audit as having a salvage value of $5,761.52.

This review disclosed the following revised facts in regard to the amount paid or to be paid the Operator:

Total cost as billed by Operator	$50,469.82
Less: Salvage value of property	3,703.74
Net cost claimed	46,766.08
Exceptions (per Audit Report)	3,198.25
Accepted Costs	$43,567.83

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-one thousand seven hundred eighty-three and 91/100 Dollars

$21,783.91

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

E. D. Talbert, Auditor

July 24, 1956

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

Mr. George W. Snyder, Jr., President
United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-K18

Dear Mr. Snyder:

Please refer to my letter of April 16, 1956, in regard to an adjustment in our claim against your corporation for a partial interest in a Joy, WK-80 compressor, bearing Serial No. 44692.

This adjustment was made in the form of a Report of Review of our audit bearing the date July 13, 1955. The Report of Review was based on the determination as expressed in my letter of April 16, 1956, and is sent to you for your files on this account.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure-1

JLChambers/wb
July 25, 1956

Copy to: Docket
Admr. Reading File
A. E. Weissenborn, Reg. I NWD (2)
Mr. Chambers
Mr. Griswold
Mr. Brading

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

JUL 24 1956

Mr. A. E. Weissenborn
Executive Officer, Northwest District
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Weissenborn:

Enclosed are the original and two copies of a Report of Review prepared by this Division for the purpose of revising the findings as stated in an Audit Certificate issued by T. H. Brading, DMEA Auditor, on July 13, 1955.

One copy should be retained in your files and the original and one copy should be forwarded to the Certifying Officer.

A copy of this revision will be sent the Operator from this office over the Administrator's signature.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/JLChambers/wb
July 24, 1956

Copy to: Docket
Admr. Reading File
Mrs. Myrtle Purdy
Mr. Chambers
Mr. Griswold
Mr. Brading, w/copy Rept. of Rev.

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

JUL 9 - 1956

Mr. A. E. Weissenborn
Executive Officer, Northwest District
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-41 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Ida-418

Dear Mr. Weissenborn:

For your information we are sending you two copies of a letter dated June 27, 1956, from the Department of Justice to A. Pratt Keller, Esquire, United States Attorney at Salt Lake City, Utah, in regard to protecting the Government's interest in the above-cited project.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures-2

JLChambers/wb
July 5, 1956

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Mr. Griswold
Mr. Chambers
Mr. Brading

C
O
P
Y

jdh

GCD:FYS

77-77-214

June 27, 1956

AIR MAIL

A. Pratt Kesler, Esquire
United States Attorney
Salt Lake City 1, Utah

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-E18, Docket No. DMEA-81 - $3,272.07.

Dear Mr. Kesler:

Transmitted herewith is a letter from the Department of the Interior dated June 20, 1956, together with copies of all enclosures mentioned therein.

The debtor advised Interior on May 1, 1956, that it had no cash and was selling its assets in order to pay its debts. Because the debtor apparently is preferring the claims of other creditors to that of the United States, please file suit on this claim immediately and take any available steps to protect the interest of the Government.

Please send us the usual copies of all pleadings, briefs or other documents and keep us informed of any developments in this matter.

Yours very truly,

Enc. No. 345

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

cc: Department of the Interior
Washington 25, D. C.
Att: Solicitor

By:

George F. Foley
Chief, Government Claims Section

JUN 20 1956

Hon. Herbert Brownell, Jr.
Attorney General
Washington 25, D. C.

My dear Mr. Attorney General:

There is submitted for appropriate action the matter of overpayment in the amount of $8,272.07 to the United Minerals Corporation (formerly United Minerals Reserve Corporation), a Nevada corporation at 518 Felt Building, Salt Lake City 1, Utah, party to a minerals exploration contract with the United States designated Exploration Project Contract No. IDM-6[illegible], Docket No. MMA-31, administered by the Defense Minerals Exploration Administration of this Department.

In general, the contract provided that the United Minerals Corporation (hereinafter referred to as the "Operator") engage in a project of exploration for lead and zinc as outlined in Exhibits "A", "B", "C", "D", and "E" of the contract dated June 22, 1951, and Amendments 1, 2, 4, 5, and 6. (Enclosure No. 1.)

Amendment No. 6 provided, in pertinent part, that if the work, which was then suspended, was not resumed by May 1, 1954, the Government's obligation to contribute to any costs incurred by the Operator after November 1, 1952 (except the costs of winding-up and settlement actions), would automatically terminate. (See paragraphs numbered 3 and 4(a) of Amendment No. 6.)

The Operator failed to resume work as required, and thereupon became obligated to dispose of any property acquired under the contract in which the Government had an interest, and to render to the Government an accounting, as required by the contract. (See Article 4(b) of Amendment No. 6 and Articles 6, 7, and 14 of contract form.)

Subsequently, the Government made a final audit of the accounts of the Operator relating to this contract and it was determined that the acceptable costs of the project amounted to $37,804.31. By the terms of the contract, the Government's share of these costs was 30 percent, amounting to $11,341.13. Since the Government had paid the Operator $23,613.20 on vouchers it had submitted, there appeared to be an overpayment of the difference between this amount and the

J. L. Chambers, DMEA

determined acceptable cost of $18,903.15, or $4,152.83. Thus, in a letter dated September 8, 1955, from the regional Executive Officer, transmitting a copy of the final audit report, to the Operator, repayment by the Operator of the amount of $4,152.83 was requested. (Enclosure No. 2)

In a letter dated September 19, 1955, to the Executive Officer, the Operator protested the amount of the Government's claim for repayment. (Enclosure No. 3.) The Executive Officer responded in a letter dated October 10, 1955, that the Defense Minerals Exploration Administration would review a statement from the Operator regarding the accuracy of the claim. (Enclosure No. 4.)

The Administrator of DMEA wrote the Operator under date of January 12, 1956, reminding it of the Government's claim and granting it 30 days in which to remit payment before taking further action. (Enclosure No. 5.) In a letter dated January 23, 1956, the Operator informed the Administrator that by letter of December 5, 1955, it had submitted to the Executive Officer for review its analysis of the Government's final audit report, and enclosed copies of the letter and the analysis. The basis of the Operator's disagreement with the report concerned the Government's claim of an interest in a compressor. (Enclosure No. 6.)

After a thorough review of the circumstances concerning the Operator's acquisition of the compressor for the project work, and the pertinent provisions of the contract, it was determined that the portion of the Government's claim based upon an interest in the compressor was erroneous. Therefore, the Administrator informed the Operator in a letter dated April 16, 1956, that the amount of the Government's claim against it for overpayment had been reduced accordingly from $4,152.83 to $3,272.07, and demanded payment of the reduced amount within 30 days. (Enclosure No. 7.)

The Operator responded in a letter dated May 1, 1956, that it had no cash but was attempting to pay its debts by liquidating items of equipment owned by it. (Enclosure No. 8.)

In a letter of May 7, 1956, the Administrator informed the Operator that if payment were not received by May 21, 1956, the matter would be referred to the Attorney General for appropriate action. (Enclosure No. 9.)

No further communication has been received from the Operator since the Administrator's letter of May 7, 1956. Accordingly,

it is requested that such action be taken to recover the amount of overpayment as you deem appropriate.

The enclosures furnished are either photostats or copies of the originals. If the United States Attorney who handles this case requires additional information, it may be requested of either the Executive Officer, DMEA Field Team, Region I, Northwest District, South 137 Howard Street, Spokane 4, Washington, or the Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

Sincerely yours,

J Reuel Armstrong

Solicitor

Enclosures

JLChambers/jd:HCRubin/cmd
6/14/56

Copy to: Solicitor's Docket (2)
DMEA Docket
Adm. Reading File, DMEA
Field Team, Region I, NW Dist. (2)
W. R. Griswold, DMEA
J. L. Chambers, DMEA
T. H. Breding, DMEA, Denver, Colo.
R. F. Dwyer
H. C. Rubin
chron.
pending

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

MAY 7 1956

Mr. George W. Snyder, Jr., President
United Minerals Corporation
516 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Ida-218

Dear Mr. Snyder:

This acknowledges your letter of May 1, 1956, in reply to ours of April 16, 1956, relative to your account.

Your statement that "We have asked our auditors to reconcile the new figures and will communicate with you in the near future" hardly satisfies the conditions under which I must handle Defense Minerals Exploration Administration delinquent accounts. This organization must have a tangible plan showing that our claim will be handled in a practical and expeditious manner.

Your corporation will have until May 21, 1956, at which time this matter must be submitted to the Attorney General of the United States for action.

Sincerely yours,

C. O. Mittendorf

Administrator

JLChambers/wb
May 4, 1956

Copy to: Docket
Admr. Reading File
Administrator
A. E. Weissenborn, Reg. I NWD (2)
Mr. Brading
Mr. Griswold
Mr. Chambers

C
O
P
Y

UNITED MINERALS CORPORATION

FELT BUILDING
SALT LAKE CITY 1, UTAH

May 1, 1956

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

Attention: Mr. C. O. Mittendorf

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-218

Dear Mr. Mittendorf,

We have received your letter of April 16 relative to the subject contract. We are pleased to receive word that you share our opinion in regard to the compressor equity. We have asked our auditors to reconcile the new figures and will communicate with you in the near future.

The Corporation is without cash assets and for your information, a copy of the last available balance sheet is submitted. The obligations of the corporation are being settled in an orderly fashion and a responsible portion of the outstanding obligations have been met. The plan of the corporation is to dispose of such items of equipment as they retain in order to liquidate outstanding obligations.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

/s/ George W. Snyder Jr.

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosure

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

APR 16 1956

Mr. George W. Snyder, Jr., President
United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-218

Dear Mr. Snyder:

Reference is made to my letter of March 15, 1956, relative to a review of certain correspondence sent by your company to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington, in connection with a final accounting of the above-cited project.

This review has lead me to conclude that the Government has no liquidation equity in a certain compressor described as Joy, WK-80, 315 CFM Diesel, Serial No. 44692, by terms of the contract and by our instruction to the corporation during the life of the contract.

On the basis of this decision I have increased the Government's accepted costs by the amount of $2,880.76, the value which had been placed on the Government's equity in the compressor. This would make the accepted costs of the project to be $43,567.83. Fifty percent of this, or $21,783.91, would be the Government's share. The Government paid your corporation the sum of $25,055.98, which results in a $3,272.07 overpayment.

I am asking you to write a check payable to the Defense Minerals Exploration Administration, and send it to Mr. A. E. Weissenborn, address given above, to close the account. I also wish to refer you to the last paragraph of my letter of January 12, 1956. It is my unpleasant duty to inform you that the policy of the Government does not allow me to hold such accounts in our possession indefinitely. Therefore it will be incumbent upon me to refer it to the Attorney General of the United States if satisfactory settlement is not made in thirty days.

Sincerely yours,

G. O. Mittendorf

Administrator

JLChambers/wb
April 5, 1956

Copy to: Docket
Admr. Reading File
Administrator
A. E. Weissenborn, Region I NWD (2)
Mr. Brading
Mr. Griswold
Mr. Chambers

RECEIVED
APR 16 1956
U. S. G. S.
SPOKANE, WASH

NOTE: Letter mailed from Spokane 4/16/56; Certified Mail receipt No. 143338, with return receipt requested. Receipt will return to Washington. EMR, Spokane

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
APR 20 1956

April 16, 1956

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Mittendorf:

We have dated and forwarded your letter regarding the Government's claim on United Mineral Corporation to George W. Snyder, Jr., President. Enclosed are four copies that you requested be returned to Washington when the letter was mailed from here.

We are glad that a decision has been made and have no other comment to offer.

By Field Team, Region I, NW Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: USBM (2)
USBM (AD)
Kellum
Brading, Denver

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

APR 1 0 1956

Mr. A. E. Weissenborn
Executive Officer, Northwest District
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Ida-218

Dear Mr. Weissenborn:

I have written a letter in regard to our claim on the above-cited Operator and, as you will note, have reduced the claim from approximately $6,000 to approximately $3,000 in overpayments.

This action was based upon the ruling of the Solicitor's office which was agreed to by our Contract Administration and Audit Division. Two copies of the Solicitor's ruling are enclosed for your office. The letter is sent to you for forwarding to the United Minerals Corporation for the sole purpose of giving you an opportunity to express your viewpoint after reading the Solicitor's ruling. If you are still in disagreement with this proposed settlement, please do not send the letter to the Corporation but give me the benefit of your opinion of the Solicitor's ruling and point out his errors.

mailed 4/16/56

Sincerely yours,

L. O. Mittendorf

Administrator

Enclosures

JLChambers/wb 4-5-56

Copy to: Docket
Admr. Reading File
Administrator
Mr. Brading
Mr. Griswold
Mr. Chambers

	City	Gov	Revised
Billed	$50,469.82	—	$50,469.82
Proceeds	9,465.26	-5,761.52	3,703.74
Net	41,004.56	-5,761.52	46,766.08
Disallowed	3,198.25	—	3,198.25
Accepted	37,806.31	-5,761.52	43,567.83
50% Part	$18,903.15	$2,880.76	$21,783.91
Actually Paid	25,055.98	—	25,055.98
Overpayment	$6,152.83	$2,880.76	$3,272.07

Audit Certificate

E 18 United Minerals, DM 84-81

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

APR - 2 1956

Memorandum

To: The Administrator, DMEA

From: Associate Solicitor, Division of Mineral Resources

Subject: Ownership of Property - Docket No. DMA-81, Contract No. Idm-218 (lead-zinc), United Minerals Reserve Corporation

Your memorandum dated March 13, 1956, requested our views on the discussion in the Final Audit Report for the subject contract that deals with the Homestake compressor.

The audit report concluded that the Government has an equity in the Homestake compressor because of contributions it made to the costs of monthly rentals paid by the Operator pursuant to the terms of a rental-purchase contract with Foulger Equipment Co.

The contract, written on the oldest form (April 1951) and dated June 22, 1951, provided for the purchase of the compressor in question (item 6, Exhibit "C" to the contract). When the first voucher was submitted by the Operator, the question arose as to whether the compressor should be treated as a cost item of rental or rental-purchase. The Operator, having acquired possession of the compressor as provided in the rental-purchase agreement with Foulger Equipment Co., dated June 6, 1951, expressed a preference for the latter arrangement. Although the Field Team inquired of the Washington office as to which subcategory should apply, the answer given by the Washington office does not appear in the DMEA docket. However, in a telegram dated October 5, 1951, the Executive Officer informed the Operator that the Washington office preferred "straight rental." Accordingly, Amendment No. 1, dated September 24, 1951, was executed providing, in item No. 1 of Exhibit "F" thereto, that the compressor was deleted from the list of purchase items in Exhibit "C," and, instead, listed as a rental item at "not to exceed $470.00 per month," which was the rental rate specified in the rental-purchase agreement.

During the period June 1951 through October 1952 the Government contributed toward 13 full monthly rental payments of $470.00 each and four prorated rentals. The Operator discontinued work in

J. L. Chambers

October 1952 and the Government made no further contributions of any kind to the cost of the compressor (rental or otherwise) beyond the October 1952 voucher.

The "Privilege of Purchase Option," which was a part of the Operator's rental-purchase agreement with Foulger Equipment Co., provided alternative methods by which the Operator could exercise its option to acquire title. If purchased, by payment of cash or by executing a conditional sales contract as required by the lessor, within 60 days of the lease date, it would be credited with 100 percent of the rentals paid; if purchased within 180 days, it would receive a credit of 90 percent of the rentals; and, by amendment of the agreement dated December 17, 1951, if purchased prior to July 16, 1952, it would be granted a credit of 85 percent of all rental payments. It does not appear from any papers before us that any option was exercised pursuant to these terms.

Nevertheless, on December 16, 1952, the Homestake compressor and another one not related to this contract (Lucky Strike) were refinanced under a single conditional sales contract with the C.I.T. Corporation. (There is no copy of this contract in the docket. Mr. Guy Snyder's letter dated May 26, 1955, to United Minerals refers to an 80-percent equity available in the Homestake compressor on the date the Conditional Sales Contract was executed, but there is no background material in the docket to explain this conclusion.)

Subsequently, the Operator rented the compressor to Consolidated Uranium Company at a rate of $300.00 per month, covering the period January 27, 1953, to May 27, 1954. In September 1954, Foulger Equipment Co. paid C.I.T. $3,906.44 to close out the account on the Homestake compressor, the Operator, apparently, not having obtained legal title thereto.

In a letter dated January 25, 1956, the Operator requested a reconsideration of that part of the Government's claim for overpayment (Administrator's letter dated January 12, 1956, to Operator), based upon the Government's interest in the equity in the compressor, contending that it never had any equity.

The audit report, however, concluded that the credit allowed the Operator by C.I.T. was the amount of the equity in which the Government has an interest. In short, the report concluded that the Government is entitled to a credit to the extent of its share of an equity in the compressor amounting to $3,741.52.

When this question was presented to us in April 1955, it was our view (expressed in a memorandum of April 22, 1955, based upon the three letters referred to therein) that the Government had an interest in the equipment by reason of the fact that it had contributed to payments under a rental-purchase agreement. We believe now, after reviewing the entire record, that this conclusion was in error.

Article 6 of the contract provided for listing in Exhibit "C" those equipment items to be rented and those to be purchased and the "allowable rental, purchase price, or rental value" of each. Article 7 provided that equipment paid for or purchased with funds contributed jointly by the Operator and the Government would belong to them jointly in proportion to their respective contributions. Article 10 specified that the allowable costs of the project are limited to the necessary, reasonable, and direct costs of performing the work. As afore-mentioned, Amendment No. 1 deleted the compressor as a purchase item and substituted a maximum rental as an allowable cost of the project. We believe that a reasonable reading of these contract provisions in relation to the events previously described leads to the conclusion that the Government, with full knowledge of the facts concerning the Operator's existing obligation with respect to the compressor, agreed by Amendment No. 1 to contribute only to the reasonable, "straight rental" value of the compressor, not exceeding $470.00 a month, and not to contribute toward any equity.

Accordingly, it is our view that the approach to winding-up this item of the contract on the basis that the Government has an interest in an equity in a compressor established by way of contributions to monthly rentals is in error, and that settlement of this item should be made on the basis of the reasonableness of the rentals paid thereunder. The determination of this question is an administrative one. In this connection, it has been noted above that the Government did not agree to contribute to a fixed monthly rental, but rather, to contribute toward not to exceed $470.00 per month. We do not believe it can be concluded on the basis of the evidence in the docket alone that since the Operator rented the equipment for $300.00 per month to Consolidated Uranium Company said sum constitutes the reasonable value, because it does not appear from any information we have that this rental was made on a competitive basis. It may have been made, for example, because of geographic proximity, pending resumption of work by the Operator. On the other hand, since $470.00 a month was the monthly rental rate stated in the rental-purchase agreement, the figure may not be too high, even if the Operator acquired no rights in the compressor as such without exercising the Privilege of Purchase Option.

We would be pleased to participate in any further discussion regarding the winding-up of this matter.

Robert P. Dwyer

RCRubin/cmd

Copy to: Solicitor's Docket (2)
DMEA Docket
J. L. Chambers
G. C. Selfridge
W. R. Griswold
R. P. Dwyer
M. C. Rubin
chron.

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

MAR 15 1956

Mr. George W. Snyder, Jr., President
United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-518

Dear Mr. Snyder:

Your letter of January 23, 1956, forwarding copies of a letter written by you to A. E. Weissenborn, Executive Officer of Region I, Northwest District, and a letter addressed to you by Guy Snyder, secretary of your company, both under date of December 5, 1955, are acknowledged.

These letters have been referred to our audit division and our legal counsel for study and advice as to our interest in certain property used on the above-cited project. I expect a ruling from audit and legal within a week or ten days and will notify you as to our determination in the matter.

Sincerely yours,

G. O. Mittendorf

Administrator

JLChambers/wb
March 13, 1956

Copy to: Docket
Admr. Reading File
Administrator
A. E. Weissenborn, Region I NWD (2)
Mr. Brading
Mr. Griswold
Mr. Chambers

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

March 13, 1956

Memorandum

To: Mr. Robert P. Duyer, Associate Solicitor
Division of Mineral Resources

From: Administrator

Subject: Ownership of Property
Docket No. DMEA-81 (lead-zinc), United Minerals Corporation
Homestake Mine, Blaine County, Idaho, Contract No. Idm-E18

I am referring to you for legal advice the case of United Minerals Corporation, party to the above-cited project, relative to our interest in certain equipment used on the project and purchased on a rental-purchase agreement with our participation. The question as to the legality of our claim as set forth in the audit of Thomas H. Breding is for proper advice from your office.

I am sending you along with this letter some documents furnished us by A. E. Weissenborn, Executive Officer, Region I, Northwest District, and also the docket file and the Contract Administration and Audit Division file which, I believe, will give the background.

C. G. Mitterwer

Administrator

Attachment

JIChambers/wb
March 13, 1956

Copy to: Docket
Admr. Reading File
Administrator
Mr. Griswold
Mr. Chambers

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

RECEIVED
FEB 17 1956

224 New Customhouse
Denver 2, Colorado

February 14, 1956

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I, N.W. District
South 157 Howard Street
Spokane 4, Washington

Re: Docket DMEA-81 (Lead-Zinc) Contract Idm-815
United Minerals Corporation, Homestake Mine
Blaine County, Idaho

Dear Al:

I feel that a careful rereading of Mr. Guy Snyder's letter of May 20, 1955 to United Minerals Corporation, regarding the Homestake Compressor, Joy W 7 C 80, 315 CFM Diesel, Serial No. 44692 (copy of which was forwarded to you on May 20, 1955 by Guy Snyder) will establish the following:

(1) On that date (May 20, 1955) Mr. Guy Snyder stated in writing that a cash allowance of $6,016.00 was made on Compressor Serial No. 44692

(2) Between January 27, 1953 and May 27, 1954 seventeen (17) monthly rental payments of $300.00 each were received from Consolidated Uranium Company for use of the Homestake Compressor

(3) The fact that the Operator did not see fit to apply any of these payments to the C.I.T. account, does not in any way jeopardize the Government's interest in the equity established December 10, 1952

(4) If, as Mr. Guy Snyder states, the United Minerals Corporation did not have an equity in the compressor, it follows that all the payments received by them from Consolidated Uranium Corporation for rental would revert to C.I.T. If this procedure had been followed, the Corporation would have had title to the compressor before September 27, 1954, the date that Folger Company paid the balance to C.I.T.

All the Government is claiming is a calculated equity in this cash allowance made by C.I.T. In my opinion the claim should stand as shown in the audit report.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

THB:bh
cc-J. L. Chambers
T. E. Howard
Subject
Chron.

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

February 8, 1956

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-81 (lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Tom:

No doubt you have read Mr. Selfridge's letter to me of February 1, 1956 and the enclosures. We would appreciate your comments on this matter as soon as possible so that the ball can be kept rolling.

The two Synder letters of December 5, 1955, copies of which were enclosed with Mr. Selfridge's letter, were never received either at the Bureau or the Survey.

Apparently Mr. Snyder's only objection (although he may have others later) to the audit findings is the manner in which the compressor, Serial No. 44692, was handled. Mr. Buy Snyder's letter of December 5, 1955 and other letters in our file definitely establish that the compressor was being purchased instead of rented.

If, in your opinion, Mr. Snyder's letters present some new evidence that might alter the audit findings, we shall be glad to recommend a change.

Sincerely yours,

A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District

cc: DMEA (2)
USBM (2)
Turner

Mr. Chambers

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

FEB - 1 1956

Mr. A. E. Weissenborn
Executive Officer, Northwest District
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Ida-818

Dear Mr. Weissenborn:

Under date of December 19, 1955, you informed this Committee that no response had been received to the Field Team's letter of November 9, 1955, to the referenced Operator in regard to his protest of the audit settlement of the project contract. You also suggested that further action in the matter be handled by the Washington office.

Accordingly, by letter dated January 12, 1956, referencing the failure to reply to the Field Team's letters, the Administrator advised the Operator that unless settlement of the indebtedness was effected within thirty days the matter would be referred to the Attorney General of the United States. The Operator has replied under date of January 23, 1956, with a letter enclosing for our consideration a reply, addressed to you on December 5, 1955, which in turn enclosed a letter bearing the same date from Guy Snyder, secretary of the company, relative to the transactions involving the Joy compressor, serial No. 44692. Copies of the Operator's letter of January 23, 1956, and the enclosures are attached hereto.

As will be noted from this latest submission the Operator now specifically claims that the option to purchase the compressor was not exercised, title never passed to the Operator, no equity was established by the Operator and, therefore, the Government had no equity in this item of equipment. This claim appears to be contrary to the findings upon which the audit settlement was based and, accordingly, if now concurred with, would require a revision of the Audit Report and Certificate dated July 13, 1955, and a reduction in the Operator's indebtedness to the Government by $2,880.76, that is, from $6,152.83 to $3,272.07.

Your comments and recommendations on this matter are re-
ted. However, since the audit findings with regard to the project
ment resulted from joint determinations by representatives of the
Team and Thomas H. Brading, as auditor of the Contract Adminis-
tion and Audit Division, it is suggested that Mr. Brading be
consulted before submission of such comments and recommendations. A
copy of this letter, together with the enclosures, is being sent to
Mr. Brading.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures
EDTalbert/wb
January 30, 1956

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Mr. Griswold
Mr. Chambers
Mr. Brading

COPY

UNITED MINERALS CORPORATION
Felt Building
Salt Lake City 1, Utah

January 23, 1956

Mr. C. O. Mittendorf, Administrator
U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-R18

Dear Mr. Mittendorf,

We have received your letter of January 12 relative to settlement of the subject docket number account.

On December 5, 1955 we forwarded to Mr. Weissenburn in Spokane, Washington, the attached covering letter and analysis prepared by the secretary of the company. These copies are attached for your information.

We will sincerely appreciate such consideration as you may give their contents.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

/s/ George W. Snyder Jr.

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosures

C
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P
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December 5, 1955

Mr. A. E. Weissenborn, Executive Officer
U. S. Geological Survey
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA-51 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-216

Dear Mr. Weissenborn,

Since our earlier letter in regard to the Homestake account and final settlement, we have made very careful examination of all of the matters pertaining to the final audit. A large portion of this study has been made by Guy Snyder, Secretary of the company. He has submitted to the corporation, the attached letter which we feel very fairly sets out the questions involved. We most sincerely request that you study same and sincerely hope that your reappraisals will result in your reaching the same conclusions as we ourselves have.

Perhaps there is some point in the transactions that we do not understand, but our carefully considered opinion is that deviations from the contract and amendments would have to be made in order to justify what we believe to be an arbitrary decision in regard to the Compressor item.

Thanking you most sincerely for any reconsideration that you may give this matter, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosure

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December 5, 1955

Mr. George W. Snyder, Jr., President
518 Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA-81 (lead-mine)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E 18

Dear George:

At your request I will again endeavor to set down facts in connection with the above file and particularly in connection with transactions involving Homestake Compressor, Serial No. 44692.

1. A Conditional Sales Contract was entered into with Folger Equipment Company, Salt Lake City, Utah in June, 1951 and subsequently payments were made to them.

2. In December 1952 during the period in which the Government declined to join advances for equipment rental, it became necessary to refinance the Conditional Sales Contract. C. I. T. Corporation, San Francisco then took over the contract and some payments were made on this account.

3. Failure to keep up payments to C. I. T. Corporation in a satisfactory manner caused a forced liquidation of the account by C. I. T. in September, 1954.

4. At no time did title to the Compressor leave the hands of a finance company, nor was any equity ever established for United Minerals Corporation. Title never passes under a Conditional Sales Contract until payment has been made in full. If United Minerals never established any equity how could the Government.

I believe that a misunderstanding has been brought about in this case by your use of the phrase "purchase option was exercised" in your letter of 1, April, 1955 to Tom Howard. The same thought of an option being exercised is expressed in the letter of 8, April, 1955 from the Field Team of Messrs.

Weissenborn and Agnew. In my humble judgment no option was ever exercised or title to the equipment would have passed. This did not happen.

Kindly advise if I may be of further service.

Very truly yours,

/s/ Guy Snyder

Guy Snyder,
Secretary

GS:pt

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

JAN 12 1956

Rec'd. 1/16/56

Registered Mail
Return Receipt Requested

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Ida-E18

Dear Mr. Snyder:

The records of this Administration indicate that you owe the Government the sum of $6,152.83 under the referenced exploration project contract.

The matter of this indebtedness was the subject of letter dated September 8, 1955, addressed to you by the DMEA Field Team, Region I, Northwest District, Spokane 2, Washington. Your letter dated September 19, 1955, stated that the matter was being referred to your auditors for counsel and examination and reply. No such reply has been received although the Field Team directed your attention to the matter in letters dated October 10, 1955, and November 9, 1955.

It is not within the authority of this Administration to postpone indefinitely such action as may be necessary to collect amounts properly due the Government. Accordingly, I must advise you that, unless payment of the sum of $6,152.83 is received within thirty days from the date of this letter, it will be necessary to refer the matter to the Attorney General of the United States for collection action.

Sincerely yours,

C. D. Mitchell

Administrator

CEFisher/wb
December 29, 1955

Copy to: Docket
Admr. Reading File
Reg. I NW Dist.
Administrator
Mr. Griswold
Mr. Chambers

C
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P
Y

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

December 1, 1955

Memorandum

To: Administrator, DMEA

From: Associate Solicitor, Division of Mineral Resources

Subject: George W. Snyder and George W. Snyder, Jr., DMEA-1949
United Minerals Corporation, DMEA-1948
United Minerals Corporation, DMA-81

In a memorandum received here November 22 you requested our opinion as to whether any balances due George W. Snyder and George W. Snyder, Jr., as individuals under their contract identified above, could be set off by the Government against the indebtedness by United Minerals Corporation, a Nevada corporation (the "Corporation"), under the corporation's two contracts identified above.

It appears that Docket No. DMEA-1949 originally was assigned to an application by the Corporation, but the contract was executed with the Snyders instead, because the interests in the project land appeared to be held by them (see Chief Counsel's letter dated March 26, 1952, to the Corporation). From an examination of the application submitted in connection with Docket No. DMEA-1948 ~~the application submitted in connection with Docket No. DMEA-1948~~ by the Corporation, it does not appear that the Snyders were, at the time of the application, the sole stockholders of the Corporation, but rather were, at that time, officers, directors, and two of the five largest stockholders. We have no information that these circumstances have changed.

Whenever a person having a claim against the Government is also indebted to the Government, it is required that the Government's claim be set off against the indebtedness. See 28 Comp. Gen. 543,546 (1949). In the application of this rule, it is contemplated that the same person be both the debtor and the creditor. 14Op. Atty. Gen. 412 (1874).

A corporation is an entity distinct from the shareholders or officers thereof, with exceptions that are not applicable here. In this regard, from the facts before us, it appears that the individuals who constitute the operator under Docket No. DMEA-1949, although also officers and directors and nonexclusive stockholders in the Corporation, are a separate legal person from said corporation.

Accordingly, the question asked in your memorandum must be answered in the negative. (Compare memorandum from this office to the Administrator dated July 18, 1955, re the question of computation of royalties in connection with M.I.A. Mines, Docket No. DMEA-2688.)

As a practical matter, however, there would not be an objection to attempting to have the Snyders voluntarily authorize the desired set off.

/s/ Robert P. Dwyer

Robert P. Dwyer

HCRubin/wog
12/1/55
Copies to: DMEA Docket (3)
Solicitor's Docket
WRGriswold (2)
GCSelfridge
RPDwyer
HCRubin
Chron.

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

NOV 18 1955

Memorandum

To: Mr. Robert P. Dwyer, Associate Solicitor, Division of Mineral Resources

From: Administrator

Subject: Docket No. DMEA-1949 (Lead-Zinc), G. W. Snyder & G. W. Snyder, Jr., Lucky Strike Mine, Lander County, Nevada, Contract Idm-E322;

Docket No. DMEA-1948 (Lead-Zinc), United Minerals Corporation Rip Van Winkle Mine, Elko County, Nevada, Contract Idm-E302; and

Docket No. DMEA-81 (Lead-Zinc), United Minerals Reserve Corp., Homestake Mine, Blaine County, Idaho, Contract Idm-E18

There is a small balance due the Operator, Snyder & Snyder, under project DMEA-1949, Idm-E322. There are deficits or amounts due the United States on the other two projects, namely, United Minerals Corporation, DMEA-1948, Idm-E302, and United Minerals Reserve Corporation, DMEA-81, Idm-E18. The first two projects are in Region II and the third project is in Region III.

I am sending you the DMEA docket files on these three projects with the request that you give me your opinion on whether or not any balances due the Operator on the first project, that is, DMEA-1949, Idm-E322, can be applied to the deficits or the amounts due the United States Government from the other two projects.

You will note that under project DMEA-1949, Idm-E322, the first applicant was the United Minerals Reserve Corporation which is the Operator of the other two projects. (Same officers and stock holders as United Minerals Corporation.) This Corporation is also the guarantor of royalties on the first project. It appears that the application of the United Minerals Reserve Corporation for project DMEA-1949, Idm-E322 was eventually changed to Snyder & Snyder.

Frank E. Johnson

JLChambers/wb
November 18, 1955

ACTING Administrator

Copy to: Docket (3)
Admr. Reading File
Mr. Griswold
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
November 9, 1955

RECEIVED
NOV 14 1955

Certified Mail
Return Receipt Requested

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Snyder:

On September 8, 1955 we sent you a copy of a final audit report on Contract No. Idm-E18, and we requested reimbursement in the amount of $6,152.83, which was in accordance with the findings of the audit.

In answer to your letter of September 19, protesting the audit findings, our October 10 letter again reminded you that $6,152.83 is due the Government from United Minerals Corporation. We also said that we would be glad to receive a statement from your auditors concerning the audit findings. To date we have not had an answer to our letter.

If this matter is not satisfactorily resolved by December 9, 1955, we shall refer it to our Washington, D.C. office for appropriate action.

By Field Team, Region I, NW District

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3)
USGS (2)
USBM (AD)
Turner
Mavor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.~~C.

1201 W. Division St.
Spokane 2, Washington
November 9, 1955

AIR MAIL

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-81 (lead-zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-818

Dear Mr. Selfridge:

Enclosed are copies of a letter dated November 3 from Mr. George Mayer, DMEA Auditor, informing us that money owing the Operator under Docket No. DMEA-1949, Contract No. Idm-X222, and Docket No. DMA-1948, Contract No. Idm-X302 in Region II could be used to reduce the Operator's indebtedness to the Government in Region I. Mr. Mayer estimates that settlement due the Operator in Region II amounts to $1,195.21, whereas the Operator owes the Government $6,152.83 in Region I.

We recommend that the amount owed the Operator in Region II be used to reduce the amount owed by him in Region I.

By Field Team, Region I, NW District

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Ming G. Agnew, Member
U. S. Bureau of Mines

cc: USGS (2)
USBM (AD)
Turner
Mayer

RECEIVED
NOV 14 1955

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

420 CUSTOM HOUSE
555 BATTERY STREET
SAN FRANCISCO 11, CALIF.

RECEIVED
NOV 7 1955

November 3, 1955

Mr. A. E. Weissenborn, Executive Officer
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

RE: Idm. E18- DMEA-81
United Minerals Corp.
Homestake Mine
Blaine County, Idaho

Dear Mr. Weissenborn:

I am in receipt of teletype message dated November 2, 1955, from Mr. Jay L. Chambers, wherein he advises me to contact you in connection with final settlement of subject operator's contract, with the thought in mind that funds still due the operator in Region II, could be applied against any sums due the Government by the operator in Region I, Northwest District.

The status of two contracts showing the amounts due the operator in Region II, are as follows:

	Due Operator
Geo. W. Snyder & Geo. W. Snyder, Jr. Luckey Strike Mine, Lander County, Nevada Contract No. Idm. E322, Docket No. DMEA-1949 (Lead-Zinc) Contract terminated May 4, 1955 Amount Due Operator	$1,229.39 - 482.39 salvage 747.00
United Minerals Corporation Rip Van Winkle Mine, Elko County, Nevada Contract No. Idm. E302, Docket No. DMA-1948 (Lead-Zinc) Contract terminated June 3, 1955 Amount Due Operator	448.21 - 448.21 salvage 0 747.00
Due Operator-Before Salvage	$1,677.60

Mr. S. Ricker, Executive Officer, Region II, is presently trying to obtain salvage bids on both contracts, and the operator has been advised that if no bids are received within a reasonable time, the Government will make a final determination of salvage value in order to close the contracts. It now looks as if Government action will have to be taken and based upon available figures there is an estimated settlement due operator amounting to $1,195.21 which could be used to

12

reduce any amounts due Region I, Northwest District. However, the entire amount of $1,677.60 due the operator before salvage, could be withheld if necessary, and applied against amounts due the Government by the operator, in Region I, Northwest District.

Please let us know what action Region II, should take before making any settlement with the operator.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Copy to: Jay L. Chambers
S. Ricker

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
~~[illegible]~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
OCT 14 1955

October 10, 1955

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-81 (lead-zinc)
Hecla Mine
Blaine County, Idaho
Contract No. IDm-218

Dear Mr. Snyder:

On September 8, 1955, we sent you a copy of a final audit report on your exploration contract. We stated that reimbursement in the amount of $6,152.83 was due the Government.

Subsequently, we received your letter of September 19, 1955, protesting the audit report. We will be glad to receive a statement from your auditors concerning the matter and wish to urge you to submit any comments as soon as possible. We must, however, remind you that according to our records $6,152.83 is due the Government from the United Minerals Corporation.

By Field Team, Region I, DM Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: ✓DMEA (1)
[illegible] (2)
[illegible] (1b)
Bureau (2)

DMEA-81, IDM-E18, UNITED MINERALS CORPORATION

(Transcript of file from date of last work)

11/7/52	Memo Johnson (Bu Mines Engr.) to Fld. Team Reg. II states on visit 10/30/52 mine deserted and bldgs. & Equip. prepared for winter recess.
11/14/52	Ltr. Opr. to Fld. Team (attached to Oct. '52 MF-104) advises "because of threatening weather, the Operator elected to suspend operations for winter."
12/11/52	Oct. '52 Mf-104, dated by Opr. 11/15/52, approved by Fld. Tm. 11/18/52, certified for paymt.
4/2/53	Ltr. Fld. Team to Opr. Comm. requests extension of contract from 6/22/53 to 10/1/54 due to winter recesses.
4/20/53	Ltr. Opr. Comm. to Fld. Team authorizes Fld. Team preparation of amendment for recessing a specified period, a fixed time for resumption, and extension of time for completion, (prepared but not released).
5/1/53	Ltr. Opr. Comm. to Fld. Team authorizes signature to Amendment No. 5 extending expiration to 6/22/54.
5/15/53	Amend. No. 5 executed.
7/13/53	Memo Johnson (Bu Mines Engr.) to Fld. Team states on visit 7/3/53 no activity and 315 cfm compressor removed.
8/28/53	Ltr. Fld. Team to Opr. requests advice as to intentions.
8/28/53	Ltr. Fld. Team to Opr. Comm. advises of meeting 7/20/53 with Hal Covey (Operator) who stated Opr. might be unable to resume work during season and states Fld. Team not in favor of termination because of possibilities.
9/9/53	Ltr. Opr. to Fld. Team advises addt'l. financing after first of year may permit resumption of operations.
9/15/53	Ltr. Fld. Team to Opr. Comm. requests permission to terminate contract.
10/5/53	Ltr. Opr. Comm. to Fld. Team requests recommendation as to certification or a termination with pseudo-certification.
10/9/53	Ltr. Fld. Team to Opr. Comm. recommends second alternative.
10/27/53	Ltr. Fld. Team to Opr. Comm. recommends termination for failure to conduct work pursuant to contract terms.

Oct 21/53 Memo of Killsgaard, Geologist, Serving on members of Equip

1/8/54	Amend. No. 6 extends contract to 11/22/54, approves suspension 11/1/52 to 5/1/54, provides automatic termination 5/1/54 if work not resumed with pseudo.
1/11/54	Ltr. Adm. to Opr. transmits Amend. No. 6 for signature.
1/15/54	Ltr. Opr. to Adm. returns executed amend., but states as lessee Opr. has no authority to bind owner and snow conditions generally make operations impossible before May 1.
2/18/54	Ltr. Adm. to Opr. advises if snow conditions are such an additional amend. for 30 or 60 days will be granted.
5/20/54	Memo Johnson (Bu Mines Engr.) to Fld. Team states visit on 5/3/54 disclosed no indications of activity though only 2 days work with bulldozer would be required to open road to portal.
7/20/54	Ltr. Fld. Team to Opr. requests advice as to plans and states, unless resumption of work is in process, settlement of property equity is in order (and lists MF-104 items "wherein a Govt. equity in salvage might be considered", including "any rental purchase item").
8/6/54	Ltr. Opr. Comm. to Fld. Team states, if work has not been started, Opr. should be notified Govt. will make no further contributions and settlement actions should be taken.
8/19/54	Memo Johnson (Bu Mines Engr.) to Fld. Team reports on visit 7/25/54, lists equipment & supply items at property, equipment items "removed for safe keeping or to be used elsewhere", and gives a suggested valuation of $5,740.00 for Govt. equity (incl. rental-purchase item).
9/13/54	Ltr. Fld. Team to Opr. follows-up ltr. of 7/20/54 and refers to Opr. ltr. 8/3/54 advising matter was under advisement.
9/27/54	Ltr. Opr. to Fld. Team request further extension of contract.
9/28/54 to 10/1/54	Brading (auditor) assisted by Howard (Bu Mines Engr.) performs audit in Opr. office at 518 Felt Bldg., Salt Lake City, Utah, consulting with Geo. W. Snyder, Jr. (president), H. A. Covey (Vice-President) & R. E. Hawkins (CPA) as required. (Note: The audit findings, except for the uneffected property disposition, were discussed with Snyder on 10/1/54.)
10/13/54	Ltr. Fld. Team (Reg. II) to Fld. Team (Reg. III) requests that Reg. III continue to withhold $1500 under contract E302 to partially cover equity under E18.
10/14/54	Ltr. Fld. Tm. to Opr. in reply ltr. 9/27/54 denies extension and requests disposition of property "as soon as possible".

10/20/54 Fld. Team (Reg. III) ltr. to Fld. Team (Reg. II) in reply to ltr. 10/13/54 advises $448.21 (not $1500) withheld on E302 is insufficient for salvage thereunder.

10/25/54 Opr. Comm. ltr. Fld. Team requested conclusion of contract in accordance with Opr. Comm. ltr. 8/6/54.

11/3/54 Ltr. Opr. to Fld. Team advises inventory taken and analysis of charges being prepared, but not possible to complete before 11/20/54.

11/23/54 Ltr. Opr. to Fld. Team advises appraisal of assets on property and also preparation by C. I. T. Corp. of rental-purchase transaction analysis in process.

11/18/54 Ltr. Opr. to Fld. Tm. promises "the preliminary analysis on the subject contract settlement in about another week." (No copy of this ltr. in files.)

2/24/55 Ltr. Fld. Tm. to Opr., referring to ltr. 11/18/54, advises if statement not rec'd. by 3/15/55 Fld. Tm. will recommend referral to Atty. Gen.

3/2/55 Ltr. Opr. to Fld. Tm. encloses copy of ltr. from C. I. T. Corp. in re rental-purchase of compressor, states all Emico Corp. rental equipment returned, advises supplies & equip. on property offered for sale with no bids, powder returned for credit, and slusher bucket, timber trucks & mule "properly allocated during your audit."

3/10/55 Ltr. Fld. Tm. to Opr. Comm. advises of Snyder's (Operator's) visit and his promise to make every effort to clean up the account in the shortest possible time.

4/1/55 Ltr. Opr. to Fld. Tm. submits itemization of rental-purchase paymts., opines Govt. has no equity therein, states "your office declined to go along with rental payments during shut-down periods and suggested that we put the unit out on rental to others", and promises "appraisal of the remaining facilities as soon as surface and water conditions permit."

4/8/55 Fld. Tm. ltr. to Opr. states Govt's. equity in rental-purchase compressor is proportional to its contribution, and requests addt'l. information by 4/22/55.

4/22/55 Memo Act. Asst. Sol. to Adm. states, in effect, that Fld. Team determination is correct.

5/4/55 Ltr. Opr. to Fld. Tm., in reply ltr. 4/8/55, states hope to complete accounting within next few days.

5/20/55 Ltr. Opr. to Fld. Tm. forwards analysis of C. I. T. Corp. transaction indicating equity of $6,016 on compressor as of 12/10/52 and indicates no progress on disposition of other items.

5/26/55 Ltr. Fld. Tm. to Brading (auditor) requests him to come to Spokane and states "Since United Minerals has made only a random effort to dispose of the equipment it is planned to set a valuation on same in order that you may complete your audit."

6/2/55 Ltr. Chambers to Brading authorizes trip to Spokane and requests that audit report give complete story on jointly-purchased equipment.

6/28/55 Ltr. Brading to Chambers notifies of intent to be in Spokane on 7/7/55.

7/19/55 Ltr. Howard (Bu Mines Engr.) to Brading opines $6,016 represents a reasonable credit allowance for the rental-purchase compressor.

7/27/55 Ltr. Brading to Chambers transmits final Audit Report and Certificate dated 7/13/55 for approval.

8/8/55 Ltr. Talbert to Brading authorizes release of Report and Certificate after specified minor corrections.

8/10/55 Ltr. Brading to Talbert advises 5 copies of Report and Certificate forwarded to Fld. Tm. for distribution.

9/8/55 Ltr. Fld. Tm. to Opr. forwards copy of Report and Certificate and requests reimbursement of $6,152.43, the difference between certified amount payable of $18,903.15 and the amount heretofore paid of $25,055.98. (Note: The $6,152.43 represents 50% of audit disallowances of $2,840.39 and the arbitrary salvage valuation of $9,465.26.)

9/19/55 Ltr. Opr. to Fld. Tm. advises of protest and reference to Opr. auditors for examination and reply.

9/23/55 Ltr. Fld. Tm. to Opr. Comm. requests "that the matter be placed in hands of Attorney General."

10/3/55 Ltr. Opr. Comm. to Fld. Tm. advises "A reasonable time must be allowed the Operator for the presentation of the details of the protest or to make arrangements to pay the amount found to be due the Government."

Addenda

3/4/55 Ltr. Adm. to Opr., drafted by Chambers and approved by Hofflund, notes unauthorized removal of equipment, failure to perform settlement actions, and dereliction in responding to requests for information and states, unless satisfactory settlement

proposal rec'd. in 30 days, settlement would be on basis of disallowance of all equipment costs. (Note: This letter not sent as Adm. handled case by telephone and authorized Ex. Off. to determine settlement.)

12-29-55 - Letter of Miller to operator demanding payment of Govt claim of $6,152.83

12-5-55 - Letter of Guy Snyder for United Mine Workers to Geo W. Snyder Jr. president of U.M.C.

" Letter of Geo Snyder to Weissenborn

Apr. 15, 1956 Letter of Adm to operator informing of court decl advising and ruling on operators non claim on appeal

May 9, 1956 - Adm's letter to operator notifying claim of extended action

cc: Docket File
Division File
Mr. Brading
EW
10/5/55

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I -
Northwest District
South 157 Howard Street
Spokane 4, Washington

OCT 3 - 1955

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Weissenborn:

By letter dated September 23, 1955 you have requested that the matter of the referenced Operator's indebtedness in the amount of $6,152.83 be placed in the hands of the Attorney General.

The one and only request for payment made on this Operator was by the Field Team's letter of September 8, 1955, which also transmitted a copy of the audit report and certificate. This certificate disclosed that the amount properly for payment to the Operator was $18,903.15, whereas a total of $25,055.98 has heretofore been paid to the Operator. Under date of September 19, 1955 the Operator replied that he was protesting the audit findings and indicated that a further reply would be made after examination of the audit report by its auditors.

A reasonable time must be allowed the Operator for the presentation of the details of the protest or to make arrangements to pay the amount found to be due the Government. Thereafter consideration will be given to the action required by this Administration under the circumstances. Such action may include referral to the Attorney General.

In connection with the matter or referrals to the Attorney General please see this Committee's letter of September 22, 1955 in regard to Docket No. DMEA-2131, Contract No. Idm-E214, Tungsten Uranium Mines, and Docket No. DMEA-2341, Contract No. Idm-E436, Western States Copper Corporation.

Sincerely yours,

APPROVED:

Member, Bureau of Mines

Chairman, Operating Committee

Member, Geological Survey

Mr. Bishop
Operating Comm.
FT, Reg. I(NW) - 2

Mr. Brading
Mr. Chambers
Mr. Killegaard

EDTalbert/mm
September 29, 1955
Copies to: Docket
Adm. Read. File
Mr. Grimwold

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

RECEIVED
SEP 28 1955

224 New Customhouse
Denver 2, Colorado

September 26, 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: United Minerals Corp.
Contract Idm-E18
Docket No. DMEA-81

Dear Mr. Talbert:

Attached are copies of two letters which I received Friday, September 23, 1955. No doubt copies have been forwarded to the Administrator but I thought best to forward these copies for your information.

Sincerely yours,

T. H. Brading, Auditor

Encs.

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY, UTAH

September 19, 1955

Mr. Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines
U.S. Department of the Interior
Defense Minerals Exploration Administration
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA-81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Agnew:

We have received via certified mail, your letter and audit certificate of September 8, 1955. This letter is to advise you of our protest of the findings of the auditor in settlement of the subject contract. Apparently the matter will assume legal proportion and is being referred to our auditors for counsel and examination and reply.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.,
President

GWSjr/pt

CC: Verne C. Fryklund, Jr.,
Acting Member,
U. S. Geological Survey

xxxxxxxxxxxxxxxxxx

1201 N. Division St.
Spokane 2, Washington
September 8, 1955

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

United Minerals Corporation
518 Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA-81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Ida-818

Gentlemen:

Enclosed is a copy of a final audit report by DMEA Auditor T. H. Brading, covering activities under the subject contract for the period June 22, 1951 to October 31, 1952, the termination date of the contract.

As you will see from the audit, a few small disallowances have been made by the auditor and the project has been given credit for various items of equipment and supplies which had been purchased under the contract and then returned to the vendor for credit. These items total $2,840.39. The project was also given credit for proceeds from the liquidation of jointly-owned property remaining in your possession at the close of the contract in the amount of $9,465.26, making a total deduction from costs as claimed of $12,305.65. The audit shows total accepted project costs of $37,806.31. The contract calls for a 50 percent participation in exploration expenses by the Government; therefore, payment of $18,903.15 to the Operator has been approved by the audit. Our records show that $25,055.98 has been paid to the Operator.

In accordance with the findings of this audit we request reimbursement in the amount of $6,152.83. Your remittance should be made payable to Defense Minerals Exploration Administration and mailed to A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, No. 157 Howard Street, Spokane 4, Washington.

By Field Team, Region I, NW District

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Verne C. Fryklund, Jr., Acting Member
U. S. Geological Survey

cc: DMEA (2)
USGS (2)
Enclosure

DMEA (AD)

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
JUL 20 1955

AUDIT CERTIFICATE

I have examined the records and transactions of the:

United Minerals Corporation
Formerly United Minerals Reserve Corporation
518 Felt Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E18, Docket No. DMA-81, including amendments one through six, covering a project for the exploration of zinc and lead in Blaine County, Idaho, commonly known as Homestake Mine, for the period of July 1951 to October 1952, and subsequent disposition of project property.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$50,469.82
Less: Proceeds from disposition of property		9,465.26
Net Claimed Cost		41,004.56
Exceptions (See audit report for details)		
Prior to this audit	$357.86	
During this audit	2,840.39	3,198.25
Total Accepted Cost		$37,806.31

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eighteen thousand nine hundred three and 15/100 Dollars,

--$18,903.15--

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

July 13, 1955

T. H. Brading, Auditor

A U D I T R E P O R T

I. INTRODUCTION

On September 28, 29, 30 and October 1, 1954 a final audit (covering the period June 22, 1951 to October 31, 1952) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E18, Docket No. DMA-81 including amendments one through six, with the:

United Minerals Corporation
Formerly United Minerals Reserve Corporation
518 Felt Building
Salt Lake City, Utah

covering a project for the exploration of zinc and lead in Blaine County, Idaho, commonly known as Homestake Mine.

The records under the contract were maintained in the office of the Company, 518 Felt Building, Salt Lake City, Utah.

During the course of the audit the following officers of the Company were consulted from time to time:

George W. Snyder, Jr., President
Harold A. Covey, Vice President

Mr. Richard E. Hawkins, of Gardner and Hawkins, CPA, Provo, Utah, Auditor for the company, spent one day in explaining data in connection with the MF-104 Reports prepared by his firm.

Mr. Thomas E. Howard, Mining Engineer, Spokane office, collaborated in the audit.

II. GENERAL INFORMATION ON RECORDS

The original records covering the costs of the project were recorded on Monthly Work Sheets which form the basis for preparation of the Monthly MF-104 Reports. This audit, therefore, involved in general a check of source data to the Monthly Work Sheets and reconciliation with the Monthly MF-104 Reports. Costs were recorded on a combination of cash and accrual basis.

Prior to the on-site audit, considerable pre-audit analysis was performed by the auditor in the DMEA office at Spokane, Washington.

RECEIVED
JUL 2 2 1955

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher for October 1952.

The extent of the audit and findings under each of the "Items of Costs" follows:

(1) Independent Contracts

Not applicable to this contract.

(2) Labor and Supervision

Charges for Labor and Supervision were redistributed during the course of the audit. The redistribution was discussed with Mr. George Snyder, Jr., President of the Company, who approved the corrected distribution as follows:

As claimed on October 1952 MF-104

Labor	$10,913.17
Supervision	9,705.18
Other	149.60
	$20,767.95

Corrected Distribution

Labor	$13,961.83
Supervision	3,001.19
Technical Services	3,092.94
Clerical	711.99
	$20,767.95

Labor

All charges for labor were checked from payroll records to monthly work sheets. Time cards approved by the foreman for the months of July, August and September 1951 and July, August, September and October 1952 were checked to payroll records. All extensions and footings were recomputed. In the month of September 1952, the Finance officer disallowed $77.28, as the rate of pay was in excess of that allowed in the contract. The auditor confirms the disallowance for the same reason as advanced by the Finance officer. The total cost determined to be proper and allowable under the terms of the contract is as follows:

Corrected Distribution

Total labor claimed by operator	$13,961.83
Less Disallowances	77.28 1/
Allowable Net Labor	$13,884.55

Supervision and Technical

All charges for Supervision and Technical Services were based on time reported as actually devoted to the project. The amount of these charges are less than the amounts allowed in the contract. A breakdown of Supervisory Salaries, which include salaries of Foreman, is as follows:

W. A. Savaria, Foreman June 20, 1951 to December 30, 1951		$1,751.97
Lowell Thompson, Foreman May 1952 to October 1952	$1,249.22	
Less Disallowed by Finance Officer	123.34 2/	
Total - Lowell Thompson		1,125.88
Total Allowable Supervision		$2,877.85

In September 1952 the operator filed claims for wages paid to miners as follows:

Name	Total Hours Paid Hours Worked	O.T. Premium	Total	Rate	Total Wages
Joseph Axner, Miner	203½	13 3/4	217 1/4	1.73375	$376.66
Lowell Thompson, Foreman	203½	13 3/4	217 1/4	1.73375	376.66
Contract Differential Bonus					77.28
Total Mining Labor					$830.60
Lowell Thompson, Foreman					$123.34

1/ Disallowed under labor.
2/ The Finance Officer disallowed the claim for Thompson's salary as foreman on the basis that he had been paid as a miner for 25 days (plus) at 8 hours per day plus overtime, that he was not entitled to compensation of $123.34 as a foreman in the same period. The auditor sustains this disallowance.

Technical

Harold A. Covey (Engineer)	$2,479.96
M. A. Rankin (Geologist)	612.98
Total Allowable Technical Services	$3,092.94

A further detail of these services is shown below:

	Covey	Rankin
June 22 to July 31, 1951	$520.00	$169.00
August 1951	359.96	143.98
September 1951	500.00	200.00
October 1951	250.00	100.00
November 1951	50.00	-
June 1952	200.00	-
July 1952	250.00	-
August 1952	250.00	-
September 1952	50.00	-
October 1952	50.00	-
	$2,479.96	$612.98

Charges for supervision and technical services are based on time reported as actually devoted to project operations.

The Executive Officer considers the charges for supervision and technical services as reasonable and proper.

(3) Operating Materials and Supplies

All charges for operating materials and supplies were verified by examination of source documents and tracing amounts charged each month to the Monthly Work Sheets.

The costs determined by the audit to be allowable are summarized below:

Description	Claimed	Disallowed	Property Liquidation	Allowed By Audit
Timber	$2,234.12		$332.00 *	$1,902.12
Explosives	1,366.54	$20.00 (A) 360.00 (B)		986.54
Pipe	729.91		220.00	509.91
Track	178.43		89.20	89.23
Other	2,990.83	528.59	330.00	2,132.24

Other is further analyzed as follows:

	Claimed	Disallowed	Property Liquidation	Allowed By Audit
Hose - Rope - Wire	$479.75			$479.75
Oxygen and Acetylene	61.51			61.51
Hand Tools	326.82			326.82
Oil and Gas	665.21	$146.20 (C) 198.27 (D)		320.74
Steel and Bits	959.02	141.96 (E)		817.06
Carbide	42.97			42.97
Miscellaneous	455.55	42.16 (F)	$330.00	83.39
	$2,990.83	$528.59	$330.00	$2,132.24

(A) Credit memo from Vendor not deducted from project costs.

(B) Credit for powder returned to Hailey Trading Company confirmed by statement from company dated July 8, 1955 not credited to project costs.

(C) $146.20 disallowed by Finance Officer in September 1952, improper documentation; disallowance approved by auditor for same reason.

(D) $15.50 for gasoline and oil; invoice clearly showed that supplies were used on another company project.

$74.92 credit memorandum, Wescott Oil Co., 9-21-51 entered on MF-104 as a debit, disallow 2 x $74.92 = $149.84. $32.93 lack of documentation September 1952, $15.50 + $149.84 + $32.93 = $198.27.

(E) $76.86 - Invoice June 27, 1951, J. K. Wheeler shows that material charged was used on another company project. $65.10 - Credit memorandum Copco Pacific dated February 11, 1953 includes material charged to project in September 1952 in that same amount. No credit passed on to project. $76.86 + $65.10 = $141.96.

(F) $17.16 - Discount on bill Fran Jones paid July 25, 1951 not credited to project. Operator returned a McGowan pump to J. J. Coan Company, Salt Lake City, Utah. Vendor issued credit for $225.00, difference or handling charge of $25.00 was made by Coan Company. Operator charged the "Handling Charge" to other supplies. This is not considered as an allowable charge and is disallowed. $17.16 + $25.00 = $42.16.

In those months when supplies were used on company mining, charges were pro-rated between project and company operations on a man shift basis. The operator advised that this procedure was established as the suggestion of the examining engineer, and was accepted by this auditor as record of actual usage of supplies between project and company operation was not maintained, due to minor amounts involved.

* In the absence of any bid from the operator, property liquidation of supplies on hand was based on report of examining engineer, V. Z. Johnson, dated August 19, 1954. Values were determined by a conference between Mr. S. W. Zoldok, Project Leader, and Mr. Thomas E. Howard, Assistant Chief, Spokane Field Office. These amounts are approved by the Executive Officer, DMEA Field Team, Region I, N. W. District (formerly Region II), Auditor concurs in this approval.

(4) Operating Equipment Rental

All charges for Rental of Equipment were traced to monthly work sheets. Invoices substantiating charges were examined. An analysis of these charges follows:

Description	Rate Per Month	Period Used	Amount Claimed	Allowable Charge
315 C.F.M. Compressor	$470.00	16 Mo.	$7,300.25 1/	
Mucking Machine	258.00	5 Mo.	1,290.00	$1,290.00
Eimco Air Locomotive	196.00	5 Mo.	980.00	980.00
			$9,570.25	$2,270.00
1/ Transferred to Equipment Purchased			7,300.25	
			$2,270.00	$2,270.00

1/ This balance was transferred to equipment purchased, as payments made were on a lease rental basis, and balance transferred is considered as charge to equipment when operator ceased operations October 1952.

In addition to the rental charges for equipment, Exhibit "C", of the contract allows 15¢ per mile for rental of a 3/4 ton pickup truck. Effective June 1952 a Jeep was substituted for the 3/4 ton pickup truck, and charge to the project for the use of Jeep was at 10¢ per mile instead of 15¢ per mile as charged for the 3/4 ton pick-up truck. This auditor was advised that while contract was not amended to cover the rate change as well as change in equipment used, the Executive Officer DMEA Field Team, Region II had approved the change verbally. In view of the decreased cost to the project this explanation was accepted by the auditor. A summary of mileage costs follows:

Truck	Rate Per Mile	Miles	Allowable Charge
3/4 Ton Pickup	15¢	7,000	$830.12 (A)
Jeep	10¢	7,425	742.50
Total Truck Rental			$1,572.62

(A) Prorated between company operations and project on basis of man shifts in August and November 1951 and May 1952. In view of available information and amount involved, proration is accepted by auditor.

Reports showing mileage each month and related cost, as submitted by foreman for operator, were traced to monthly work sheets. In the opinion of the Executive Officer, DMEA Field Team, Region II, the mileage charged is reasonable. Summary of allowable rental charge is shown below:

Equipment	$2,270.00
Truck and Jeep	1,572.62
Total Accepted Rental Costs	$3,[illegible]42.62

(5) Operating Equipment Purchased

Invoices covering equipment purchased as listed on Schedule "B" attached hereto and made a part of this report were examined and costs as charged traced to the monthly work sheets.

The total amount charged and allowable costs are summarized as follows:

Total Charged (Corrected Distribution)		$12,116.85
Disallowances	$2,013.50	
Property Liquidation	7,894.06	9,907.56
Allowable Cost to Project		$ 2,209.29

Mr. George W. Snyder, Jr., President of the United Minerals Corporation, made repeated promises to submit a bid on equity in jointly-owned property. Inasmuch as no bid was submitted, Mr. Thomas E. Howard, Assistant Chief, Spokane Field Office, N. W. District, Region I (formerly Region II) developed the formula based on Section (d) Article 9 of the new contract form which provides in part; "If within 90 days after completion of 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 . . . may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90 day period; and such property shall thereon be considered and accounted for as having been purchased by the operator at the valuation so fixed by the Government . . ." This formula, in the absence of any bid by the operator, is approved by the Executive Officer, DMEA Field Team, Region I, N. W. District (formerly Region II).

This auditor concurs in the approval by the Executive Officer for the same reasons. Details are shown in Exhibit "B" attached hereto and made a part of this report.

Operator entered into a rental purchase agreement with Foulger Equipment Company, Salt Lake City, Utah covering 1 W.K.80 Model 315-D Joy compressor Serial No. 44692. While copy of this agreement was not submitted for this auditor's examination, it is understood that there was such an agreement. Operator made 16 payments of $470.00 each or $7,520.00 plus freight charge of $102.76 or a total of $7,622.76. Of this amount $7,300.25 was charged to the project costs as follows:

13 month's @ $470.00	$6,110.00
Prorated rental including freight based on usage chargeable to project for June and July 1951	695.18
August 1951 prorated rental	338.40
November 1951 prorated rental	156.67
Total Charged to Project	$7,300.25

On May 20, 1955 Mr. George W. Snyder, Jr. wrote to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, attaching copy of a letter from Mr. Guy Snyder under the same date, addressed to United Minerals Corporation, which outlined the details of the transaction covering compressor Serial No. 44692. In part this letter stated that a conditional sales contract was entered into with C.I.T. which involved the aforementioned compressor and a compressor of the same size and model, Serial No. 44291. The details of this transaction, according to Mr. Guy Snyder, are as follows:

Total contract, both compressors		$21,160.45
Cash allowance, Compressor Serial #44692	$6,016.00	
Cash allowance, Compressor Serial #44291	799.00	
Total Allowance		6,815.00
Balance		$14,345.45

C.I.T. submitted a statement on December 3, 1954 showing this balance was liquidated as follows:

Sale of one compressor	$5,655.00	
Sale of one compressor	3,906.44	
Total from sale of 2 compressors	$9,561.44	
Payments - Source not indicated		
In 1953	2,693.94	
In 1954	1,500.00	
Interest Rebate	590.07	
		$14,345.45

Mr. George W. Snyder, Jr. was advised both verbally and by correspondence that the Government considered that it had an interest in the equity established as a result of rental payments, in the amount paid on the rental purchase agreement to which it had contributed. He was asked to submit a bid on the Government's interest in the equity. In Mr. Guy Snyder's letter of May 20, 1955, he stated that in his opinion any money received (on the rental purchase agreement) was for rental. In view of the fact that Mr. Snyder has not submitted a bid, and the opinion in the letter of Mr. J. L. Hofflund, Acting Assistant Solicitor, DMEA, dated April 22, 1955, the following calculation was developed by this Auditor.

Total payments to October 1952	$7,520.00
Freight	102.76
	$7,622.76
Total amount charged to project	7,300.25

$\frac{\$7,300.25}{\$7,622.76}$ = 95.77% or total percentage charged to project in which Government participated. $6,016.00 x 95.77 = $5,716.52 5,761.52 the amount of the equity in which the Government participated $\frac{\$5,716.52}{2}$ = $2,880.76 or Government interest in equity of $6,016.00.

To summarize:

Total amount charged to project	$7,300.25
Portion of equity in which Government has an interest	5,761.52 5,716.52
Allowable Cost to Project	$1,583.73 1,538.73

Cash allowance made by C.I.T. on compressor Serial No. 44692, at time contract was refinanced, according to Mr. Guy Snyder's letter of May 20 was $6,016.00. On July 8, 1955 this auditor requested C.I.T. to confirm this balance. On July 11, 1955 C.I.T. advised that the contract which they purchased from the Foulger Equipment Company, Salt Lake City, Utah, covered two compressors on which the unpaid balance was $14,345.45, but not having any details of the composition of these figures they were unable to furnish the information requested. They went on to say that inasmuch as the information contained in the contract was compiled by the Foulger Equipment Company, it might be possible to obtain the desired information from them. On November 15, 1954 the Field Team, Region II wrote Foulger Equipment Company asking for information concerning Compressor Serial No. 44692. On November 18, 1954, Mr. B. L. Foulger, President-Manager, Foulger Equipment Company replied to this letter and advised that the matter was discussed with Mr. George Snyder, Jr. that morning, and he advised "that he has supplied, or is supplying, you all the information required and we, consequently, see no justification for our being injected into this act." In the opinion of Mr. Thomas E. Howard the $6,016.00 allowance as reported by Mr. Guy Snyder is reasonable and is accepted by the DMEA Field Team, Region I, N. W. District (formerly Region II).

This amount of $6,016.00 is considered by the auditor to represent the equity in the rental purchase contract covering compressor Serial No. 44692 on October 31, 1952.

Equipment Depreciation

Costs deemed allowable and proper under the terms of the contract for depreciation are:

Description	Rate Per Month	No. Month	Allowed by Audit
Mine Skip	$4.20	2	$8.40
12 1 Ton Mine Cars	20.40	2	40.80
6 1 Ton Cars	10.20	2	20.40
2 Mine Timber Trucks	2.50	2	5.00
1 Mine Timber Truck	1.25	2	2.50
1 Sump Pump	4.20	2	8.40
Blacksmith Shop Equipment	1.70	4	6.80
Total			$92.30

Rehabilitation and Repairs

All costs under this category were checked to monthly work sheets. Verification of charges was made by examination of payroll records and Vendors invoices, as follows:

Labor	$1,921.41
Materials - Supplies	120.01
Jeep Rental @ 10¢ per mile 628 miles	62.80
Total	$2,104.22

The amount of $2,104.22 was determined by audit to be proper and allowable under the terms of the contract.

(6) New Buildings and Improvements

Source documents covering charges to subject category were examined and found to be in order. The total amount determined by this audit as charged to New Buildings and Improvements is $1,275.28.

In line with the recommendation made by examing engineer, V. Z. Johnson, in his report of August 14, 1954, salvage value of $600.00 was established for New Buildings and Improvements. This amount was approved by the Executive Officer DMEA Field Team, Region I N.W. District (formerly Region II).

Total Claimed Cost	$1,275.28
Salvage Value	600.00
Allowable Cost to Project	$ 675.28

Under presently existing circumstances, the auditor has accepted this valuation as being equitable.

(7) Miscellaneous

Repairs to Equipment

All charges under this category were checked to monthly work sheets. The amount determined by this audit to be a proper and allowable charge under terms of the contract is further analyzed below:

Compressor	$243.03
Trammer	129.80
Mucking Machine	193.53
Mine Cars	69.35
Tractor	81.54
Total	$717.25

Payroll Taxes and Insurance

All charges for payroll taxes were recomputed at rates determined to be effective by examination of the company's files. The total allowable payroll taxes were found to be as follows:

F.I.C.A.	$273.76
F.U.T.A.	515.34
	$789.10

In preparing the claim for October 1952, the auditor made an error of $4.50 in extending his figures. This amount was deducted from total amount claimed of $793.60.

Workmen's Compensation Insurance

All charges for Workmen's Compensation Insurance were recomputed at rates shown to be in effect by examination of the company's files. In July 1951 a deposit of $60.00, made with State Insurance Fund was claimed as a part of the cost. As a deposit is not part of the cost of operation it is disallowed. A disallowance of $11.04 applicable to labor and supervision disallowed was made by Finance Officer and approved by Auditor. Total accepted cost of Workmen's Compensation Insurance was determined to be $1,010.65.

Other

Invoices totaling $10.85 for assaying were examined and found to be in order.

(8) Contingencies

Invoice from E. L. Young & Sons, Inc. in the amount of $167.38 for hauling load of equipment from Salt Lake City, Utah to Ketchum, Idaho was examined and is deemed to be a proper and allowable charge under the terms of the contract.

Office Salaries

A total of $711.99 for office salaries was charged during the period of the operation. This is a prorated charge based on time reported as actually devoted to project work. The charge is considered proper and allowable under the terms of the contract.

Other Observation

At the time of the on site audit, Mr. George W. Snyder, Jr., told this Auditor and Mr. Thomas E. Howard, Mining Engineer, Spokane Office, that he would see that bids were submitted on all materials and equipment in which the operator and the Government had a joint equity. The question of the location of some of the equipment and supplies which Mr. V. Z. Johnson covered in his report of August 14, 1954 was brought up. Mr. Snyder advised that he was not certain just where some of the equipment was located, but he would check into the matter and advise the DMEA Field Team, Region II of the exact location, and also the condition of the materials and equipment involved. In addition, Mr. Snyder agreed to submit all data in connection with the original cost and also the refinancing of Joy Compressor, Serial No. 44692. In the interval from the time of the on site audit to date, there has been considerable correspondence and at least one conference between Mr. Snyder and Mr. Weissenborn, Executive Officer, DMEA Field Team, Region I, N.W. District (formerly Region II). In view of the fact that the operator has not submitted a bid for the supplies and equipment on hand, after a full discussion of the matter with Mr. Thomas E. Howard, the procedure established to determine the Governments equity as outlined under Equipment Purchases and Operating Materials and Supplies was adopted. The executive Officer, DMEA Field Team, Region I N.W. District (formerly Region II) approves this procedure. The auditor concurs with the Executive Officer.

IV. CONCLUSIONS

The audit has disclosed that all costs charged to this project, with the exception of disallowances totaling $3,198.25, and giving effect to property disposals totaling $9,465.26 as itemized in a previous section of this report, are reasonable and proper under the terms of the contract.

The adjustments between "Items of Costs" as shown on the October 1952, Form MF-104, the disallowances, property liquidation and accepted costs as disclosed by this audit are summarized in Exhibit "A" attached hereto.

At the conclusion of the audit on October 1, 1954, the findings, on that date, which did not include property disposal, were discussed with Mr. George W. Snyder, Jr. (President of the Company) on July 12, 1955 the findings were discussed with Mr. Thomas E. Howard, representative of the Executive Officer, DMEA Field Team, Region I, N.W. District (formerly Region II).

July 13, 1955

T. H. Brading, Auditor

Exhibit "A"

UNITED MINERALS CORPORATION
Audit Summary

Idm-E18

	MF-104 October 1952	Distribution Corrected	Disallowances: Finance Officer	Disallowances: By Audit	Proceeds From Property Disposal	Allowed By Audit
1 Independent Contract						
2 Labor and Supervision						
Labor	$10,913.17	$13,961.83	$77.28			$13,884.55
Supervision	9,705.18	3,001.19	123.34			2,877.85
Technical		3,092.94				3,092.94
3 Operating Materials and Supplies						
Timber	2,640.53	2,234.12			$332.00	1,902.12
Explosives	1,366.54	1,366.54		$380.00		986.54
Pipe	252.61	729.91			220.00	509.91
Track	46.00	178.43			89.20	89.23
Other	3,331.12	2,990.83	146.20	382.39	330.00	2,132.24
4 Operating Equipment						
Rental	11,142.87	3,842.62				3,842.62
Purchase	4,513.60	12,116.85		2,013.50	7,894.06	2,209.29
Depreciation	92.30	92.30				92.30
5 Initial Rehabilitation and Repairs	2,104.22	2,104.22				2,104.22
6 New Buildings Improvements etc.	1,275.28	1,275.28			600.00	675.28
7 Miscellaneous						
Repairs to Equipment	883.28	717.25				717.25
Payroll Taxes	1,875.29	793.60		4.50		789.10
Liability Insurance		1,081.69	11.04	60.00		1,010.65
Other	160.45	10.85				10.85
8 Transfer of Equipment	167.38	167.38				167.38
Office Salaries		711.99				711.99
	$50,469.82	$50,469.82	$357.86	$2,840.39	$9,465.26	$37,806.31

JUL 23 1953
CLAIMS

UNITED MINERALS CORPORATION EQUIPMENT PURCHASES

Schedule "B"

	Description	Cost	Date Purchased	Months To 1/31/53	Depreciation 1.66 Per Month %	Depreciation	Depreciated Value	Government Equity	Disallowed	Net Cost Allowed
1	J-40 Jack Hammer Serial 670128	$345.00	7-24-51	18.25	30.3	$104.54	$240.46	$120.23		$104.54
1	Mule Harness and Collar	79.20	A						$79.20	
1	R-45-Stoper	670.00	6-20-51	19.33	32.1	215.07	454.93	227.46		215.07
1	20 Gallon Water Pressure Tank	78.00	8-10-51	17.66	29.3	22.85	55.15	27.58		22.85
1	Prestweld Welding Outfit	124.50	B						124.50	
2	Used Timber Trucks	75.00	C						75.00	
1	50 Pound Anvil	75.00	D						75.00	
1	2 x 6 Air Receiver	75.00	D						75.00	
1	Model H A Air Hoist	550.00	8-14-51	17.5	29.1	160.05	389.95	194.97		160.05
1	6 x 4 x 6 McGowan Duplex Pump	250.00	E						250.00	
1	J-40 Jack Hammer Serial 669421	345.00	E						345.00	
2	JL - J-40 Jack Hammer Legs	390.00	E						390.00	
1	Atlas Rock Drill Serial 431455	599.80	E						599.80	
1	Atlas Rock Drill Serial 432350	495.00	6-16-52	7.5	12.5	61.88	433.12	216.56		61.88
1	Wright Pneumatic Power Saw	362.10	6- 4-52	7.875	13.1	47.44	314.66	157.33		47.44
1	30" Scraper Bucket	175.00	7-10-52	6.66	11.1	19.43	155.57	77.78		19.43
1	Sheave Block	50.00	7- 1-51	18.5	30.7	15.35	34.65	17.33		15.35
1	20 Gallon Water Pressure Tank	78.00	7- 1-51	18.5	30.7	23.95	54.05	27.03		23.95
1	Joy Compressor Model 44692	7,300.25					5,761.52*	2,880.76		1,538.73
		$12,116.85				$670.56	$7,894.06	$3,947.03	$2,013.50	$2,209.29

A No salvage value (item missing and Operator agreed to disallowance).
B Not included in contract
C Depreciation on this item was allowed by amendment No. 2, therefore disallowed.
D Items under this classification, purchased prior to date of contract.
E These pieces of equipment were returned to Vendor by Operator as evidenced by credit memorandum examined during course of audit.
* Equals 95.77% of $6,016.00.

RECEIVED
JUL 29 1955

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

224 New Customhouse
Denver 2, Colorado

August 10, 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: United Minerals Corp.
Contract Idm-E18
Docket No. DMEA-81

Dear Mr. Talbert:

In line with instructions in your letter of August 8, 1955, corrections as detailed have been made, and five copies of the Audit Certificate and Report were forwarded to Mr. Weissenborn for distribution.

Sincerely,

T. H. Brading, Auditor.

RECEIVED
AUG 12 1955

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

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

AUG - 8 1955

AIR MAIL

Re: United Minerals Corporation
Contract Idm-E18
Docket No. DMEA-81

Dear Mr. Brading:

Reference is made to your letter of August 4, 1955, in reply to mine of August 1, 1955, relative to your Audit Report covering the referenced Exploration Project Contract.

In view of your explanations the following revisions have been made in the Washington copies of the Audit Report:

(1) On page 8, 3rd paragraph, in the title line concerning June and July 1951 compressor costs, the word "costs" after "Prorated" changed to "rental";

(2) In the next title line, after "August 1951" the words "prorated rental" added;

(3) In the next title line, after "November 1951", also, the words "prorated rental" added; and

(4) On Schedule "B", after footnote A "No salvage value" the parenthetical phrase "(item missing and Operator agreed to disallowance)" added.

It is apparent, also, that you have made an error in the computation of the amount payable to the Operator as indicated in the Audit Certificate. We have changed the Washington copies of the Certificate to show $18,903.15 rather than the $18,901.80 indicated. If you concur please change all other copies. If not, please advise.

After these changes are made on all other copies normal distribution is authorized.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb 8/8/55

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

RECEIVED
AUG - 5 1955

224 New Customhouse
Denver 2, Colorado

August 4, 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: United Minerals Corp.
Contract Idm-E18
Docket No. DMEA-81

Dear Mr. Talbert:

Reference is made to your letter of August 1, 1955, regarding subject contract. Specific answers to your questions follow:

Item (1):

Rental of Compressor - June	$ 470.00
Rental of Compressor - July	470.00
Freight on Compressor	102.76
Total	$1042.76
Prorated between Company Operations and Project Costs on basis 2/3 to Project	$ 695.18
1/3 to Company	347.58
Total	$1042.76
August, 1951: Rental of Compressor	$ 470.00
Prorated between Company Operations and Project Costs on basis of 72% to Project	$ 338.40
28% to Company	131.60
Total	$ 470.00
November, 1951: Rental of Compressor	$ 470.00
Prorated between Company Operations and Project Costs on basis of 1/3 to Project	$ 156.67
2/3 to Company	313.33
Total	$ 470.00

Item (2): My notes show that when Tom Howard and I discussed the Mule Harness with George Snyder, Jr. in Salt Lake City in September George, in effect, stated that part of this equipment was missing

and that which was on hand was of no value and the Company would accept the disallowance on the basis of the fact, "There was no salvage value." Howard approved and so did I.

I trust these explanations will be satisfactory.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

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

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

AUG - 1 1955

Re: United Minerals Corporation
Contract Idm-E18
Docket No. DMEA-81

Dear Mr. Brading:

Receipt is acknowledged of your letter dated July 27, 1955, transmitting (1) the Washington copies of the final Audit Report and Certificate covering the subject Exploration Project Contract and (2) copies of correspondence relative to the equity in Joy Compressor No. 44692.

Mr. Howard's argument that "this equity should be considered to have depreciated in the same manner as the rest of the equipment" is noted and, if we concurred, his formula would be acceptable. However, it appears that for this one item of equipment there was an established valuation ($6,016.00), whereas for all other items the valuation at termination of the contract could not be established except through the arbitrary use of the formula provided by the later form of contract. Therefore, and on the basis as stated by you that "the $6,016.00 was the cash valuation established by the Operator and accepted by the Field Team," it is my opinion that the method of equity determination detailed in your audit report is preferable.

Before finally accepting your report, which indicates a job well done, I would like further explanations or clarifications by letter of the following:

(1) On page 8, in arriving at the total charged for the compressor, there are included June, July, August and November, 1951 "prorated costs including freight based on usage." What are these charges and why are they considered a part of the cost of the compressor?

(2) On Schedule "B" the Mule Harness is shown as a disallowance and, by footnote "A", it is stated that there is "no salvage value." What is the reason for the disallowance?

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
August 1, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

RECEIVED
JUL 29 1955

224 New Customhouse
Denver 2, Colorado

July 27, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: United Minerals Corp.
Contract Idm-E18
Docket No. DMEA-81

Dear Mr. Chambers:

Attached are three copies of the Audit Certificate and two copies of Final Audit covering subject Operator. The report was typed in the Spokane office, as the Denver office is swamped and it was problematical when it would be typed here.

Also attached is a copy of a letter from Mr. Thomas E. Howard, dated July 11, 1955, which outlines his ideas of the method to be followed in determining the equity in Compressor No. 44692 at October 31, 1952. The main point made by Mr. Howard is that depreciation, based on reported cost, was the method used in arriving at the basis for determining Government equity in all other equipment. (See Schedule B of Report.)

When I first developed the method as outlined in my report, for arriving at a valuation of the Government's interest in equity in this compressor, Mr. Howard agreed with me, but later changed his mind. The two methods were discussed with Mr. Weissenborn on the phone and he stated that in his opinion there was some merit in both methods, and suggested that the matter be submitted to you for a ruling. Mr. Agnew is of the same opinion.

As I see it, the valuation of $6,016.00 is a cash value established by the Operator and this is the valuation at October 31, 1952. In the opinion of Mr. Howard (acting for the Field Team) this valuation, or 80% of the total payments reported made to October, 1952, is fair and equitable. The difference between the amount credited ($7,300.25) in which the Government participated and $5,716.52 (95.77% of $7,300.25), or $1,538.73, is in effect depreciation, and in my opinion the maximum that should be allowed as a part of the project cost (because it is an established cash value.)

The valuation as arrived at by Mr. Howard at October 31, 1952, is based on what he describes to be an actual valuation of the compressor, giving consideration to the fact that it had been used sixteen months. At that

time the Operator had not paid $9,400.00 for the compressor (which according to Mr. Guy Snyder's letter of May 20, 1955 was what the compressor would cost) but rather $7,520.00 to Foulger Equipment Company on which C.I.T. made a cash allowance of $6,016.00 on the conditional sales contract dated December 10, ~~1953~~. 1952

Subsequent to October, 1952, the Operator collected $5,100.00 from Consolidated Uranium Company, and on September 24, 1954 Foulger Equipment Company paid C.I.T. $3,906.44 to close out the account. In addition to these amounts, the Government contributed 50% of $7,300.25 or $3,650.13 for the period from June, 1951 to October, 1952. In other words, the total amount credited to the Operator on Compressor No. 44692 was as follows:

From Consolicated Uranium Company	$5,100.00
Paid by Foulger Company on close-out	3,906.44
Contributed by Government, 50% of $7,300.25	3,650.13
Total	$12,656.57
Total cost claimed	9,400.00
Profit to Operator	$ 3,256.57

Giving consideration to all the factors involved, and that the $6,016.00 was the cash valuation established by the Operator and accepted by the Field Team, it is my opinion that the valuation of the Government's interest on the equity of the valuation of Compressor No. 44692 at October 31, 1952 of $2,880.76 is equitable to all concerned. This matter was reviewed in detail with Mr. C. A. Turner, who is in agreement with the procedure and method followed by the writer.

Attached is copy of Mr. George F. Snyder's letter of May 20, 1955 and Mr. Guy Snyder's letter of the same date. In view of the fact that no reference was made in Mr. Chamber's letter of June 2, 1955 to me, I thought possibly a copy of this letter had not been received by him. In addition to this letter, there is also attached copy of letter from C.I.T., San Francisco, dated July 11, 1955, which was in reply to my letter of July 8, 1955, copy of which is also attached.

Sincerely,

T. H. Brading

T. H. Brading,
DMEA Auditor

Encls.

cc - Mr. A. E. Weissenborn
Mr. Thomas E. Howard
Mr. C. A. Turner

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
July 11, 1955

MEMORANDUM

To: T. H. Brading, DMEA Auditor

From: Thomas E. Howard

Subject: Equity in Joy compressor, Serial No. 44692, purchased by United Minerals Corporation under Contract Idm-E18

Upon further consideration I do not believe the Government should expect to recover in full its pro rata share of the credit ($6,016.00) for rental payments to which it contributed that was allowed on the conditional sales agreement with CIT Corporation. In my opinion this equity should be considered to have depreciated in the same manner as the rest of the equipment.

On December 10, 1952, evidently the date of the Conditional Sales Agreement, an equity of $6,016.00 had been established as a result of rental payments, leaving a balance due of $3,384.00.

6016 + 3384 = $9400 (cost of comp. new)

$\frac{6016}{9400}$ x 100 = 64% equity

9400 x 1.66 x 16 mo. (to Oct. 1952) = 2496.64 (amt. comp. had depreciated when work was stopped and comp. removed from property)

9400.00 - 2496.64 = 7003.36 (depreciated value of compressor in Oct. 1952)

7003.36 x .64 = 4482.15 (depreciated value of equity in Oct. 1952)

4482.15 x .9577 = 4292.56 (portion of depreciated equity to which Govt. contribution was 50%)

$\frac{4292.56}{2}$ = $2146.28 (Govt. share of depreciated equity)

Thomas E. Howard

Thomas E. Howard

C.I.T. CORPORATION

Industrial Financing

660 MARKET STREET, SAN FRANCISCO 4, CALIF.

July 11, 1955

Mr. Thomas H. Brading
United States Department of the Interior
1201 N. Division Street
Spokane 2, Washington

Re: United Minerals Corporation
25-06221

Dear Mr. Brading:

We are in receipt of your letter of July 8 referring to the contract which we carried for the above named purchaser covering a compressor, serial number 44692.

The contract which we purchased from the Foulger Equipment Company, 1361 South Second West Street, Salt Lake City, Utah, covered two compressors on which there was an unpaid balance of $14,345.45. We do not have any of the details as to how these figures were arrived at and, therefore, are unable to give you the information which you request.

Inasmuch as the information contained in the contract was compiled by the Fougler Equipment Company it may be possible that you can obtain the desired information by contacting them.

Very truly yours,

C.I.T. CORPORATION

BY [signature]

L. L. Schultz
ck

RECEIVED

JUL 2 6 1955

[illegible]

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

May 20, 1955

RECEIVED
JUL 29 1955

REC'D
BUREAU OF MINES
MAY 23 1955
SPOKANE, WASH.

Mr. A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II
U. S. Department of the Interior
1201 North Division Street
Spokane 2, Washington

Re: Idm-E18

Dear Mr. Weissenborn,

As previously indicated to you I had requested that a complete study of the Homestake compressor matter be undertaken. I am forwarding herewith an original and two copies of an analysis prepared for this purpose. We sincerely hope that this will assist in early clarafication of this matter.

The unfortunate death of Mr. Nat Davis has raised a further question on getting a bid on the remaining items of supplies on hand because Mr. Davis's organization are the only ones who had indicated any interest whatsoever in acquiring same. We will await your futher word in this matter.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosures

May 20, 1955

RECEIVED
JUL 29 1955

United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

Re: Homestake Compressor
Joy WK-80, 315 CFM Diesel
Serial No. 44692

Gentlemen:

At the request of George W. Snyder, Jr. a study was made of the transactions involving Homestake Compressor, Serial No. 44692 in order to furnish DMEA information requested in their letter of 8 April, 1955. In this connection it was determined that this could not be accomplished without taking into account the Lucky Strike Compressor, Serial No. 44291, as both machines ended up on the same Conditional Sales Agreement with C. I. T. Corporation, San Francisco. The following facts have developed:

1. On 6 June, 1951, one Joy WK-80, 315 CFM Diesel Compressor, Serial No. 44692 was obtained under lease agreement from Foulger Equipment Company, Salt Lake City, Utah.

2. On 24 September, 1951, Exhibit "F" Amendment No. 1, the Government directed that this compressor be carried as a rental item instead of a purchase; further on 5 October, 1951, following is a quote from a wire signed by M. E. Volin:

> "Washington advises first alternative of carrying equipment of straight rental is preferred."

3. Between 15 June, 1951 and 10 December, 1952, United Minerals Corporation made 16 rental payments of $470.00 each to Foulger Equipment Company. At that point an equity of $6,016.00 (80% of the $7,520.00 then paid) was available to United Minerals Corporation had funds to complete this been at hand. There was a balance due at that time of $3,384.00.

4. On 10 December, 1952 a Conditional Sales Contract was entered into with C.I.T. Corporation, covering purchase of 2 Compressors, as the Lucky Strike Compressor, same model and size, Serical No. 44291 was included.

COPY

Total Contract both Compressors	$21,160.45
Cash allowance Homestake Serial No. 44692	6,016.00*
Cash allowance Lucky Strike Serial No. 44291	799.00
Total Cash Allowance	$ 6,815.00
Balance then due	$14,345.45

5. During 1953, payments in the amount of $2,350.37 were made to C.I.T. Corporation and apparently all of these were applied on the Lucky Strike Compressor account.

6. Between 27 January, 1953 and 27 May, 1954 seventeen monthly rental payments of $300.00 each were received from Consolidated Uranium Company for the use of Homestake Compressor. This was during a shut-down period after the Government had declined to join further advances for equipment rental. The compressor was removed from the Homestake property at the suggestion of the government.

7. On 12 January, 1954 Arnold Machinery Company paid C.I.T. Corporation $5,655.00 for the Lucky Strike Compressor. A rebate of $343.57 was allowed for prepayment. Considering a cost of $9,400.00, a loss of $208.49 is indicated on this compressor. After applying $5,655.00 from Arnold Machinery Company, the C.I.T. Corporation balance stood at $5,996.51 secured by Homestake Compressor.

8. During 1954, United Minerals Corporation paid C.I.T. Corporation $1,500.00 on the Homestake Compressor. On 27 September, 1954, Foulger Equipment Company paid C.I.T. Corporation $3,906.44 to close out the account in full on the Homestake compressor. An allowance of $590.07 was made for prepayment.

9. Both Compressor sales were made by C.I.T. Corporation to enforce liquidation.

It is my hope that the foregoing will serve to clarify this situation.

COPY

My conclusion is that all United Minerals Corporation received for monies paid on this compressor was for the use of the compressor - hence, rental.

Respectfully submitted,

/s/ Guy Snyder

Guy Snyder,
Felt Building
Salt Lake City, Utah

GS:pt

* This is "the exact amount of credit received on the conditional sales agreement on the above compressor" referred to in DMEA letter of 8 April, 1955.

COPY

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
1201 N. Division St.
Spokane 2, Washington
July 19, 1955

Mr. T. H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 81 (lead-zinc)
United Minerals Corp.
Contract No. Idm-E18

Dear Tom:

Enclosed for your signature and forwarding to Washington are the original and 7 copies of your audit report, together with your penciled draft.

I have reviewed the report again and have only two comments. On page 9 the first sentence of the paragraph in the middle of the page is not too clear. I believe it should read: "Mr. George W. Snyder, Jr. was advised both verbally and by correspondence that the Government considered that it had an interest in the equity established as a result of rental payments, in proportion to the amount it had contributed to payments made under the rental-purchase contract."

The last sentence of the first paragraph on page 10 might be misinterpreted by someone who is not familiar with the details of our discussion of the compressor deal. It is my opinion that $6,016 represents a reasonable credit allowance toward the purchase of the machine for rental payments made prior to the date of the conditional sales contract. As stated in my memorandum of July 11, 1955, I do not believe the 64% equity established as the result of the rental payments, the nominal value of which was $6,016, had a cash value of that amount. In fact, the resale value of the compressor in October 1952 was not much more than that. It is my opinion that Guy Snyder's use of the term "Cash Allowance" was an unfortunate choice of words.

Sincerely yours,

Thomas E. Howard

Enclosure

Contract Admin. & Audit Division

Defense Minerals Exploration Admin.

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

JUL 11 1955

MR. THOMAS H. BRADING
DMEA AUDITOR
1201 NORTH DIVISION STREET
SPOKANE 2, WASHINGTON

REURLET JULY 7, 1955, UNITED MINERALS CORPORATION, E16, DMEA-81.

UNDER THE CIRCUMSTANCES THE $670.00 COVERING COST OF STOPER MAY BE ACCEPTED AS AN ALLOWABLE COST.

(Signed) E. D. Talbert
E. D. TALBERT, ACTING CHIEF
CONTRACT ADMINISTRATION AND
AUDIT DIVISION

EDTalbert/wb
July 11, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers
Confirmation

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
July 7, 1955

RECEIVED
JUL 11 1955

AIR MAIL
SPECIAL DELIVERY

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA 81
United Minerals Corporation
Contract Idm-E18

Dear Mr. Chambers:

On June 13, 1951 the subject corporation ordered an R-45 stoper, Serial No. 673354, from the Ingersoll-Rand Company. Invoice dated June 20, 1951 was examined during the course of the audit. The contract is dated June 22, 1951. In other words, this particular piece of equipment was purchased two days prior to the date of the contract.

In discussing this with Mr. Tom Howard, he feels very strongly that this item should not be disallowed as (a) Hull approved the item in an interim audit dated April 1952, and (b) the equipment actually was used in furthering the contract. The Field Team became aware that this piece of equipment had been purchased two days prior to the date of the contract in June of 1952 when the operator submitted an inventory of equipment purchased prior to that date. Since the item had been passed in Hull's audit and the equipment was listed in Exhibit "A" of the contract, the Field Team did not feel justified in preparing an amendment to allow depreciation on this item or even to question its acceptability.

The question is, shall the literal wording of the contract be adhered to and this item of $670.00 be disallowed or shall the Field Team's approval be sufficient. Mr. Howard is still of the opinion that an amendment to the contract is out of the question at this time. Will you please teletype me as soon as possible whether or not this item shall be allowed.

Sincerely yours,

Thomas H. Brading

Thomas H. Brading, Auditor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25

RECEIVED
JUN 30 1955

224 New Customhouse
Denver 2, Colorado

June 28, 1955

VIA AIR MAIL

Mr. A. E. Weissenborn
Executive Officer, Field Team
Region I, N. W. District
S. 157 Howard Street
Spokane, Washington

Re: United Minerals Reserve Corp.
Contract No. Idm-E18
Docket No. DMEA 81 (Lead-Zinc)

Dear Mr. Weissenborn:

This is to advise that I plan to leave Denver on July 5th and arrive in Spokane early the morning of the 7th, to complete the assignment on the subject contract.

Sincerely yours,

T. H. Brading, Auditor

THB:bh
cc - T. E. Howard
C. A. Turner
J. L. Chambers
Subject
Chron.

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

JUN - 2 1955

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 81 (lead-zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Brading:

Reference is made to a letter dated May 26, 1955, and signed by the Field Team of Region I, Northwest District, in regard to final audit settlement of the above-cited project. The letter further requested that you come to Spokane to work with the Field Team of Region I, Northwest District, in effecting this settlement.

I have reviewed the files of this contract and have come to the conclusion that final settlement can be made more expeditiously by your having a conference with the engineer who had general supervision of the contract, and the Field Team. Therefore, you are authorized to go to Spokane at a time arranged between you and Mr. Weissenbern after the arrival of Mr. Mavor in Spokane from San Francisco. I have requested Mr. Mavor to take along his working papers on the United Minerals Corporation project in Region II (formerly Region III).

In reviewing the docket file in Washington the following letters and report appeared to me to be worthwhile reviewing:

1. Letter from United Minerals Corporation under date of March 2, 1955, to Mr. Thomas E. Howard.

2. Letter of C. I. T. Corporation to the United Minerals Corporation under date of December 3, 1954, in regard to certain equipment purchased from the C. I. T. Corporation by the United Minerals Corporation.

3. Letter of March 2, 1955, from United Minerals Corporation to Thomas E. Howard.

4. Report of V. Z. Johnson, Mining Engineer, DMEA Field Team, dated August 19, 1954.

Particular attention is called to the paragraph entitled "Operating Equipment Purchased" on page 4 of Mr. Johnson's report in which appears the statement "* * * jointly purchased items removed for safe keeping or to be used elsewhere * * * *." I believe that your audit report should call attention to this particular part of Mr. Johnson's report and explain whether or not any investigation has been made to determine the final disposal of this equipment.

You no doubt have sensed that this is a very complicated and aggravated case. For this reason the audit report, when finalized, should attempt to give a complete story of what happened to the jointly-purchased equipment and material, so that this matter won't rise to haunt us later.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
June 2, 1955

Copy to: Docket
Admr. Reading File
Mr. Weissenborn, Region I NWD
Mr. Mavor
Mr. Turner
Mr. Hofflund
Mr. Griswold
Mr. Chambers

P. S. After this letter was written we received your letter of June 1, 1955, in which it appears that you will not be able to go to Spokane prior to July 1. That date will be all right but if you can arrange to go a little earlier it would expedite the settlement of this old account. Please keep Mr. Weissenborn and me informed as to the time you can make the trip.

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

RECEIVED
JUN - 2 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: United Minerals Reserve Corp.
Contract Idm-E18
Docket No. DMEA 81

Dear Mr. Chambers:

Attached is copy of a letter received yesterday, May 31, from the DMEA Field Team, Spokane.

Reference is made to your letter of April 26, 1955, in which you advised that "Mr. Weissenborn stated in a telegram that he would keep this office informed as to the progress he makes with the Snyders. As soon as I have information I will advise you."

I have ticket and am scheduled to leave Sunday, June 5, 1955, for Phoenix and Globe on two DMPA contracts, and also to complete the on-site royalty audit on Gordon R. French. (Idm-E606) If it is your opinion that I should proceed to Spokane on completion of the Arizona trip, will you please advise me.

In discussing the matter with John Shaw, he stated that it probably would take six to eight working days on the DMPA trip. Depending on the condition of the records, I think I should be able to complete the on-site royalty audit for Gordon R. French in not to exceed two days. After my return I would prefer to complete the reports on the three engagements in Arizona before going to Spokane; that is, assuming you wish me to make that trip. In other words, it would be late in June or early in July before I would plan to be in Spokane.

Your advice and counsel in the matter will be appreciated. In the meantime I am not replying to the Field Team's letter.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

Enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[illegible]
[illegible]
Spokane 2, Washington
[illegible]

RECEIVED
JUN - 2 1955

[illegible]

Mr. T. [illegible] Reading
[illegible] Agent
[illegible] New Customhouse
Denver 2, Colorado

Re: Project No. [illegible]
United Minerals Reserve Corp.
Homestake Mine
Blaine County, Idaho
Contract No. Idm-[illegible]

Dear Mr. Reading:

Mr. Snyder of United Minerals has finally sent us the information on that involved compressor deal.

We would like for you to come to Spokane to complete your audit now that we know the amount of credit that United Minerals received on the compressor.

Since United Minerals has made only a random [illegible] dispose of the equipment it is planned to set a valuation [illegible] in order that you may complete your audit.

Mr. Tom Howard of the Bureau of Mines will be available to assist you here.

[illegible]

A. E. Weissenborn
A. E. Weissenborn, Executive [illegible]
U. S. Geological Survey

[illegible]
Wm. G. Agnew, Director
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)

RECEIVED
DEC 27 1955

May 20, 1955

Mr. A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II
U. S. Department of the Interior
1201 North Division Street
Spokane 2, Washington

Re: Idm-E18

Dear Mr. Weissenborn,

As previously indicated to you I had requested that a complete study of the Homestake compressor matter be undertaken. I am forwarding herewith an original and two copies of an analysis prepared for this purpose. We sincerely hope that this will assist in early clarification of this matter.

The unfortunate death of Mr. Nat Davis has raised a further question on getting a bid on the remaining items of supplies on hand because Mr. Davis's organization are the only ones who had indicated any interest whatsoever in acquiring same. We will await your futher word in this matter.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosures

RECEIVED
JUL 27 1955

May 20, 1955

United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

Re: Homestake Compressor
Joy WK-80, 315 CFM Diesel
Serial No. 44692

Gentlemen:

At the request of George W. Snyder, Jr. a study was made of the transactions involving Homestake Compressor, Serial No. 44692 in order to furnish DMEA information requested in their letter of 8 April, 1955. In this connection it was determined that this could not be accomplished without taking into account the Lucky Strike Compressor, Serial No. 44291, as both machines ended up on the same Conditional Sales Agreement with C. I. T. Corporation, San Francisco. The following facts have developed:

1. On 6 June, 1951, one Joy WK-80, 315 CFM Diesel Compressor, Serial No. 44692 was obtained under lease agreement from Foulger Equipment Company, Salt Lake City, Utah.

2. On 24 September, 1951, Exhibit "F" Amendment No. 1, the Government directed that this compressor be carried as a rental item instead of a purchase; further on 5 October, 1951, following is a quote from a wire signed by M. E. Volin:

> "Washington advised first alternative of carrying equipment of straight rental is preferred."

3. Between 15 June, 1951 and 10 December, 1952, United Minerals Corporation made 16 rental payments of $470.00 each to Foulger Equipment Company. At that point an equity of $6,016.00 (80% of the $7,520.00 then paid) was available to United Minerals Corporation had funds to complete this been at hand. There was a balance due at that time of $3,384.00.

4. On 10 December, 1952 a Conditional Sales Contract was entered into with C. I. T. Corporation, covering purchase of 2 Compressors, as the Lucky Strike Compressor, same model and size, Serical No. 44291 was included.

Total Contract both Compressors	$21,160.45
Cash allowance Homestake Serial No. 44692	6,016.00*
Cash allowance Lucky Strike Serial No. 44291	799.00
Total Cash Allowance	$ 6,815.00
Balance then due	$14,345.45

5. During 1953, payments in the amount of $2,350.37 were made to C.I.T. Corporation and apparently all of these were applied on the Lucky Strike Compressor account.

6. Between 27 January, 1953 and 27 May, 1954 seventeen monthly rental payments of $300.00 each were received from Consolidated Uranium Company for the use of Homestake Compressor. This was during a shut-down period after the Government had declined to join further advances for equipment rental. The compressor was removed from the Homestake property at the suggestion of the government.

7. On 12 January, 1954 Arnold Machinery Company paid C.I.T. Corporation $5,655.00 for the Lucky Strike Compressor. A rebate of $343.57 was allowed for prepayment. Considering a cost of $9,400.00, a loss of $208.49 is indicated on this compressor. After applying $5,655.00 from Arnold Machinery Company, the C.I.T. Corporation balance stood at $5,996.51 secured by Homestake Compressor.

8. During 1954, United Minerals Corporation paid C.I.T. Corporation $1,500.00 on the Homestake Compressor. On 27 September, 1954, Foulger Equipment Company paid C.I.T. Corporation $3,906.44 to close out the account in full on the Homestake compressor. An allowance of $590.07 was made for prepayment.

9. Both Compressor sales were made by C.I.T. Corporation to enforce liquidation.

It is my hope that the foregoing will serve to clarify this situation.

My conclusion is that all United Minerals Corporation received for monies paid on this compressor was for the use of the compressor - hence, rental.

Respectfully submitted,

Guy Snyder,
Felt Building
Salt Lake City, Utah

GS:pt

* This is the exact amount of credit received on the conditional sales agreement on the above compressor referred to in DMEA letter of 8 April, 1955.

COPY OF A COPY COPY OF A COPY

May 4, 1955

Defense Minerals Exploration Administration
U. S. Department of Interior
1201 North Division St.
Spokane 2, Washington

Re: Docket No. DMEA 81
(lead - zinc) Homestake
Mine, Blaine Co., Idaho
Contract No. Idm-E13

Attention: Mr. A. E. Weinssenborn,
Executive Officer, U.S.B.S.

Gentlemen:

Please pardon our delay in responding to your favor of 8 April, 1955. The writer has been away from his desk and it develops that additional information from C.I.T. Corporation, San Francisco is required before an accounting can be completed. The latter has been requested from C.I.T. but is not yet at hand.

We hope to be able to complete this accounting within the next few days.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.,
President

GWSjr/pt

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

APR 26 1955

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: United Minerals Corp.
Contract Idm-818
Docket No. DMEA-81

Dear Mr. Brading:

Reference is made to your letter of April 13, 1955, in regard to settling the above-cited contract.

Upon receipt of your letter I sent it to the Acting Assistant Solicitor for legal advice on the Government's interest in equipment obtained on a rental-purchase contract basis. I am sending you a copy of the Acting Assistant Solicitor's reply.

My letter of March 4, 1955, was sent to you prior to the signing of a letter by Mr. Mittendorf to the Snyder interests. The letter is still not signed but Mr. Mittendorf has had contact with Snyder. It is my understanding that Snyder has now furnished Mr. Weissenborn the information he requested on the equipment. Mr. Weissenborn stated in a telegram that he would keep this office informed as to the progress he makes with the Snyders. As soon as I have information I will advise you.

I am also sending you a copy of my memorandum to the Acting Assistant Solicitor in regard to the Arizona excise tax.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosures

JLChambers/wb 4-25-55

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

APR 22 1955.

Memorandum

To: The Administrator, DMEA
Attention: Jay L. Chambers

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMA-81, United Minerals Corp., Contract No. Idm-218

Reference is made to a letter dated April 13 from T. H. Brading, Auditor, to the Chief of the Contract Administration and Audit Division, to which is attached a letter of the Operator dated April 1 to the Field Team at Spokane, to which in turn is attached a letter dated April 8 from the Executive Officer of the Field Team to the Operator. This correspondence, referred to me by Mr. Chambers, deals with the contention of the Operator that the Government has no equity in certain equipment purchased, apparently, under a so-called rental-purchase agreement. It is my understanding that Mr. Chambers would like to have the comments of this office on the contention of the Operator.

This contract is written on our earliest contract form, dated April, 1951. As first written, the contract did not provide for the rental of equipment, but only for its purchase. By Amendment No. 1, rental of the equipment in question was authorized in lieu of purchase at a rate "not to exceed $470.00 per month."

Under the provisions of this contract, the Government acquires an interest in the particular equipment here in question and in any other equipment that was purchased by the Operator pursuant to the provisions of the rental-purchase agreement. The contract form (Article 7) provides that all ". . . equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their

joint account . . . ." It is plain that insofar as the Government may have contributed to payments under a rental-purchase agreement, it contributed to the cost of any equipment that was purchased by the Operator under that agreement.

The Government should require the Operator to properly liquidate and account to the Government for its interest in any equipment purchased under a rental-purchase agreement.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb
4/21/55

Copy to: DMEA Docket
Sol. Docket
Jay L. Chambers (2)
J. L. Hofflund
Chron. File
W. R. Griswold

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

224 New Customhouse
Denver 2, Colorado

April 13, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: United Minerals Co.
Contract Idm-E18
Docket No. DMEA 81

Dear Mr. Chambers:

Attached is copy of a letter from the D.M.E.A. Field Team, Region I, N. W. District. Particular attention is directed to the postscript to the writer.

On March 4, 1955 you wrote me concerning the subject contract. In your letter you advised me to the effect that the matter would be handled from the Washington office; that Mr. Mittendorf was writing a letter directly to Mr. Snyder in regard to his account as a whole. Upon its release a copy of this letter would be sent to me for my information.

Will you please advise me the present status of the subject contract in Washington.

Sincerely,

T. H. Brading
DMEA Auditor

Enc.

[illegible]

[illegible] No. Division St.
Spokane 2, Washington
April 6, 1955

[illegible] : AR
[illegible]

Mr. George H. Taylor, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. [illegible] (1 (Consolidated)
[illegible]
[illegible] County, Idaho
Contract No. [illegible]

Dear Mr. Taylor:

This will acknowledge your letter of April 4, 1955, concerning the disposal of [illegible] by [illegible], United [illegible], with [illegible] 3 No. [illegible].

We wish to call your attention that because the corporation has stated as a result of the [illegible] did not create an equity [illegible] the purchase option. In this case the amount of the [illegible] equity is proportional to the contribution regardless of how the cost has arrived.

You are invited to the Commission's office on [illegible] 1955 to [illegible] contacted you by telephone and give you specific [illegible] information has required, and to [illegible] the total amount of credit received on the contribution [illegible] equivalent to the date of payment. If you will also furnish us the amount paid on the [illegible] after your option has [illegible] we will be able to compute the [illegible] equity. You are requested to furnish this information [illegible] later than April 22, 1955.

[illegible]

[illegible]
[illegible]

[illegible]
[illegible]

[illegible]

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

April 1, 1955

Mr. Tom Howard
U. S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 81
Homestake Mine, Blaine Co., Ida.
Contract No. Idm-E-18

Dear Mr. Howard,

Attached please find itemization of all payments on the subject compressor units. Apparently the matter is interpretative. When our first reports were filed under the subject contract, positive indication was given us that it was desirable to carry the matter as a rental cost. Our feeling, therefore, would be that there was no equity at the time purchase option was exercised which was substantiated by the fact that the account barely liquidated itself.

Secondly, your office declined to go along with rental payments during shut-down periods and suggested that we put the unit out on rental to others.

I sincerely hope that we can reach some understanding on the matter and trust that the figures submitted will be of assistance in final appraisals.

Mr. Nat Davis has advised that he will make an appraisal of the remaining facilities as soon as surface and water conditions permit.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.

George W. Snyder, Jr.
President

GWS:jr
CC: Mr. A. E. Weisenborn
Jr.

CHECKS PAID TO:
[illegible] DEVELOPMENT CO.

Date	Amount
[illegible]/30/52	$ 580.00
2/11/52	470.00
3/10/52	470.00
4/2/52	470.00
5/15/52	470.00
6/25/52	470.00
7/9/52	470.00
10/13/52	940.00
12/13/52	470.00
	5170.00

CHECK PAID TO:
C. I. T.

Date	Amount
1/20/53	$ 497.98
2/24/53	100.00
3/26/53	100.00
4/7/53	100.00
6/2/53	497.98
6/30/53	497.98
10/3/53	300.00
12/2/53	300.00
1/5/54	300.00
1/29/54	300.00
2/24/54	300.00
3/23/54	300.00
5/18/54	300.00
5/28/54	300.00
	4,195.94

[illegible]

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
1201 N. Division St.
Spokane 2, Washington
April 8, 1955

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Snyder:

This will acknowledge your letter of April 1, 1955, concerning the disposal of one W.K. model 315 Joy Compressor, Serial No. 44692, with Caterpillar Diesel Engine, Model D-318 W.H., 5 V., 9768.

The Field Team cannot agree with your interpretation that because the compressor was carried as a rental cost the Government did not obtain an equity when you exercised the purchase option. In this case the amount of the Government's equity is proportional to its contribution regardless of how the cost was carried.

When you visited Mr. Weissenborn's office on March 8, 1955, Mr. Howard contacted you by telephone and gave you specific instructions on what information was required, and we repeat "the exact amount of credit received on the conditional sales agreement on the above compressor." If you will also furnish us the amount paid on the compressor after your option was exercised, we will be able to compute the Government's equity. You are requested to furnish this information not later than April 22, 1955.

By Field Team, Region I, NW District

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)
USBM (AD)

COPY OF A COPY

COPY OF A COPY

April 1, 1955

Mr. Tom Howard
U. S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 81
Homestake Mine, Blaine Co., Ida.
Contract No. Idm-E-18

Dear Mr. Howard,

Attached please find itemization of all payments on the subject compressor units. Apparently the matter is interpretative. When our first reports were filed under the subject contract, positive indication was given us that it was desirable to carry the matter as a rental cost. Our feeling, therefore, would be that there was no equity at the time purchase option was exercised which was substantiated by the fact that the account barely liquidated itself.

Secondly, your office declined to go along with rental payments during shut-down periods and suggested that we put the unit out on rental to others.

I sincerely hope that we can reach some understanding on the matter and trust that the figures submitted will be of assistance in final appraisals.

Mr. Nat Davis has advised that he will make an appraisal of the remaining facilities as soon as surface and water conditions permit.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

/s/ GEORGE W. SNYDER, JR.

George W. Snyder, Jr.
President

GWSjr/pt
CC: Mr. A. E. Weissenborn
Enc.

CHECKS PAID TO:
FOULGER EQUIPMENT CO.

Date	Amount
1/30/52	$ 940.00
2/11/52	470.00
3/10/52	470.00
4/8/52	470.00
5/15/52	470.00
6/23/52	470.00
7/9/52	470.00
10/13/52	940.00
12/12/52	470.00

CHECK PAID TO:
C.I.T.

Date	Amount
1/28/53	$ 497.98
2/24/53	100.00
3/26/53	100.00
4/7/53	100.00
6/2/53	497.98
6/30/53	497.98
10/3/53	300.00
12/2/53	300.00
1/5/54	300.00
1/29/54	300.00
2/24/54	300.00
3/23/54	300.00
5/18/54	300.00
5/28/54	300.00

File

COPY

TELETYPE

YWB009 WAF SP 27 I-GS-G

SPOKANE WASH 3-21-55 1035A

GEOVCHAIRMAN OPERATING COMMITTEE, DMEA, DEPARTMENT OF INTERIOR

REUR TEL MARCH 18, DOCKET DMEA 81, IDM-E18, UNITED MINERAL CORPORATION. SNYDER VISITED US MARCH 8TH GIVING ADDITIONAL INFORMATION AND PROMISED HE WOULD TAKE ACTIVE STEPS TO WIND UP CONTRACT. SEE OUR LETTER TO YOU DATED MARCH 10 (MAILED FROM HERE MARCH 15) SUGGEST WE AWAIT DEVELOPMENTS FOR ANOTHER WEEK OR 10 DAYS. WILL KEEP YOU INFORMED.

A E WEISSENBRON, FIELD TEAM REGION I

NORTH WEST DISTRICT

18DMEA 81 IDM-E18 10 15 10

VA 1037A

Draft 3/4/55
JLChambers/wb

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Hold until after 3/15? See F.T. letter 2/24/55

Re: Docket No. DMEA-81 (Lead-Zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Snyder:

As early as July 20, 1954, the Field Team of Region I, Northwest District (formerly Region II), began to discuss the problem of salvaging equipment and material purchased jointly by the Government and your Corporation.

Since the above date a number of requests have been made for information in regard to costs, location and disposition of project equipment and material. According to a report of one of our engineers, approximately $3,900.00 worth of miscellaneous equipment has been removed from the project site without knowledge or consent of the Government. In addition, approximately $8,500.00 worth of equipment consisting of a rockershovel, an air locomotive, and a Joy compressor, which ~~was~~ were purchased under purchase-rental agreement and taken over by the Corporation under its option, ~~has~~ have also been removed from the project site.

The option of purchase was fulfilled ~~by means~~ as a result of rental costs charged to the project. In fact, practically all of the equipment and material purchased for the project which had any salvageable value was removed by the Corporation, notwithstanding the fact that the Government has an equity in the equipment and materials, and notwithstanding the fact that paragraph 3 of Amendment No. 6 to the contract prohibited the removal of such material and equipment without the approval of the Government.

Mr. M:

Mr. Chambers would like you approval or comment on draft before it is finally typed.

fw

get docket

You are aware also that your Corporation has not fulfilled the provisions of the contract in winding up the affairs of the project and submitting final reports of the results obtained by project operation.

DMEA operations are subject to continual audit by the Comptroller General of the United States. Under law the Administrator of DMEA is held responsible for the proper administration of DMEA contracts. Knowing the condition of the Corporation as well as the market for lead and zinc, I have been as lenient as possible in pressing for settlement. The fact is, however, that your Corporation has been derelict in responding to our requests, both for information and for winding up of project activities. The time has come when I, as Administrator, must take drastic actions to close this account. Therefore, unless I receive from you within thirty days after the date of this letter a satisfactory program for settlement of your account with this Administration, I shall have no recourse except to disallow all equipment cost as a cost to the project, and to refer the matter to the Attorney General of the United States for action.

~~I trust that you will be able to see my responsibility in regard to this project and to carry out your as required by the contract.~~ omit?

RECEIVED
APR 19 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

MAR 4 - 1955

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: DMFA81, Idm-E18
United Minerals Reserve
Corporation

Dear Mr. Brading:

Reference is made to your letter of February 28, 1955, re above-cited contract.

It will not be necessary for you to make a trip to Salt Lake City to obtain information on equipment and material purchased for this project. It has been decided to handle the matter from the Washington office. Mr. Mittendorf is writing a letter directly to Mr. Snyder in regard to his account as a whole. Upon its release a copy will be sent to you for information purposes.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 4, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
224 NEW CUSTOMHOUSE
DENVER 2, COLORADO
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 - 1955

February 28, 1955

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Mineral Exploration Administration
Department of the Interior
Washington, D. C.

Re: Docket No. DMEA 81
Contract No. IDMEA 18

Dear Mr. Chambers:

Attached are copies of letters regarding subject contract:

George W. Snyder - Nov. 18, 1954
T. H. Brading - Feb. 14, 1955
Field Team - Region I, N. W. District Feb. 24, 1955
Thomas E. Howard - Feb. 23, 1955.

Particular attention is directed to Mr. Howard's letter of February 23, 1955 to this auditor. In view of the last two sentences of the Field Team's letter to Mr. Snyder, I would appreciate your advice in this regard.

I do not plan to be in Salt Lake this next month (March) and question the advisability of a special trip to endeavor to obtain the information required.

Sincerely yours,

T. H. Brading

T. H. Brading

THB/ww

Attachments

Region III

February 28, 1955

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Mineral Exploration Administration
Department of the Interior
Washington, D. C.

Re: Docket No. DMEA 81
Contract No. IDMEA 18

Dear Mr. Chambers:

Attached are copies of letters regarding subject contract:

George W. Snyder - Nov. 18, 1954
T. H. Brading - Feb. 14, 1955
Field Team - Region I, N. W. District Feb. 24, 1955
Thomas E. Howard - Feb. 23, 1955.

Particular attention is directed to Mr. Howard's letter of February 23, 1955 to this auditor. In view of the last two sentences of the Field Team's letter to Mr. Snyder, I would appreciate your advice in this regard.

I do not plan to be in Salt Lake this next month (March) and question the advisability of a special trip to endeavor to obtain the information required.

Sincerely yours,

T. H. Brading

THB/ww

Attachments

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

November 18, 1954

Mr. Tom Howard
U. S. Dept. of the Interior
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

RE: Docket No. DMEA 81
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Howard,

We are advised by our auditor that he expects to be able to furnish, at the least, the preliminary analysis on the subject contract settlement in about another week. We sincerely regret the delays, but the matter is very complicated and has required more study than anticipated.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder, Jr.

George W. Snyder, Jr.,
President

GWSjr/pt

RECEIVED
NOV 19 1954

224 New Customhouse
Denver 2, Colorado

February 14, 1955

Mr. Thomas E. Howard
1201 North Division Street
Spokane, Washington

Dear Tom:

What is the latest dope if any on United Minerals? I know that you would like to see this contract closed as much as I would. Is there anything that I may do to help expedite the closing?

Sincerely,

T. H. Brading
Auditor, DMEA

[illegible]
[illegible] DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[illegible] AVENUE, N.W.
WASHINGTON 25, D.C.
[illegible]
[illegible] Spokane 8, Washington
February 24, 1955

[illegible]
[illegible] Corporation
[illegible]
[illegible] May 4, 1954

Re: Loanee No. [illegible] (Lead-zinc)
Lonestone Mine
Shoshone County, Idaho
Contract No. Idm-[illegible]

[illegible]

[illegible] reference to your letter of November 10, 1954 to [illegible] of [illegible] wherein you promise "the preliminary [illegible] of the engine [illegible] in about another week." [illegible] that you give this matter your immediate attention.

[illegible] Mr. [illegible] and [illegible] visited your office during the latter part of [illegible] 1954 to audit your accounts, you informed [illegible] that you would furnish within a short time a complete certified statement describing the transaction involving the W. K. Model 315 Joy compressor, Serial No. 44692, with Caterpillar Diesel Engine, Model D 318 [illegible], 5 [illegible], 9700, mounted on 4 pneumatic 700x20 tires. You are requested to furnish such a statement, together with certified true copies of all agreements concerning the rental, conditional sale and final disposition of the compressor, not later than March 15, 1955. Unless we receive this information by that date we shall recommend that the matter be referred to the Attorney General for action.

By Field Team, Region I, NW District

A. L. Meissenborn, Executive Officer
U. S. Geological Survey

Thomas E. Howard
for: Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA, Wash. (2)
T. H. Brading, DMEA Auditor, Denver
USGS (2)
Certifying Officer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
February 23, 1955

Mr. T. H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Brading:

Concerning your inquiry of February 14, 1955, the latest dope we have is Mr. Snyder's letter of November 18, 1954, a copy of which was sent to you.

The Field Team has written a letter to Mr. Hyder today, requesting some action. A copy of this letter is enclosed.

To expedite the matter we would greatly appreciate it if you could personally contact Mr. Hyder in Salt Lake City and get the full story on the Hoy Summary.

Sincerely yours,

[illegible]

RECEIVED
DEC 27 1955

March 2, 1955

Mr. Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II
1201 North Division Street
Spokane 2, Washington

Re: DMEn-81 Homestake Mine,
Blaine County, Itaho
Contract Idm-E18

Dear Mr. Howard,

Your most recent communication received and its contents noted. Lack of clerical help and a series of extremely important personal matters made it impossible to meet the promised date of your audit questions. The writer sincerely hopes that the attached information will be of assistance in winding this matter up.

First, please be advised that our efforts to obtain bids on the few remaining items of equipment from the Triumph Mining Company and the Silver Star Queen Mining Company, the only logical outlets, were without avail. In spite of repeated telephone calls no offers were forthcoming.

Enclosed you will find the following information:

1. The terminal engineering and geological report.

2. A copy of a letter from C. I. T. Corporation regarding the compressor situation. As you have previously been advised, the two compressors were on one account and the reference letter is intended only to convey the information to you that no recovery, whatsoever, was made on the part of United Minerals Corporation or any individuals. The reverse in fact will appear. Some of the payments were made by personal advances on the part of George W. Snyder, Sr., and George W. Snyder, Jr.

3. All of the equipment obtained on the rental contract from Eimco Corporation was returned and the contract cancelled. No options whatsoever, were exercised.

4. We offered for sale locally, the following items of equipment still on hand. Rail, pipe, buildings as is and dismantled, skip, Coleman water heater, Ingersoll Rand tugger hoist, anvil, vice, press tank, receiver, timber on hand, space heater, Ingersoll Rand jack hammer, Ingersoll Rand stoper, Copco drill, pneumatic saw and sheave block. We have not received any offer on this equipment in spite of two trips to Hailey and numerous telephone calls.

5. The powder on hand was returned for credit, which credit has never been issued pending settlement of our account with the Hailey Trading Company. We must assume that the credit is an obligation of this company under the contract.

6. We believe that the disposition of charges for slusher bucket, timber trucks and the mule were properly allocated during your audit.

The writer will be in Spokane about Tuesday, the 8th of March and will visit with you relative to this matter. We trust that the information included will assist in finally settling this account.

Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder Jr.

George W. Snyder, Jr.,
President

GWSjr/pt
Enclosures

C
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P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
February 24, 1955

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Ge orge W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Snyder:

Your attention is called to your letter of November 18, 1954 to Mr. Tom Howard of this office, wherein you promise "the preliminary analysis on the subject contract settlement in about another week." We strongly urge that you give this matter your immediate attention.

When Mr. Howard and Mr. Brading visited your office during the latter part of September 1954 to audit your accounts, you informed them that you would furnish within a short time a complete certified statement describing the transaction involving the W. K. Model 315 Joy Compressor, Serial No. 44692, with Caterpillar Diesel Engine, Model D 318 S.H., 5v., 9768, mounted on 4 pneumatic 700x20 tires. You are requested to furnish such a statement, together with certified true copies of all agreements concerning the rental, conditional sale and final disposition of the compressor, not later than March 15, 1955. Unless we receive this information by that date we shall recommend that the matter be referred to the Attorney General for action.

By Field Team, Region I, NW District

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Thomas E. Howard
for: Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA, Wash. (2)
T. H. Brading, DMEA Auditor, Denver
USGS (2)
Certifying Officer

COPY

C. I. T. CORPORATION
INDUSTRIAL FINANCING
660 Market Street San Francisco 4, Cal.

RECEIVED DEC 8 1954

December 3, 1954

United Minerals Corp.
518 Felt Building
Salt Lake City, Utah

Attn: George Snyder, Jr.

Re: 25-06221

Gentlemen:

We understand from Mr. Foulger that you wish some information about the two compressors, serial #[illegible] and #44291 which were covered by the above numbered contract. For your information this account had an original balance including services charges of $14,345.45.

We are attaching hereto a statement of the account showing how funds were received during the life of the contract and on what dates these payments were received.

We show that on January 12 of 1954 we received $5655.00 as the proceeds from the sale of one of the units and September 27th we received $3906.44 covering the proceeds of the sale of the other unit. However, as to the origin of all of the other funds shown on the attached statement, we do not keep any record of where these payments originated and we would have no way of knowing as to how many of them represent payments from the various lessees or how many of them represented payments eminating directly from your office.

However, we hope that this information will be of some value to you and will prove to be sufficient for your purposes.

Very truly yours,

C. I. T. CORPORATION

By S/S J. A. Eldridge

J.A. Eldridge/b

COPY

UNITED MINERALS CORP.
518 Felt Building
Salt Lake City, Utah

Account #17-1040-112-06221

Date of Contract - 12-10-52

Amount Unpaid - $14,345.45

Due Date	Date Paid		Amount of Installment	Amount Paid
1-25-53	1-29-53		$497.98	$497.98
2-25	2-26		100.00	100.00
3-25	3-30		100.00	100.00
4-25	4-20		100.00	100.00
5-25	6-8		497.98	497.98
6-25	8-4		497.98	498.98
7-25	10-13		497.98	300.00
	12-3	$300.00 Check		197.98
8-25	12-3		497.98	102.02
	1-6-54			300.00
	1-12-54			95.96
9-25	1-12	$5655.00 Ch.	497.98	497.98
10-25	1-12		497.98	497.98
11-25	1-12		497.98	497.98
12-25	1-12		497.98	497.98
1-25-54	1-12		497.98	497.98
2-25	1-12		100.00	100.00
3-25	1012		100.00	100.00
4-25	1-12		100.00	100.00
5-25	1-12		497.98	497.98
6-25	1-12		497.98	497.98
7-25	1-12		497.98	497.98
8-25	1-12		497.98	497.98
9-25	1-12		497.98	497.98
10-25	1-12		497.98	279.24

Acct. Rewritten
1-5-54

2-25-54	2-2-54		300.00	300.00
3-25	3-2		300.00	300.00
4-25	4-2		300.00	300.00
5-25	5-19		300.00	300.00
6-25	6-1		300.00	300.00
7-25	9-27-54	$3906.44 Ch.	300.00	300.00
8-25	"		300.00	300.00
9-25	"		300.00	300.00

COPY

United Minerals Corporation
Page 2

Account #17-1040-112-06221

Due Date	Date Paid	Amount of Installment	Amount Paid
10-25-54	9-27-54	$300.00	$300.00
11-25	"	300.00	300.00
12-25	"	300.00	300.00
1-25-55	"	300.00	300.00
2-25	"	300.00	300.00
3-25	"	300.00	300.00
4-25	"	300.00	300.00
5-25	"	300.00	300.00
6-25	"	300.00	300.00
7-25	"	300.00	300.00
8-25	"	300.00	6.44
9-25	"	300.00	

FINAL BALANCE OF $590.07 CLOSED OUT BY INTEREST REBATE.

COPY OF A COPY

COPY OF A COPY

UNITED MINERALS CORPORATION
FELT BUILDING
SALT LAKE CITY 1, UTAH

November 3, 1954

Mr. Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II
1201 North Division Street
Spokane 2, Washington

RE: DMEA-81, Homestake Mine, Blaine County, Idaho Contract Idm-E18

Dear Mr. Howard:

Pursuant to our conversations we are now preparing for you a detailed breakdown on the subject contract charges. It will not be possible to complete this analysis before November 20th due to other very pressing business commitments.

The study is well underway however, and we have conducted our own physical inventory and examination which generally conforms to the conditions which you recited.

Thanking you and with kindest personal regards, we are,

Very truly yours,

UNITED MINERALS CORP.

/s/ GEORGE W. SNYDER, JR.
George W. Snyder, Jr.
President

GWSjr/lc

1 cy to Wash. 11/15/54
1 " " Brading "

COPY OF A COPY

COPY OF A COPY

So. 157 Howard Street
Spokane 4, Washington

October 14, 1954

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 81 (zinc-lead)
United Minerals Reserve Corp.
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Snyder:

This will acknowledge your letter of September 27, 1954, in which you state that with the increase in lead and zinc prices it may be possible for you to resume exploration on the Homestake property and request that Contract Idm-E18 be extended until next spring. We regret that it will not be possible to do this because, under the terms of Amendment 6, the contract became terminated when work specified in the contract was not resumed on May 1, 1954, or as soon thereafter as snow conditions permitted. In this connection please refer to our letter of July 20, 1954.

You should arrange, therefore, to dispose of jointly owned equipment and supplies as soon as possible, so that the final settlement of the contract can be made. We understand from Mr. Howard that you have stated that you would begin this at once and that he has discussed with you the procedure to be followed in disposing of the jointly owned equipment.

We feel that, in any event, it will be to our mutual advantage to terminate the present contract, and close the books on the account. Once this has been done there would be nothing to prevent you from making an application for a new contract at some future time whenever you found yourself in a position to resume exploration.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA(2) w/cy incoming
USBM (2) " "
USBM(AD) " "
Nickelson" "

C
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Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

October 13, 1954

Mr. H. C. Miller
Executive Officer, DMEA
Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco, California

Re: Docket No. DMEA-81 (lead-zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Miller:

We are closing out a DMEA exploration contract with the United Minerals Corporation of Salt Lake City, Utah, for the exploration of the Homestake mine in Blaine County, Idaho, and find on auditing the account that the amount still due the company will probably be insufficient to cover the Government's equity in equipment and supplies which still remains to be disposed of.

We understand that Region III is withholding a substantial amount on a contract with the same company, and we request that if possible you continue to withhold $1,500.00 until such time as United Minerals Corporation disposes of the equipment and the Government's equity is satisfied.

By DMEA Field Team, Region II

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USBM (2)
USBM (AD)
Nickelson

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27 [illegible]
750 [illegible]
Forge [illegible]
3/4 [illegible]
I-R [illegible]
Water [illegible]
Air re[illegible]
6 ft [illegible]
Cal[illegible]
Anvil [illegible]
Hand [illegible]

1[illegible]
100 [illegible]
200 [illegible]
- 1[illegible]
mine [illegible]
[illegible]
above [illegible]
[illegible]

[illegible]

The above physical inventory of items on the project [illegible] that there is relatively little remaining at the mine site [illegible] which the Government's equity in salvage might be obtained.

[illegible] costs on the project [illegible] to be [illegible]

[illegible] materials and [illegible]

[illegible]

[illegible] supplies

[illegible] equipment

[illegible] (in part [illegible]

[illegible] improvements

[illegible] work units, [illegible] project suggests that only a little exploration and [illegible] may be attributed to the project work. Timber in the [illegible] and the current supply has an approximate [illegible] indicating that $[illegible] worth of timber had been [illegible] The timber supply that would be high ($[illegible]/ft.) [illegible] there is [illegible] that any part of the [illegible] removed.

[illegible] magazine at the property was locked, but [illegible] cost for explosives is suggestive that there [illegible] this supply consisting that could reasonably be [illegible] to $[illegible]. The explosives that should not have been [illegible] where most of the project work was advanced. [illegible] foot could have been $[illegible] which would have [illegible] for the [illegible]

[illegible] submitted for [illegible] the true [illegible]

[illegible] submitted [illegible] $[illegible] which [illegible] worth of the [illegible] invoiced by the [illegible] on hand. [illegible] speed track from other parts of the [illegible]

[illegible] costing $3,[illegible] [illegible] were not detailed on [illegible] of the individual items [illegible] and lubricants will [illegible]

[illegible] parts will take [illegible] 3/8 [illegible]
[illegible] 1 inch, 50 feet, [illegible] rail on the vine [illegible]
[illegible] for the marking machine [illegible] of the property
[illegible] other items such [illegible]
[illegible] hoeing.

[illegible] Equipment

[illegible] cost for [illegible] Rentals -- [illegible] equipment items used under rental purchase agreements. [illegible]
[illegible] and [illegible]

[illegible] shovel [illegible]
[illegible] locomotive [illegible]
[illegible] compressor [illegible]

[illegible] totals would [illegible] items [illegible]

[illegible] Purchase

[illegible] total accepted [illegible] purchase [illegible]
[illegible] the items now on hand [illegible]
[illegible] keeping [illegible]

[illegible] drill #43[illegible] [illegible]
[illegible] and pusher [illegible]
[illegible] scraper [illegible]
[illegible] drill #43[illegible]
[illegible] and pusher
[illegible] falls
[illegible]
[illegible] crusher
[illegible] mold harness
[illegible] #670[illegible]
[illegible] 1-3 stoper #643[illegible]
[illegible] McGowan Sump Pump
[illegible] #66[illegible]
[illegible]

[illegible]

The above named equipment was used very little at the project so that a Government equity exists in these items at nearly 90 percent of the amount charged to the contract. Nevertheless, equipment purchasers will not take them as new and there is the costs of liquidating if the Government attempts the sale of such equipment.

A reasonable salvage value for the Government's equity for the categories above discussed is estimated as follows:

Item	Cost on MF-104s	Suggested Salvage Value Remaining	Suggested Value of Gov't Equity
Timber	$2,640.53	$ 800.00	$ [illegible]
Explosives	1,366.54	450.00	[illegible]
Pipe	252.61	125.00	[illegible]
Track	46.00	40.00	[illegible]
Other Supplies	3,184.92	1,200.00	[illegible]
Operating Equipment - Rental Purchases	6,438.95	6,300.00	[illegible]
Equipment Purchased	4,513.60	3,600.00	[illegible]
New Bldgs. & Improvements	1,275.28	650.00	[illegible]
Total salvage value for Government's equity			$[illegible]

It is suggested that the Government accept any offer from the Operator which equals or exceeds $5,000.00 for its equity because the cost of assembling and disposing of the items to other parties would probably be enough to reduce the net well below $5,000.00.

V. Z. Johnson

cc: Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
VZJ:mp

COPY OF A COPY

COPY OF A COPY

So. 157 Howard Street
Spokane 4, Washington

July 20, 1954

Mr. Geo. W. Snyder, Jr., President
United Minerals Reserve Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 81 (lead-zinc)
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18

Dear Mr. Snyder:

Amendment No. 6 to your contract specifies that project work was to be recessed during the period November 1, 1952, to May 1, 1954, and a subsequent letter from Mr. C. O. Mittendorf, Administrator, expressed a willingness to grant an additional amendment for 30 or 60 days in order that the work might be started without undue hardship. The Field Team would appreciate being advised of your current plans regarding the project. Field representatives report that there is no activity.

Unless project work resumption is in progress it would appear that the winding up and settlement actions listed under paragraph (b) of Item 4 of Amendment No. 6 should now be initiated. A reasonable disposal of facilities, buildings, fixtures, equipment, and other items, to the cost of which the Government has contributed, can be executed by your submission of a bid for the Government's equity in such items along with supporting evidence that yours is the highest bid submitted.

Approved totals on your October 1952 MF-104, wherein a Government equity in salvage might be considered, are in categories as follows:

(3) Operating Materials and Supplies	
Timber	$2,640.53
Explosives	1,366.54
Pipe	252.61
Track	46.00
Other supplies	3,184.92

(4)	Operating Equipment	
	Rental (any rental purchase item)	$11,142.87
	Purchase	4,513.60
(6)	New Buildings, Improvements, etc.	1,275.28

The above costs are given to suggest sources of possible salvage if the project is to be terminated at this time rather than an indication of value.

The Field Team hopes to hear that you are resuming project work.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew Member
U. S. Bureau of Mines

cc: DMEA (2)
USBM (2)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Bureau of Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
DEC 18 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 31 Contract No. 18

Operator's Name United Minerals Corporation Minerals Lead & Zinc

Address 518 Felt Building, Salt Lake City, Utah

Contract Amount, $ 104,000.00 Government Participation: 50 % Amount, $ 52,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	138.70	10,774.47	10,913.17	138.70	10,697.19	10,835.89
Supervision & Technical	140.00	9,565.18	9,705.18	140.00	9,441.84	9,581.84
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,640.53	2,640.53			
Explosives		1,366.54	1,366.54			
Pipe		252.61	252.61			
Track		46.00	46.00			
Other Supplies		3,331.12	3,331.12		3,184.92	3,184.92
(4) Operating Equipment:						
Rental	924.00	10,218.87	11,142.87			
Purchase		4,513.60	4,513.60			
Depreciation	13.15	79.15	92.30			
(5) Initial Rehabilitation and Repairs		2,104.22	2,104.22			
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28			
(7) Miscellaneous:						
Repairs to Equipment	14.02	869.26	883.28			
Sampling and Analysis						
Payroll Taxes	63.79	1,811.50	1,875.29	63.79	1,800.46	1,864.25
Liability Insurance						
Other		160.45	160.45			
(8) Contingencies (specify): Trans. of Equipment		167.38	167.38			
TOTALS	1,293.66	49,176.16	50,469.82	1293.66	48,818.30	50,111.96

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

Date 11-15-52 *Payee United Minerals Corporation

Per Glen L. Gardner Title Auditor

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

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

(Instructions on reverse)

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

$ 646.83

Signature [signature] (Authorized Certifying Officer)

Date 12/11/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

/s/ Signature V. Z. Johnson Title Min Engr Date 11-18-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

/s/ Signature Thomas E. Howard Title Min Engr Date 11/18/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
DEC 18 1952

Month of October 1952 Docket No. DMEA 81 Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead & Zinc
Address 518 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		1,293.66	6 ft.	13,011.56	95'	136.96		
Crosscutting								
Raising								
Shafts								
Winzes				18,324.88	89'	205.80		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other - Rentals, etc.				5,327.70				
TOTAL DISTRIBUTED COSTS		1,293.66		36,664.14				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,513.60				12,616.00
Initial Rehabilitation and Repairs				9,292.08				8,620.25
New Buildings, Improvements, etc.								
TOTAL COSTS		1,293.66		50,469.82				21,236.25

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

Date 11-15-52 Operator United Minerals Corporation

Per Glen A. Gardner Title Auditor

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

UNITED MINERALS CORPORATION
518 FELT BUILDING
SALT LAKE CITY 1, UTAH

November 14, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMEA Field Team, Region II
U. S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-K18
PROGRESS REPORT - OCTOBER, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-K18, and covers the period of October 1-31, 1952.

At the beginning of the month it was possible to gain one additional round from the face of the 600 Homestake drift before an integral part of the compressor failed, thus cutting off compressed air. Although the Operator had several replacements and repair parts on hand for the compressor, it was found that one small spring and backing plate were not among the parts as ordered. There was considerable delay while the Operator waited to receive these parts from the factory. In the meantime, certain maintenance work was undertaken. In the main haulage level two sets were replaced and the track and ditch were cleaned up; the upper portals were sealed against weather; the surface water line was disconnected and blown out; and the property was otherwise cleaned up for the year.

At the middle of the month, because of threatening weather, the Operator elected to suspend operations for the winter. As it subsequently turned out the weather remained fair and it was found that operations could have been continued. However, the operator was endeavoring to move out certain major rental items so as not to continue fixed charges against the contract as was necessitated last year. It had been planned last year to remove this equipment, utilize it at other operations and thus defer charges, but before this could be done, an early and heavy snow fall denied access to the property.

The aforementioned advance of six feet in the face evidenced a geological change. The rock is now mostly black, carbonaceous argillite and limestone with the oxidation evidences completely gone from the mineralization. The whole zone is somewhat wet, but no definite water course is now visible. The operator is of the opinion that this water course was responsible for most of the oxidized ore previously noted in this area. There is now about two inches of high grade zinc-lead sulphide ore on the gouge footwall of the structure.

We trust you find this brief summary sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS CORPORATION

Harold A. Covey

Harold A. Covey - Vice President

HAC/md

Enclosures

Form MR 1-4 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Wash
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

SUPPLEMENTAL REPORT

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 195 2 Docket No. DMEA 81 Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead & Zinc
Address 518 Felt Building, Salt Lake City, Utah
Contract Amount, $ 104,000.00 Government Participation: 50 % Amount, $ 52,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	830.60	9,943.87	10,774.47	753.32	9943.87	10,697.19
Supervision & Technical	223.34	9,341.84	9,565.18	100.00	9341.84	9,441.84
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,640.53	2,640.53			
Explosives		1,366.54	1,366.54			
Pipe		252.61	252.61			
Track		46.00	46.00			
Other Supplies	146.20	3,184.92	3,331.12	-0-	3184.92	3184.92
(4) Operating Equipment:						
Rental		10,218.87	10,218.87			
Purchase		4,513.60	4,513.60			
Depreciation		79.15	79.15			
(5) Initial Rehabilitation and Repairs		2,104.22	2,104.22			
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28			
(7) Miscellaneous:						
Repairs to Equipment		869.26	869.26			
Sampling and Analysis						
Payroll Taxes	75.66	1,735.84	1,811.50	64.62	1735.84	1800.46
Liability Insurance						
Other		160.45	160.45			
(8) Contingencies (specify): Transp. of Equipment		167.38	167.38			
TOTALS	1,275.80	47,900.36	49,176.16	917.94	47,900.36	48,818.30

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11-15-52 *Payee United Minerals Corporation
Per Glen A. Gardner Title Auditor

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 458 97
Signature (Authorized Certifying Officer)
Date 12/8/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E18 in accordance with the terms of the contract.

Signature /s/ Verde F. Johnson Title Mining Engr. Date 12-17-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr. Date 12/17/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MR-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

Wash.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

SUPPLEMENTAL REPORT

OPERATOR'S UNIT COST AND PROGRESS REPORT

Supplemental

Month of September 1952 Docket No. DMEA 81 Contract No. 10

Operator's Name United Minerals Corporation Minerals Lead & Zinc

Address 513 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		1,169.86	51'	11,717.90	89'	131.98		
Crosscutting								
Raising								
Shafts								
Winzes		105.94	0	18,324.68	89'	205.80		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other - Rentals, etc.				5,327.70				
TOTAL DISTRIBUTED COSTS		1,275.80		35,370.46				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,513.60				12,616.00
Initial Rehabilitation and Repairs				9,292.02				8,620.25
New Buildings, Improvements, etc.								
TOTAL COSTS		1,275.80		49,176.16				

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

REMARKS:

Date 11-15-52 Operator United Minerals Corporation

Per P.E. Hawkins Title Auditor

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-493

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Spokane, Wash.
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E18

To United Minerals Corp.
(Payee)

518 Felt Building, Salt Lake City, Utah
(Address) (City) (State)

PAID BY

12 days

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Sept. 1952	As per attached certified form MF-104 dated 10/15/52.				664.91	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 664.91

(Payee must NOT use this space)

Differences .....

Account verified; correct for 664.91

(Signature or initials) .....

Contract No. Idm-E18 Date Req. No. Date Invoice Rec'd.

664.91

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act., Interior.	664.91	664.91

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-1953
Defense Minerals Administration
RECEIVED
NOV 5 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 81 Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead and Zinc
Address 518 Felt Building, Salt Lake City, Utah
Contract Amount, $ 104,000.00 Government Participation: 50 % Amount, $ 52,000

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract Work		149.60	149.60		—o—	—o—
(2) Labor and Supervision:						
Labor	830.60	9,943.87	10,774.47	—o—	9943.87	9943.87
Supervision & Technical	223.34	9,341.84	9,565.18	—o—	9341.84	9341.84
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,640.53	2,640.53		2640.53	2640.53
Explosives	62.70	1,303.84	1,366.54	62.70	1303.84	1366.54
Pipe		252.61	252.61		252.61	252.61
Track		46.00	46.00		46.00	46.00
Other Supplies	246.37	2,709.56	2,955.93	100.17	3084.75	3184.92
Power		375.19	375.19		—o—	—o—
(4) Operating Equipment:						
Rental	1,068.60	9,150.27	10,218.87	1068.60	9150.27	10218.87
Purchase		4,513.60	4,513.60		4513.60	4513.60
Depreciation	13.15	66.00	79.15	13.15	66.00	79.15
(5) Initial Rehabilitation and Repairs		2,104.22	2,104.22		2104.22	2104.22
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28		1275.28	1275.28
(7) Miscellaneous:						
Repairs to Equipment	85.20	784.06	869.26	85.20	784.06	869.26
Sampling and Analysis						
Payroll Taxes	75.66	1,735.84	1,811.50	—o—	1735.84	1735.84
Liability Insurance						
Other		10.85	10.85		160.45	160.45
(8) Contingencies (specify):						
Transportation of Equipment		167.38	167.38		167.38	167.38
Equip. deletions						
TOTALS	2,605.62	46,570.54	49,176.16	1329.82	46570.54	47900.36

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

Date 10/15/52 *Payee United Minerals Corp.

Per Glen C. Gardner Title Auditor

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

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

(Instructions on reverse)

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

$ 664.91

Signature [illegible]
(Authorized Certifying Officer)

Date 10/22/52 Vou. No.
(See other side)

Individual totals in "Approved Totals Previously Reported" column adjusted to conform with audit report prepared by Mr. Hull through August, 1952.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 2 Docket No. DMEA 81 Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead and Zinc
Address 518 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		2,499.68	51'	11,717.90	89'	131.98		
Crosscutting								
Raising								
Shafts								
Winzes		105.94	0	18,324.88	89'	205.80		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other- Rentals, etc.				5,327.70				
TOTAL DISTRIBUTED COSTS		2,605.62		35,370.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,513.60				12,616.00
Initial Rehabilitation and Repairs				9,292.08				8,620.25
New Buildings, Improvements, etc								
TOTAL COSTS		2,605.62		49,176.16				

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

Date October 15, 1952 Operator United Minerals Corporation

Per Glen B Gardner Title Auditor

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

October 11, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMEA Field Team, Region II
U. S. Department of the Interior
No. 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm - 518
PROGRESS REPORT - SEPTEMBER, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-518, and covers the period of September 1-30, 1952.

Following removal of waste at the station at the bottom of the Remarkable 402 Winze, that area was timbered. It is now well caught-up and ready for drift advance northerly or southerly from this elevation pending installation of necessary equipment. Both faces show evidence of mineralization, somewhat oxidized where water has apparently traveled down thru the vein but with an occasional stringer of galena observed.

Work was then directed to advancing the main 600 Drift northerly. Approximately 90 feet of track at the face was lowered to a more gradual grade and switching facilities were completed. The face was then advanced a total of 51 lineal feet during the remainder of the month. By attempting to hold as much of the vein possible for observation, the ground broke larger than was desired. To overcome this while the face is not in commercial ore, it will be driven slightly more into the footwall of the structure.

A section of about twenty-five feet was driven thru which showed fair values. There were stringers of sphalerite and galena and fine disseminations of both thruout the hangingwall lines; up to 10 inches of high-grade, mixed oxide-sulfide ore on the footwall gouge and some intermittent quartz and calcite intermixture. At no point was it deemed to be of commercial width or grade over the full face but it might be remembered as a possible point of future exploration by raising on the ore.

Note is made that, altho the total amount of advance is not great, it is believed that it will be found that the direct face costs per foot will not be excessive. Operations were conducted with an extremely limited crew during the

month because of labor troubles noted in previous communications. The only delay during the period was occasioned when a portion of the main haulage track spread, derailed a train knocking out some timber and caused a cave-in which had to be repaired.

We trust you find this brief summary sufficient for your requirements, the enclosures in order and the submittal meets with your approval.

Respectfully submitted,

UNITED MINERALS CORPORATION

Harold A. Covey, Vice President

HAC/md

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

7

AUDIT CERTIFICATE

I have examined the records and transactions of

United Minerals Corporation
518 Felt Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E18, Docket No. DMA 81X for the period of April 1 through August 31, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor	$46,570.54
Exceptions	None
Total accepted cost	46,570.54

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty three thousand two hundred eighty five and 27/100 Dollars

$23,285.27

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

October 17, 1952

Robert M. Hull

Robert M. Hull, Auditor

I INTRODUCTION

On September 11 and 12, 1952, an interim audit (covering the period of April 1 through August 31, 1952) was made of the records and account of operations pertaining to Contract No. Idm-E18, Docket No. DMA 81X, dated June 22, 1951 and as subsequently amended on September 24, 1951, April 23, May 24, and June 25, 1952, with the

United Minerals Corporation
518 Felt Building
Salt Lake City, Utah

covering a project for the exploration of zinc and lead.

The United Minerals Corporation is a Nevada corporation. The exploration project is located at the head of Lake Creek Canyon near Hailey, Blaine County, Idaho. The books and records, however, are in the company's office at 518 Felt Building, Salt Lake City, Utah.

During the course of the audit the following officers of the company were consulted as required:

Mr. Harold A. Covey, vice-president
Mr. Glen A. Gardner, auditor

Their cooperation and assistance greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project consist of summary monthly statements supported by detailed payroll records, copies of purchase invoices or suppliers' statements and cancelled bank checks.

In several instances duplicate purchase invoices were not available for examination. These invoices had been attached to the monthly Form MF-104 and filed in compliance with the documentation requirements of

the DMEA Finance Officer. The auditor, however, was able by examination of the cancelled checks and the monthly statements from suppliers to satisfy himself concerning the propriety of such items.

III SCOPE OF AUDIT AND FINDINGS

The audit consisted of a detailed examination of all accounting data as to accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of the Form MF-104, Operator's Monthly Report and Voucher, for August 1952.

(1) Labor and Supervision

The charges under this item were checked against the payroll records for the entire period under audit. The daily time cards were checked against the payroll ledger and the cancelled pay checks were reviewed. The rates of pay were those approved by the Executive Officer on June 19, 1952.

The amount expended for supervision, while allowable under the exploration contract, appears to be excessive as compared to the amount spent for labor.

Totals to Date - August 1952

Labor	$9,943.87
Supervision	9,341.84

This matter has been called to the Operator's attention both by letter from the Field Team and verbally.

(2) Operating Materials and Supplies (Timber, explosives, pipe, etc.)

The charges against this category were checked against the monthly work sheet and traced back to the weekly reports submitted by the mine

foreman. An analysis was made to determine the propriety of the items charged. The purchases for the period under audit were verified for adequate accounting support and checked for proof of payment against the cancelled checks.

(3) Operating Equipment

a. Rental

Amendment No. 1, dated September 24, 1951, and Amendment No. 4, dated June 25, 1952, provide for monthly rental allowances to the Operator for sundry equipment furnished. Charges for these items were made at the rates authorized.

The Operator has erroneously charged the rental of a 3/4-ton pickup truck to "Transportation." This item should be included under "Equipment Rental."

b. Purchase

The articles of equipment purchased and the prices paid by the Operator were checked against those allowable by Exhibit "C" of the contract and Amendments Nos. 1 and 4. These purchases were adequately supported from an accounting standpoint.

The proper and allowable costs for monthly depreciation on equipment furnished by the Operator as established under Amendment No. 4 were verified and found to be correct.

Quantity	Item	Monthly depreciation allowance
1	1-ton mine skip	$ 4.20
12	1-ton mine cars @ $1.70	20.40
2	Mine timber trucks	2.50
1	Sump pump	4.20
Misc.	Blacksmith stop equipment	1.70
	Total	$33.00

(4) Initial Rehabilitation and Repairs

Initial rehabilitation and repairs of $2,104.22 consist of charges for retimbering of the Homestake No. 6 level and the lining and chute repairs to two ore bins. These charges were adequately supported from an accounting standpoint.

(5) New Buildings, Improvements, etc.

The items charged to this item included installation of shower facilities in the "dry" portion of the main portal building, installation of a pipe storage rack and other miscellaneous items as allowable under the exploration contract Exhibit "B".

(6) Miscellaneous

a. Repairs to equipment

All charges to this item were examined, analyzed as to propriety, and found to be properly supported.

b. Payroll taxes

The charges for payroll taxes were checked by computation at the rates shown by the company files to be in effect.

c. Contract work

This item covers assaying and has erroneously been classified under "Contract Work."

IV CONCLUSIONS AND RECOMMENDATIONS

The audit has disclosed that all costs as charged to this project as reflected in Exhibit "A" attached to this report are in accordance with the terms of the contract and the amendments thereto.

At the conclusion of the audit the findings were discussed with the accountant, Mr. Gardner.

United Minerals Corporation
Contract Idm-E18

Exhibit "A"

	Totals August MF-104	Distribution corrected	Allowed by audit
(1) Labor and Supervision			
Labor	$ 9,943.87	$ 9,943.87	$ 9,943.87
Supervision	9,341.84	9,341.84	9,341.84
(2) Operating Materials and Supplies			
Timber	2,640.53	2,640.53	2,640.53
Explosives	1,303.84	1,303.84	1,303.84
Pipe	252.61	252.61	252.61
Track	46.00	46.00	46.00
Other supplies	2,709.56	3,084.75	3,084.75
***Power	375.19		
(3) Operating Equipment			
*Rental	8,552.37	9,150.27	9,150.27
Purchase	4,513.60	4,513.60	4,513.60
Depreciation	66.00	66.00	66.00
(4) Initial Rehabilitation and Repairs	2,104.22	2,104.22	2,104.22
(5) New Buildings, Improvements, etc.	1,275.28	1,275.28	1,275.28
(6) Miscellaneous			
Repairs to Equipment	784.06	784.06	784.06
Payroll taxes	1,735.84	1,735.84	1,735.84
*Transportation	597.90		
Transportation of equipment	167.38	167.38	167.38
Other (assaying)	10.85	160.45	160.45
(7) **Contract Work	149.60		
	$46,570.54	$46,570.54	$46,570.54

*Included under "Operating Equipment" - Rental
**Included under "Miscellaneous" - Other
***This sum covers the purchase of supplies of fuel and should be included under "Other Supplies" (Gas and Oil) and not under "Power".

Standard Form No. 1034 a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

Washington

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-426

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 10/13/52
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm 18

To United Minerals Corporation,
(Payee)

518 Felt Bldg., Salt Lake City, Utah
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net.	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	As per attached certified form MF-104 dated September 14, 1952				1,791	05
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 1,791 05

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,791 05

(Signature or initials) .....

Contract No. Idm 18 Date Req. No. Date Invoice Rec'd.

1,791.05

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4101	Revolving Fund, Defense Production Act, Interior	1,791.05	1,791.05

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19..., for $..... } on Treasurer of the United States in favor of payee named above.
Cash, $....., on ....., 19...

OCT 2 1952

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Utah

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

Month of August, 1952 Docket No. DMEA 81 Contract No. 13
Operator's Name United Minerals Corporation Minerals Lead & Zinc
Address 513 Felt Building, Salt Lake City, Utah
Contract Amount, $ 104,000.00 Government Participation: 50 % Amount, $ 52,000

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract Work		149.60	149.60		149.60	149.60
(2) Labor and Supervision:						
Labor	1,087.59	8,856.28	9,943.87	1087.59	8,856.28	9,943.87
Supervision & Technical	635.88	8,705.96	9,341.84	635.88	8,705.96	9,341.84
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,640.53	2,640.53		2,640.53	2,640.53
Explosives		1,303.84	1,303.84		1,303.84	1,303.84
Pipe		252.61	252.61		252.61	252.61
Track		46.00	46.00		46.00	46.00
Other Supplies	235.40	2,474.16	2,709.56	235.40	2,474.16	2,709.56
Power		375.19	375.19		375.19	375.19
(4) Operating Equipment:						
Rental	1058.60	7,621.37	8,679.97	1058.60	8,154.47	9,213.07
Purchase		4,513.60	4,513.60		4,513.60	4,513.60
Depreciation	33.00	33.00	66.00	33.00	33.00	66.00
(5) Initial Rehabilitation and Repairs		2,041.42	2,041.42		2,041.42	2,041.42
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28		1,275.28	1,275.28
(7) Miscellaneous:						
Repairs to Equipment	396.53	387.53	784.06	396.53	387.53	784.06
Sampling and Analysis						
Payroll Taxes	135.09	1,600.75	1,735.84	135.09	1,600.75	1,735.84
Liability Insurance (1346.61)						
Transportation (1346.61)	194.60	332.40	527.00	-0-	-0-	-0-
Other		10.85	10.85		10.85	10.85
(8) Contingencies (specify):						
Transportation of Equip. Should be totalled under section (6) Item 1"		167.38	167.38		167.38	167.38
TOTALS	3,582.09	42,988.45	46,570.54	3,582.09	42,988.45	46,570.54

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

Date 9/14/52 *Payee United Minerals Corporation

Per Glen A. Gardner Title Auditor

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

$ 1791.05

Signature [illegible] (Authorized Certifying Officer)

Date 10-10-52 Vou. No. (See other side)

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

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

(Instructions on reverse)

OCT 2 1952

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 81 Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead & Zinc
Address 519 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting		3,532.00	33	9,210.22	38'	242.58		
Crosscutting								
Raising								
Shafts								
Winzes				18,218.94	60'	236.72		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other - Rentals, etc				5,327.70				
Total Distributed Costs		3,532.00		32,754.86				Total Costs Authorized by Contract
Operating Equipment Purchased				4,513.00				12,616.00
Initial Rehabilitation and Repairs				9,232.03				6,620.25
New Buildings, Improvements, etc								
Total Costs		3,532.00		46,570.94				21,236.25

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

Date Sept 14, 1952 Operator United Minerals Corporation

Per Glen C. Gardner Title Auditor

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

UNITED MINERALS CORPORATION
518 FELT BUILDING
SALT LAKE CITY 1, UTAH

September 10, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-K18
PROGRESS REPORT - AUGUST, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-K18, and covers the period August 1-31, 1952.

Just above the bottom of the Homestake 602 Winze the vein was found to flatten somewhat and then plunge steeper beyond the face as was noted in the report filed last month. Therefore, a cross-cut was driven into the hanging wall to ascertain the position of the fissure in relation to the winze. The apparent foot-wall of the structure was encountered at a point approximately 5 feet to the southwest and the cross-cut was driven a total of 17 feet without encountering any definite hanging-wall of the structure. The ground was mostly contorted, black, calcareous shale with some calcite stringers. It was necessary to take off the brow between the cross-cut and the winze before timbering was done for station which now has been accomplished. Some little mineralization was noted in this overhead section that was allowed to come in. The grade thereof did not seem to warrant sampling.

From this station area in the winze, drifting was accomplished northerly for a total of 7 lineal feet from the side of the winze. This may be used for installation of a tugger for the proposed work in the vein back to the south. The drifting south was driven for a distance of 7.5 feet from the winze within the vein. At the moment of this writing, further advance to the south is held in abeyance pending delivery of a new tugger ordered approximately two months ago.

A small amount of work was directed toward advance of the main No. 6 tunnel of the Homestake on the vein on a double-track width for a distance of 6.5 lineal feet. This work was accomplished during the early part of the period and was curtailed because it was felt by the operator that proper yield from labor was not being realized. Although it pertains to the following period, it may be noted that work has currently been resumed in

this heading on a single track basis and a better rate of advance as against the labor cost, is anticipated. For the most part, the rock consists of limestone with occasional disseminated fine-grained sphalerite against the hanging-wall; this underlaid by a crushed, brownish, quartzitic section and under this some black, calcareous argillite with stringers of quartz and calcite. Based on past experience, this present geological sequence now appearing in the face of the drift may be regarded as usually favorable for ore deposition.

We trust this brief summary is sufficient for your requirements and meets with your approval. The mapping will be brought to date and furnished to you in the next period when there should be more advance to be considered.

Respectfully submitted,

UNITED MINERALS CORPORATION

Harold A. Covey

Harold A. Covey - Vice President

HAC/md

Standard Form No. 1034 a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

Wase

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-407

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 10/3/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm 18

To United Minerals Corporation,
(Payee)

518 Felt Building, Salt Lake City, Utah
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Supplemental						
	May	As per attached certified form MF-104	May			66	69
	June	dated 9/3/52 attached.	June			425	70
	July		July			374	60
	1952						
PAYMENT:							
Complete ☐							
Partial ☐							
Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	866	99

(Payee must NOT use this space)

Differences .....

Account verified; correct for 866 99

(Signature or initials) .....

Contract No. Idm 18 Date Req. No. Date Invoice Rec'd.

866.99

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	866.99	866.99

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Wash

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

Supplemental
July, 1952

Month of July, 1952 Docket No. DMEA 81 Contract No. 00718

Operator's Name United Minerals Corporation Minerals Lead & Zinc

Address 518 Felt Building, Salt Lake City, Utah

Contract Amount, $ 104,000.00 Government Participation: 50 % Amount, $ 52,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract Work		149.60	149.60		✓	✓
(2) Labor and Supervision:						
Labor		8,856.28	8,856.28		✓	✓
Supervision		8,705.96	8,705.96		✓	✓
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,640.53	2,640.53		✓	✓
Explosives		1,303.84	1,303.84		✓	✓
Pipe		252.61	252.61		✓	✓
Track		46.00	46.00		✓	✓
Other Supplies		2,474.16	2,474.16		✓	✓
Power		375.19	375.19		✓	✓
(4) Operating Equipment:		7,435.27	8,154.47			
Rental-per note 1	719.20	~~7,372.47~~	~~8,091.67~~	✓	✓	✓
Purchase-per note 2	30.00	4,483.60	4,513.60	✓	✓	✓
Depreciation		33.00	33.00		✓	✓
(5) Initial Rehabilitation and Repairs		2,041.42	2,041.42		✓	✓
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28		✓	✓
(7) Miscellaneous:						
Repairs to Equipment		387.53	387.53		✓	✓
Sampling and Analysis						
Payroll Taxes		1,600.75	1,600.75		✓	✓
Liability Insurance						
Other		10.85	10.85		✓	✓
(8) Contingencies (specify):						
Transportation of Equip.		167.38	167.38		✓	✓
TOTALS	749.20	42,239.25	42,988.45	749.20	42,239.25	42,988.45

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

Date 9/15/52 *Payee United Minerals Corporation

Per Glen C. Gardner Title Auditor

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

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

(Instructions on reverse)

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

$ 374.60

Signature [illegible]
(Authorized Certifying Officer)

Date 10-2-52 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Supplemental
July, 1952

THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 2 Docket No. DMEA 81 Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead & Zinc
Address 518 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		601.99		5,636.13				
Crosscutting								
Raising								
Shafts								
Winzes		117.21		18,218.94				
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
				5,327.70				
TOTAL DISTRIBUTED COSTS		719.20		29,182.77				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		30.00		4,513.60				
Initial Rehabilitation and Repairs				9,292.08				
New Buildings, Improvements, etc								
TOTAL COSTS		749.20		42,988.45				

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

REMARKS:

Date 9/15/52 Operator United Minerals Corporation

Per Glen C Gardner Title Auditor

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

UNITED MINERALS CORPORATION

ADJUSTMENTS FOR SUPPLEMENTAL REPORT

JUNE, 1952

	Corrected Balance	Previously Submitted & Approved	Additional Adjustment
Portion of "Supervision & Technical Services" disallowed in error - see United Minerals' letter 8/29/52 - charge not in excess of contract allowance	$ 650.00	$ 622.22	$ 27.78
Foulger Equipment rental disallowed due to wrong invoice submitted - proper invoice ~~allocated~~ - charge equipment rental	924.00	454.00	470.00
To charge "equipmental rental" for truck mileage previously shown as "miscellaneous transportation" and disallowed - see United Minerals' letter 8/29/52	214.10	-0-	214.10
To include under "purchased equipment" pneumatic pusher acquired from Copco Pacific, Ltd. - disallowed in error - see United Minerals' letter 8/29/52	857.10	732.10	125.00
Payroll taxes deleted from report as result of adjustment to Supervision & Technical wages above	251.52	250.27	1.25
To recover charges deleted in error from initial Rehabilitation & Repair as result of disallowance of Supervision Technical Services and payroll taxes above	1,157.28	1,144.00	13.28
Totals	$ 4,054.00	$ 3,202.59	$ 851.41

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Supplemental Report

Month of May, 1952 Docket No. DMEA Contract No. 18
Operator's Name United Minerals Corporation Minerals Lead - Zinc
Address 518 Felt Building - Salt Lake City, Utah
Contract Amount, $ 104,000.00 Government Participation: 50 % Amount, $ 52,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract Work		149.60	149.60		✓	✓
(2) Labor and Supervision:						
Labor		6,019.81	6,019.81		✓	✓
Supervision & Technical		7,305.96	7,305.96		✓	✓
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,377.07	2,377.07		✓	✓
Explosives		853.56	853.56		✓	✓
Pipe						
Track						
Other		1,799.08	1,799.08		✓	✓
Power		375.19	375.19		✓	✓
(4) Operating Equipment:						
Rental	62.80	5,780.37	5,843.17	✓	✓	✓
Purchase		3,351.70	3,351.70		✓	✓
Depreciation						
(5) Initial Rehabilitation and Repairs	66.65	817.49	884.14	✓	✓	✓
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28		✓	✓
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	3.92	1,090.47	1,094.39	✓	✓	✓
Liability Insurance						
Other		10.85	10.85		✓	✓
(8) Contingencies (specify):						
				✓	✓	✓
TOTALS	133.37	31,206.43	31,339.80	133.37	31,206.43	31,339.80

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

Date 9/3/52 *Payee United Minerals Corporation

Per Glenn Gardner Title Auditor

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

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

(Instructions on reverse)

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

$ 66.69

Signature [illegible]
(Authorized Certifying Officer)

Date 10-2-52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Budget Bureau No. 42-R1151
Approval expires 6-30-53.
RECEIVED
OCT 1 52

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

Supplemental Report

Month of May 1952 Docket No. DMEA _____ Contract No. Idm 19
Operator's Name United Minerals Corporation Minerals Lead-Zinc
Address 513 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes		66.72		14,525.60				
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other Rentals				5,327.70				
TOTAL DISTRIBUTED COSTS		66.72		19,853.30				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				3,351.70				
Initial Rehabilitation and Repairs		66.65		8,134.80				
New Buildings, Improvements, etc.								
TOTAL COSTS		133.37		31,339.80				

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

Date 9/6/52 Operator United Minerals Corp.

Per Glen C Gardner Title Auditor

REMARKS: See schedule analyzing and explaining addition attached as well as United Mineral's letters dated 8/29/52 - H. A. Covey

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. Aer

Bu. Vou. No. DMA-366

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 9 1952

U. S. Interior, Mines (Department, bureau, or establishment)

Voucher prepared at Albany, Oregon (Give place and date) 9/4/52

THE UNITED STATES, Dr., Payee's Account No. 18

To United Minerals Corporation, (Payee)

518 Felt Building, (Address) Salt Lake City, (City) Utah (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July 1952	Discount Terms net As per attached certified form MF-104 dated August 15, 1952				2,868	14
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 2,868 14

(Payee must NOT use this space)

Differences

Account verified; correct for 2,868 14

(Signature or initials)

Contract No. 18 Date Req. No. Date Invoice Rec'd.

2,868.14

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,868.14	2,868.14

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

Form M[illegible]1 (Rev.)
(April 1952)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval Expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 9 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 61 Contract No. 13
Operator's Name United Minerals Corporation Minerals Lead - Zinc
Address 513 Felt Building
Contract Amount, $ 124,000.00 Government Participation: 50 % Amount, $ 62,000

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract Work		149.60	149.60		149.60	149.60
(2) Labor and Supervision:						
Labor	1,990.97	6,865.31	8,856.28	1990.97	6,865.31	8,856.28
Supervision & Technical	750.00	7,955.96	8,705.96	750.00	7,928.18	8,678.18
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	263.46	2,377.07	2,640.53	263.46	2,377.07	2,640.53
Explosives	448.28	855.56	1,303.84	448.28	855.56	1,303.84
Pipe	252.61		252.61	252.61		252.61
Track	46.00		46.00	46.00		46.00
Other	201.80	2,272.36	2,474.16	201.80	2,272.36	2,474.16
Power		375.19	375.19		375.19	375.19
(4) Operating Equipment:						
*Rental	1,022.30	6,234.37	7,256.67	454.00	6,234.37	6,688.37
Purchase	569.80	4,083.80	4,653.60	569.80	4,083.80	4,653.60
Depreciation	33.00		33.00	33.00		33.00
(5) Initial Rehabilitation and Repairs		1,961.49	1,961.49		1,961.49	1,961.49
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28		1,275.28	1,275.28
(7) Miscellaneous:						
Repairs to Equipment	304.13	83.40	387.53	304.13	83.40	387.53
Sampling and Analysis						
Payroll Taxes	254.84	1,340.74	1,595.58	254.84	1,340.74	1,595.58
Liability Insurance						
Transp. (2% of .10)	249.25	216.10	465.35	- 0 -		
Other		10.85	10.85		10.85	10.85
(8) Contingencies (specify):						
*Transportation of equipment				167.38		167.38
Equip. Adj. Am. #4					(295.00)	(295.00)
TOTALS	6,403.47	35,602.98	42,006.45	5,706.27	35,518.20	41,224.47

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

Date 8/15/52 *Payee United Minerals Corp

Per Charles Gardner Title Auditor

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

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

(Instructions on reverse)

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

$ 2868.14

Signature Wash
(Authorized Certifying Officer)

Date 9/4/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 18 in accordance with the terms of the contract.

Signature Eric G. Erickson Title Engr. Date 8-22-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr. Date 8/22/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 9 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 2 Docket No. DMEA 81 Contract No. 13
Operator's Name United Minerals Corporation Minerals Lead - Zinc
Address 210 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	4,[illegible].50	[illegible]	5,[illegible].75	0			
Crosscutting								
Raising								
Shafts								
Winzes	feet	955.17	2	10,230.32	62	165.67	200	
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other (Rental, etc.)				3,327.70				
TOTAL DISTRIBUTED COSTS		9,[illegible].67		2[illegible],[illegible].77				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		900.00		4,[illegible].60				12,016.00
Initial Rehabilitation and Repairs				[illegible].00				[illegible]
New Buildings, Improvements, etc.								
TOTAL COSTS		9,[illegible].47		[illegible],[illegible].15				

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

Date 8/5/52 Operator United Minerals Corp

Per Glenn Gardner Title Auditor

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

August 13, 1952

Mr. A. E. Weissenborn, Executive Officer,
IMA Field Team, Region II
U. S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-K18
PROGRESS REPORT - July, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-K18, and covers the period July 1-31, 1952.

Upon receipt of the compressed air trammer (Progress Report - June, 1952), it was found that insufficient floor clearance was to be had in the Homestake main haulage level chiefly because of the air-line being located along the lower right hand side of the drift. Therefore, the main air-line was raised to the upper right hand corner of the tunnel for its entire length. Previous measurements for clearance for the air trammer were made by constructing a wooden template over an ore car at the height of the maximum dimensions of the compressed air tank.

It was also found that about the maximum length of tramming was 500 lineal feet hauling four cars on each charging of 37 cubic feet of compressed air at 110 pounds pressure. Previous estimates by the manufacturer had indicated a maximum of 1500 feet per charging, but apparently this did not take into account any circuitousness of the track. However, suitable charging stations were installed at the necessary intervals and it may be noted that the charging time, using so-called quick couplings, is minor -- usually requiring under one minute.

The previous report notwithstanding, it was found that additional track realignment was necessary to handle the increased wheelbase of the trammer. This included installation of approximately six inside guard rails on the tighter turns. Also, about three of the turns were made shallower by shooting off points of the walls in minor amounts. These points are mentioned in detail as an item of interest to you and also in the hope that they may serve as a basis for recommendation should any other projects of your knowledge, having similar conditions to ours, consider such equipment use.

Sinking on the Homestake 602 Winze was advanced another 3 feet to provide for some additional room in the bottom for sump. It is our present plan to begin drifting at a point that will be approximately 78 feet below the sill of the No. 6 tunnel. By the time we are back under the possible ore shoot southerly from this point, there will be approximately 75 feet between levels which is deemed sufficient for stoping on a vein pitched as this one is. This advance resulted in approximately 216 cubic feet of ground being removed.

It was planned to take one round out of the hanging-wall at the level of the proposed drift for storage purposes; another round to the north for installation of a tugger and then begin advance to the south by utilizing a slusher and loading muck directly into the skip. However, it was noted that the vein just above this proposed lower drift apparently flattened and subsequently plunged. It is believed that the main portion of the structure may be well out into the hanging wall and, as of this date, it is impossible to forecast how far this might be. Therefore, it is now proposed to continue the cross-cutting to the southwest until we can establish the exact position of the hanging-wall of the fissure. When this point is reached it is also proposed to drive a long drill hole, perpendicular to the dip, and obtain sludge samples therefrom at 2-foot intervals. When this information is gained we will then be able to plan our lower drifting work more wisely.

For the most part the rock encountered in the winze was interbedded lime, quartzite and occasional calcareous argillite, containing very little mineralization except occasional iron oxides, calcite and quartz. The notable exception to this case was a small section located approximately 60 feet below the sill of the No. 6 Tunnel where we tried a short stub drift to the south (Progress Report - November, 1951, and Progress Report - June, 1952). At the beginning of this 15-foot stub, a 2-foot sample was obtained containing 15% zinc. However, at its southern end, the same streak against the hanging-wall was sampled with the following results:

Length	Ag oz.	Pb %	Zn %
2.4 ft.	0.9 oz.	0.2%	0.8%

Incidentally, as noted before, the project was not charged for this work — the operator assuming all costs therefor.

Preparatory work extending the No. 6 tunnel along the vein to the northwest consisted of sideswiping an average of 2 feet out of the hanging-wall side of the drift a distance of 30 feet resulting in approximately 480 cubic feet of rock being removed. Upon performance of this sideswiping and subsequent mucking, it was found that this hanging-wall rock contained as much as 3 feet of low grade ore. This ore for the most part consisted of apparently barren, dark grey limestone with most of the ore being of such fine grain and disseminated throughout the host rock that it is almost impossible to detect visually underground. Particularly when wet, about the only method of field determination is its increased weight over other similar rock.

Cut channel samples were taken at intervals noted on the accompanying sketch. The larger cuts were made on the rock above described and the short one was taken in material similar to a yellowish tan, siderite gouge with very little noticeable oxidized zinc mineralization. The others were predominately sulfide with occasional blebs of light brown, coarser sphalerite which were not included in any of the cuts.

For purposes of record herein, the results of these samples may be retabulated as follows:

Length	Ag oz.	Pb %	Zn %
0.5 ft.	1.4	0.5	41.2
2.0 ft.	1.1	Tr.	9.4
3.0 ft.	0.8	Tr.	13.1

It has been noted from the previous monthly report (Form MF-104A), that a total footage at that time shown for the 602 Winze was 86 feet. This was the amount of sinking below the sill only and therefore its cost on the unit basis against the total overall charged against this heading is somewhat unrealistic. Altho it is mainly a matter of bookkeeping, on a per-foot basis only the actual sinking should be shown as the unit cost or the total amount of work done including the hoist raise should be shown as the total footage. As of this previous report, this would have amounted to 118 feet as being a total length of the winze from top to bottom <u>without</u> including any of the old drift, extra station area, skip pocket or hoist room.

However, it is realized that if this application is made it may be considered that the operator has exceeded his original proposal and certainly his previous cost estimates. In view of changing conditions, particularly those of not being able to secure first class labor and because of our original request for elasticity in this project it is hoped that an understanding attitude will prevail in this regard.

We trust this information is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS CORPORATION

Harold A. Covey

Harold A. Covey - Vice President

HAC/md

Standard Form No. 1034a-4 Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-339

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 8/15/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm E 18

To United Minerals Corp.,
(Payee)

518 Felt Building, Salt Lake City, Utah
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
June 1952		Per attached certified form MF-104 dated July 18, 1952				2,155 88	

PAYMENT:
- Complete ☐
- Partial ☐
- Final ☐

Use continuation sheet(s) if necessary

Shipped from to Weight Government B/L No. Total 2,155 88

(Payee must NOT use this space)

Differences .....

Account verified; correct for 2,155 88

(Signature or initials)

Contract No. Idm-E 18 Date Req. No. Date Invoice Rec'd.

2,155.88

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,155.88	2,155.88

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

Budget Bureau No. 42-R1036.3.
Approval Expires 30-Sep-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JUNE 1952 Docket No. DMEA 81 Contract No. 18
Operator's Name UNITED MINERALS CORPORATION Minerals [illegible]
Address 518 FIRST BUILDING
Contract Amount, $104,000.00 Government Participation: 50 % Amount, $52,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract Work		149.60	149.60			
(2) Labor and Supervision:						
Labor	845.50	6,019.81	6,865.31	845.50		
Supervision & Technical	650.00	7,305.96	7,955.96	622.22		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,377.07	2,377.07			
Explosives	2.00	853.56	855.56	2.00		
Pipe						
Track						
Other	573.28	1,799.08	2,372.36	473.28		
Power		375.19	375.19			
(4) Operating Equipment:						
Rental	924.00	5,780.37	6,704.97	454.00		
Purchase	857.10	3,351.70	4,208.80	732.10		
Depreciation						
(5) Initial Rehabilitation and Repairs	1,157.80	946.94	2,104.22	1,144.00	817.49	
(6) New Bldgs., Improvements, etc.		1,275.28	1,275.28			
(7) Miscellaneous:						
Repairs to Equipment	89.40	—	89.40	89.40		
Sampling and Analysis						
Payroll Taxes	251.52	1,094.39	1,345.91	250.27		
Liability Insurance (md)						
Transportation 2141	214.10	—	214.10	-0-		
Other		10.85	10.85			
(8) Contingencies (specify):						
Equipment deductions due to change over to rental basis (amendment 4)	(295.00)		(295.00)	(295.00)		
TOTALS	5,263.10	31,339.88	36,602.98	4,311.77	29,855.25	34,167.02

Wrong total picked up from May 1954 ama

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

Date July 18, 1952 *Payee United Minerals Corp.

Per George W. Snyder Jr. Title Pres.

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

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

(Instructions on reverse)

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

$ 2,155.00

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 14m-E18 in accordance with the terms of the contract.

Signature Thomas E Howard Title Mining Engr Date 7-22-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature M E Holin Title Member DMEA Field Team Region 11 Date July 23-1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE 1952 Docket No. DMEA 81 Contract No. 18
Operator's Name UNITED MINERALS CORPORATION Minerals LEAD & ZINC
Address 518 FELT BUILDING, SALT LAKE CITY 1, UTAH

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	feet	730.25	(preparatory)	730.25	0		-	
Crosscutting								
Raising								
Shafts								
Winzes	feet	2,813.55	15	17,339.15	86	201.62	100	
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other (Rental, etc)				5,327.70				
Total Distributed Costs		3,543.80		23,397.10 (295.00)				Total Costs Authorized by Contract (1)
Operating Equipment Purchased		857.10		4,208.80				12,616.00
Initial Rehabilitation and Repairs		1,157.28		9,292.08	(2)			8,620.25
New Buildings, Improvements, etc.								
Adjustments (Amendment 4)		(295.00)						
Total Costs		5,263.18		36,602.98				

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

Date July 18, 1952 Operator UNITED MINERALS CORPORATION

Per George W. Snyder Jr. Title AUDITOR

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

(Instructions on reverse)

Remarks: (1) Total costs authorized for equipment as balance after deleting equipment under amendments 2 & 4 for which equipment rental will be substituted. (2) This exceeds maximum allowable under amendment #3 of contract, but it is thought this might be allowable due to the fact that a lot of it might be turned maintenance rather than repair.

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-296

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 7/8/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 18

To United Minerals Corporation,
(Payee)

518 Felt Bldg., Salt Lake City 1, Utah
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	May 1952	As per attached certified Form MF-104 dated 6/14/52				675	59
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	675	59

(Payee must NOT use this space)

Differences .....

Account verified; correct for 675 59

(Signature or initials) .....

Contract No. Idm-E 18 Date Req. No. Date Invoice Rec'd.

675.59

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	675.59	675.59

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 18

Wash.

Name of Operator UNITED MINERALS CORPORATION
Docket No. DMA 81
Total Contract Amount $104,000.00
Government Participation: 50 % Amount, $52,000.00
Distribution of Expenditures for Month of May

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

UNITED MINERALS CORPORATION
(Name of Company)

By Guy Snyder
(Signature of Authorized Official)

6/14/52
(Date)

Sec'y
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings		1,275.28	1,275.28			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		3,351.70	3,351.70			
(b) Rented[2]	470.00	5,310.37	5,780.37			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities	946.94	-------	946.94	817.49		
(b) Buildings						
(c) Installations						

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : W. Rulon Lee DATE: June 19, 1952

FROM : T. E. Howard

SUBJECT: May invoice, United Minerals Corp., Contract Idm-E18

The subject invoice is transmitted for vouchering. It is approved with the following exceptions:

1. Foreman's salary under amendment No. 1 to the contract is set at $400 per month. Proration is on basis of $500 per month.

2. Contract does not allow reimbursement to the foreman for travel at 10¢ per mile as shown in statement for $62.80.

T. E. Howard

cc: W. Rulon Lee

U. S. BUREAU OF MINES
RECEIVED
JUN 20 1952
ALBANY, OREGON

UNITED MINERALS CORPORATION
518 FELT BUILDING
SALT LAKE CITY 1, UTAH

June 11, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-218
PROGRESS REPORT - May, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-218, and covers the period of May 1-31, 1952.

On or about the 14th of the month, it became possible to obtain a bulldozer on a custom basis and the oxygen road to the project was cleared of snow and debris. This work was accomplished without undue difficulty and the cost therefor was borne solely by the Operator.

On May 23rd, underground work was resumed on the project. This consisted mainly of repair to No. 6 Tunnel of the Homestake mine. Approximately 8 sets of timber were replaced and some 40 tons of waste which had sloughed in during the winter were removed. This rehabilitation work was continuing at close of the period of report.

We trust this information is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS CORPORATION

Harold A. Gevey - Vice President

H.C/md

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]		6,019.81	6,019.81			
5. Supervision		7,305.96	7,305.96			
6. Supplies						
(a) Timber		2,377.07	2,377.07			
(b) Explosives		853.56	853.56			
(c) Repair Parts						
(d) Other		1,799.08	1,799.08			
7. Power		375.19	375.19			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	67.61	1,026.78	1,094.39	63.69		
10. Contract Work		149.60	149.60			
11. Other (specify)		10.85	10.85			
Total	1,484.55	29,855.25	31,339.80			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				1,351.18	29,855.25	31,206.43

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by J.B. Sanders
Entered by
Approved by Thomas E. Howard
Amount approved for payment ~~XXXXXX~~ 675.59
Remarks Salaries reduced to $697.48.
Foreman's salary S/B prorated on $400/mo.
Secretary's salary S/B on basis of $100/mo per cont.

16—64068-3 $62.80 for mileage disallowed not in accordance with terms of contract.

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	764.13		182.81	67.61	1,014.55					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) *		470.00			470.00					
Totals	764.13	470.00	182.81	67.61	1,484.55					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Compressor Rental

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 18

Name of Operator UNITED MINERALS CORPORATION
Docket No. DMA 81
Total Contract Amount $104,000.00
Government Participation: 50 % Amount, $52,000.00
Distribution of Expenditures for Month of April, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Defense Minerals Administration
JUN 20 1952

CERTIFICATION

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

UNITED MINERALS CORPORATION
(Name of Company)

By H. A. Corey
(Signature of Authorized Official)

May 9, 1952
(Date)

VICE PRESIDENT
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings	--	1,275.28	1,275.28			
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1] *	--	4,385.28	3,351.70	*		
(*b*) Rented[2] *	470.00	3,806.79	5,310.37	*		
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings	--					
(*c*) Installations						

UNITED MINERALS CORPORATION
518 FELT BUILDING
SALT LAKE CITY 1, UTAH

May 9, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Ida-418
PROGRESS REPORT - APRIL, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Ida-418, and covers the period of April 1-30, 1952.

Operations remained temporarily suspended on this project because of winter conditions during the entire month of April. The attempt was made during the latter part of the month to plow out the snow from the roads to permit resumption of operations. However, local flooding caused requisition of suitable equipment normally available for such "custom" work. It is currently believed equipment will be released and that this will be possible to initiate after about one week from the date hereof.

In accordance with recent discussions with Mr. Hull, certain adjustments have been made on the Monthly Summary Cost Statement, Form MF-104, submitted herewith. The changes were made to reflect the method of handling equipment rentals as per our Amendment No. 1 retroactive to beginning date of contract. These adjustments are as follows:

Amended June-July, 1951, Transferred
from Operating Equipment, Purchased
to Operating Equipment, Rented . . . . . $ 695.18

August, 1951, Transferred
from Operating Equipment, Purchased
to Operating Equipment, Rented . . . . . $ 338.40

April, 1952, (herewith) Transferred
from Operating Equipment, Purchased, Item 2(a)
to Operating Equipment, Rented, Item 2(b). $1,033.58

To: Mr. A. E. Weissenborn,
Executive Officer

May 9, 1952

We trust this explanation and method of handling is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS CORPORATION

H. A. Covey

H. A. Covey - Vice President

H.C/md

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	---	6,019.81	6,019.81			
5. Supervision	---	7,305.96	7,305.06			
6. Supplies						
(a) Timber		2,377.07	2,377.07			
(b) Explosives		853.56	853.56			
(c) Repair Parts	---	---	---			
(d) Other		1,799.08	1,799.08			
7. Power		375.19	375.19			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	---	1,026.78	1,026.78			
10. Contract Work	---	149.60	149.60			
11. Other (specify)		10.85	10.85			
Total	470.00	29,385.25	29,855.25			
Deletions						
Adjusted totals	470.00	[illegible]				
Totals previously reported		29,385.25				
Totals to date	✓	✓	29,855.25 ✓			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Thomas E Howard
Amount approved for payment $235.00
Remarks

* 695.18 June, July '51 equip. purchase
338.40 Aug. '51 equip. purchase
1033.58 Total

Transferred from Equipment Purchased column to Equip. Rented column as per Amendment No. 1.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF APRIL, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) +	470.00				470.00					
Totals	470.00				470.00					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

+ Compressor rental

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 18

Name of Operator UNITED MINERALS CORPORATION
Docket No. DMA -81
Total Contract Amount $104,000.00
Government Participation: 50 % Amount, $52,000.00
Distribution of Expenditures for Month of MARCH, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 8 1952

CERTIFICATION

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

UNITED MINERALS CORPORATION
(Name of Company)

By Harold A. Corey
(Signature of Authorized Official)

APRIL 8, 1952
(Date)

VICE-PRESIDENT
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings	—	1,275.28	1,275.28			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	—	4,385.28	4,385.28			
(b) Rented[2]	470.00	3,336.79	3,806.79			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

UNITED MINERALS CORPORATION
518 FELT BUILDING
SALT LAKE CITY 1, UTAH

April 8, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-E18
PROGRESS REPORT - MARCH, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-E18, and covers the period of March 1-31, 1952.

Operations remained temporarily suspended on this project because of winter conditions during the entire month of March.

It may be noted that the attempt may be made sometime during the month of April to reopen the roads and commence operations on the subject property, provided that warm and mild weather continues as is currently being enjoyed. As mentioned in previous reports you will be advised as to the date such resumption is possible.

We trust that this brief report proves sufficient for your requirements.

Respectfully submitted,

UNITED MINERALS CORPORATION

H. A. Covey - Vice President

H.C/md

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	—	6,019.81	6,019.81			
5. Supervision	—	7,305.96	7,305.96			
6. Supplies						
(a) Timber	—	2,377.07	2,377.07			
(b) Explosives	—	853.56	853.56			
(c) Repair Parts	—	—	—			
(d) Other	—	1,799.08	1,799.08			
7. Power	—	375.19	375.19			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	—	1,026.78	1,026.78			
10. Contract Work	—	149.60	149.60			
11. Other (specify)	—	10.85	10.85			
Total	470.00	28,915.25	29,385.25			
Deletions						
Adjusted totals	470.00					
Totals previously reported		28,915.25				
Totals to date			29,385.25			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by WR Lee
Entered by
Approved by Thomas E. Howard
Amount approved for payment $235.00
Remarks

235.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) *	470.00				470.00					
Totals	470.00				470.00					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Compressor rental.

12

Defense Minerals Exploration Administration
Contract Administration and Audit Division

Audit Certificate

I have examined the records and transactions of:

United Minerals Corporation
Salt Lake City, Utah

pertaining to Exploration Project Contract No. E-18 for the period of June 22, 1951, through February 29, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to amount to be paid the Contractor:

Total cost as billed by Contractor	$28,915.25
Exceptions taken by the Government	None
Total Accepted Cost	$28,915.25

The Contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, the amount of reimbursement to be paid the Contractor by the Government is:

Fourteen thousand four hundred fifty
seven dollars and 62/100.

$14,457.62

This certificate is issued on the provision that the Executive Officer, the Administrator, or other competent official accepts the project as having otherwise met the terms of the Contract.

Robert M. Hull
Auditor

April 18, 1952

United Minerals Corporation
Exploration Project
Contract No. E-18

I. INTRODUCTION

An audit was made on April 7, 8, and 9, 1952, of Defense Minerals Exploration Contract No. E-18, United Minerals Corporation. The records pertaining to this contract are in the office of United Minerals Corporation at Salt Lake City, Utah. The audit covered the period of June 22, 1951, through February 29, 1952, of the contract that continues until June 21, 1953. The Vice President, Harold A. Covey, and the Accountant, Murray Godbe, were present and were consulted when necessary.

II. EXTENT AND SCOPE OF AUDIT

1. Labor

The payrolls and supporting data for the period of June 22, 1951, through November 30, 1951, were examined and computed for accuracy. The mine foreman reports daily on an individual time card, the time of the various workers. The time cards are extended by the accountant at the close of a 15-day period. These figures are then entered on a monthly work sheet under the proper heading and consolidated at the close of the second 15-day pay period. The daily time cards are filed by date with the duplicate copy of the pay statement. This statement gives a complete breakdown of each worker's regular time and overtime and the various rates of pay used in arriving at the gross wage. Also included on the statement is the deduction for withholding tax, net amount paid, and the check number. The rates of pay were those set forth in the contract and Amendment No. 1, dated September 24, 1951.

2. Supervision

The time of the Superintendent, Engineer, Geologist and Accountant was prorated to supervision on the basis of the actual time spent on the project. In this contract it appears that the amount charged to supervision is high; however, this is in accordance with the contract.

3. Supplies

The records covering the purchase and issue of supplies were examined. The receipted purchase invoices were checked, the items contained thereon extended, and the invoices footed and then compared with the amounts on the cancelled checks.

The mine foreman turns in a weekly report of the supplies used and the quantities on hand, if any. A very limited supply is maintained as most of the orders are charged directly to the project and delivered there. On the original copy of the purchase order, the name and location of the project for which the supplies are being ordered is noted. A copy is maintained in the office, and when the supplies have been received and signed for by the mine foreman this copy is forwarded to the company office. The two copies are then compared and payment is made.

The information taken from the weekly report of supplies and equipment is compiled monthly and then put on the work sheet for the corresponding month. The reports for the months of August, September, October and November 1951, were checked against the work sheets for the corresponding period, and they agreed with the amounts shown on the Form MF-104.

The fuel purchased and charged against the contract is for power purposes. The operator has erroneously charged this to power instead of supplies.

4. Equipment Purchased

The articles of equipment purchased and the prices paid by the operator were checked against the contract and found to be in order.

III. FINDINGS

The records maintained by the United Minerals Corporation are adequate. The payrolls and other supporting data are cross-referenced and filed monthly. Individual folders are maintained for each company from which the operator makes purchases, and all invoices, purchase orders, and correspondence are filed therein. A monthly work sheet is maintained showing the various charges to the project. These work sheets were checked against the source documents and then against the forms MF-104 and found to be in agreement.

The operator has erroneously classified his costs in several instances; therefore, it will be necessary to adjust the "Approved Totals to Date" on these items before the final form MF-104 is submitted.

ITEM		AS REPORTED BY OPERATOR	DATE MF-104	AS DISCLOSED BY AUDIT
Power		$ 74.92	June-July	* These sums should be included under Supplies
		101.08	August	
		74.92	September	
		124.27	October	
	Total	$375.19		
Equipment Purchase		$3,314.68	June-July	** $2,619.50
		495.60	August	157.20
	Total	$3,810.28		$2,776.70

* These sums cover the purchase of supplies of fuel and should be included in "Supplies" and not under "Power."

** The sum of $695.18 in the June-July report and $338.40 in the August report should be under "Equipment Rented" (air compressor), as provided by Amendment No. 1 dated September 24, 1951, and not under "Equipment Purchased." Subsequent to August 1951, the operator has correctly changed this item to "Rental."

No further exceptions are taken, the costs being reasonable, proper and within the terms of the contract and amendments.

IV. RECOMMENDATIONS

The audit certificate prefacing this report, reflects the amount of the costs properly chargeable to this project through February 29, 1952.

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 18

Name of Operator UNITED MINERALS CORPORATION*
Docket No. DMA -81
Total Contract Amount $104,000.00
Government Participation: 50 % Amount, $52,000.00
Distribution of Expenditures for Month of FEBRUARY, 1952

* Formerly United Minerals Reserve Corporation

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

UNITED MINERALS CORPORATION
(Name of Company)

By Harold A. Corry
(Signature of Authorized Official)

MARCH 12, 1952
(Date)

VICE-PRESIDENT
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings	---	1,275.28	1,275.28			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	----	4,385.28	4,385.28			
(b) Rented[2]	470.00	2,866.79	3,336.79			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	---	6,019.81	6,019.81			
5. Supervision	---	7,305.96	7,305.96			
6. Supplies						
(a) Timber	---	2,377.07	2,377.07			
(b) Explosives	---	853.56	853.56			
(c) Repair Parts	---	---	---			
(d) Other	---	1,799.08	1,799.08			
7. Power	---	375.19	375.19			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	---	1,026.78	1,026.78			
10. Contract Work	---	149.60	149.60			
11. Other (specify)	---	10.85	10.85			
Total	470.00	28,445.25	28,915.25			
Deletions						
Adjusted totals	470.00					
Totals previously reported		28,445.25				
Totals to date			28,915.25			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Thomas E Howard
Amount approved for payment $235.00
Remarks

235.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) *		470.00			470.00					
Totals		470.00			470.00					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Compressor rental.

March 11, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-E18
PROGRESS REPORT - FEBRUARY, 1952

Dear Mr. Weissenborn:

The following brief report of progress and other relative data is herewith submitted regarding Exploration Project Contract, No. Idm-E18, and covers the period of February 1-29, 1952.

Operations remained temporarily suspended on this project because of winter conditions during the entire month of February.

The operator has remained appraised of snow conditions in its vicinity and, in view of continuing storms, now believes that snow removal from roads may remain impractical from standpoints of safety and economy for another month. It may be interesting to note that this winter has produced the greatest snow depths since such records have been kept in this area.

We trust that this brief report proves sufficient for your requirements.

Respectfully submitted,

UNITED MINERALS CORPORATION

Harold A. Covey

H. A. Covey - Vice President

HAC/md

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 18
Idm-E

Name of Operator UNITED MINERALS CORPORATION
Docket No. DMA 21
Total Contract Amount $ 104,000.00
Government Participation: 50% Amount $ 52,000.00
Distribution of Expenditures for Month of MARCH, 1952

Formerly United Minerals Reserve Corporation

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 15 1952

CERTIFICATION

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

UNITED MINERALS CORPORATION
(Name of Company)

By Harold A. Corry
(Signature of Authorized Official)

MARCH 15, 1952
(Date)

VICE PRESIDENT
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings	—	1,279.23	1,279.23			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	—	4,305.23	4,305.23			
(b) Rented[2]	470.00	2,396.79	2,866.79			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	—	6,019.81	6,019.81			
5. Supervision	—	7,335.96	7,335.96			
6. Supplies						
(a) Timber	—	2,377.97	2,377.97			
(b) Explosives	—	853.56	853.56			
(c) Repair Parts	—	—	—			
(d) Other	—	1,799.08	1,799.08			
7. Power	—	375.19	375.19			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	—	1,026.73	1,026.73			
	—	149.60	149.60			
10. Contract Work	—	10.85	10.85			
11. Other (specify)						
Total	470.00	27,975.25	28,445.25			
Deletions						
Adjusted totals	470.00					
Totals previously reported		27,975.25				
Totals to date			28,445.25			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Thomas E Howard
Amount approved for payment $235.00
Remarks

16—64068-3

235.

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF JULY, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) *		470.00			470.00					
Totals		470.00			470.00					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Compressor rental

UNITED MINERALS CORPORATION
518 FELT BUILDING
SALT LAKE CITY 1, UTAH

February 15, 1952

Mr. A. S. Weissenborn, Executive Officer,
DMA Field Team, Region II
U. S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-518
PROGRESS REPORT - JANUARY, 1952

Dear Mr. Weissenborn:

Covering the progress of Exploration Project Contract, Idm-518, for the period of January 1 - 31, 1952, the following report and other relative data, is herewith submitted.

During the entire month of January, operations were suspended on this project because of winter conditions. It may be recalled that the operator elected to so suspend operations because it appeared that considerable extra expense would be incurred to maintain roads. It now appears as the this decision was sound because unusually heavy snows occurred in the vicinity and the costs might have been even greater than anticipated.

During the latter part of the present month the operator intends to survey these conditions with the idea of reopening the roads and resuming work on the project. The February report following should contain a report of the feasibility of this consideration.

Respectfully Submitted,

UNITED MINERALS CORPORATION

Harold A. Covey

Harold A. Covey - Vice President

HAC/md

NOW TO VERIFY
COURSE
1951 AS 5
MINING RECORD

U. S. BUREAU OF MINES
RECEIVED
FEB 21 1952
ALBANY, OREGON

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 18

Name of Operator UNITED MINERALS CORPORATION
Docket No. DMA -81
Total Contract Amount $ 104,000.00
Government Participation: 50 % Amount, $ 52,000.00
Distribution of Expenditures for Month of December, 1951
(Formerly, United Minerals Reserve Corporation.)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

UNITED MINERALS CORPORATION
(Name of Company)

By Harold A. Gray
(Signature of Authorized Official)

JANUARY 15, 1952
(Date)

VICE PRESIDENT
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings	—	1,275.28	1,275.28			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	—	4,385.28	4,385.28			
(b) Rented[2]	470.00	1,926.79	2,396.79			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	—	6,019.81	6,019.81			
5. Supervision	100.00	7,205.96	7,305.96			
6. Supplies						
(a) Timber	—	2,377.07	2,377.07			
(b) Explosives	—	853.56	853.56			
(c) Repair Parts	—	—	—			
(d) Other	—	1,799.08	1,799.08			
7. Power	—	375.19	375.19			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	9.70	1,017.08	1,026.78			
	—	149.60	149.60			
10. Contract Work		10.85	10.85			
11. Other (specify)						
Total	579.70	27,395.55	27,975.25			
Deletions						
Adjusted totals		27,395.55				
Totals previously reported			27,975.25			
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

#standby compressor rental.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Glenn A Rust
Amount approved for payment
Remarks

16—64068-3

289.85

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF DECEMBER, 1951

(Supply Data Below Applicable Only to Your Operations)

U. S. BUREAU OF MINES
RECEIVED
JAN 25 1952
ALBANY, OREGON

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) *	100.00	470.00		9.70	579.70					
Totals	100.00	470.00		9.70	579.70					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

*fixed standby charges.

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

EXTRA COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 18

Name of Operator United Minerals Reserve Corporation
Docket No. DMA 81
Total Contract Amount $ 104,000
Government Participation: 50 % Amount, $ 52,000
Distribution of Expenditures for Month of November, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

United Minerals Reserve Corporation
(Name of Company)

By Harold A. Covey
(Signature of Authorized Official)

December 15, 1951
(Date)

Vice President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings	--	1,275.28	1,275.28			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	--	4,385.28	4,385.28			
(b) Rented[2] *	215.62	1,711.17	1,926.79			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

EXTRA COPY

December 15, 1951

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U. S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-81
PROGRESS REPORT -
NOVEMBER

Dear Mr. Weissenborn:

Following is a brief narrative of progress made relative to execution by the operator under Exploration Project Contract No. I-DMA-E-18. The period covered by this report and other data submitted herewith is from November 1 to 30, 1951.

During this past month, the work on the project consisted chiefly of advancing the Homestake 602 Winze heading. This was sunk an additional 14.5 lineal feet, resulting in a total of 1,044 cubic feet of ground being taken.

It must be noted that considerable delays and postponements were necessitated because of storms occurring in the vicinity. Only about two-thirds of the period covered in this report permitted actual work. These storms were unusually heave for this time of the year -- the local consensus being that they occurred about thirty days earlier than usual.

The month was begun with a new crew of miners and continued until November 6th on a daily wage basis. This work proceeded so slowly that a new unit contract was given and advance was made on a straight footage basis. However, the charges shown on the applicable cost data submitted herewith are set up only as to the amount prorated against the Project Contract -- the operator assuming the difference.

Another cost assumed by the operator during this period was that incurred by a short "stub drift" to the south from a point near the present bottom of the 602 Winze. There was a small occurrence of mixed oxide-sulfide ore encountered at this point and, for information purposes, the operator elected to break cut more of this ground. Inasmuch as it was not part of the regular project as proposed, the costs therefor were not included thereunder. Other costs such as supervision, equipment rentals, etc., were also prorated in favor of the contract as a matter of bookkeeping so as to more truly reflect the applicable costs of the winze heading against the unit (per foot) costs.

Work on the Homestake 602 Winze was interrupted on November 23rd to perform the aforamentioned drifting and then, on the 26th of the month, all work was suspended because of additional snow storms.

The only other work performed during the period was a minor amount of track cleanup and repair along the No. 6 Tunnel level.

We trust this brief report of progress is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS RESERVE CORP.

Harold A. Covey - Vice-President

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] (see addendum)	642.36	5,377.45	6,019.81			
5. Supervision	275.00	6,930.96	7205.96			
6. Supplies						
(a) Timber						
(b) Explosives	6.00	2371.07	2377.07			
(c) Repair Parts	--	853.56	853.56			
(d) Other	--	--	--			
7. Power	181.83	1617.25	1,799.08			
8. Transportation	--	375.19	375.19			
9. Insurance	--	--	--			
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work	40.86	976.22	1,017.08			
11. Other (specify) **	--	149.60	149.60			
	7.50	3.35	10.85			
Total	1,369.17	26026.38	27,395.55			
Deletions						
Adjusted totals						
Totals previously reported	1,369.17	26026.38	27,395.55			
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Amount approved for payment
Remarks

*Includes prorated truck rental@ $58.95 and prorated rental compresso @156.67.
** Medical examination for employee

684.59

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes *	846.84	197.46	172.01	37.42	1,253.73	lineal	feet	14.5 56.5	71.0	100
Drill holes										
Overburden										
Rehabilitation and preparation	70.52	18.16	15.82	3.44	106.94	Misc.	underground			
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Med. examination				7.50	7.50					
Totals	917.36	215.62	187.83	48.36	1,369.17					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

*Includes all hoisting and tramming

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 1 8 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

UNITED MINERALS RESERVE CORPORATION
(Name of Company)

By Harold A. Carnes
(Signature of Authorized Official)

NOVEMBER 15, 1951
(Date)

VICE-PRESIDENT
(Title)

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

16—64068-1

U. S. BUREAU OF MINES
RECEIVED
NOV 23 1951
ALBANY, OREGON

MONTHLY SUMMARY COST STATEMENT

Name of operator UNITED MINERALS RESERVE CORPORATION
Project No. DMA -81
Total contract amount $104,000.00
Government participation percent 50%

Distribution of Expenditures for Month of October, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	2,388.17	9,920.24	12,308.41		~~12,308.41~~	12,308.41
Equipment purchase [1]	—	4,385.28	4,385.28		~~4,385.28~~	4,385.28
Equipment rental [2]	738.35*	972.82	1,711.17		~~1,711.17~~	1,711.17
Buildings	25.54	1,249.74	1,275.28		~~1,275.28~~	1,275.28
Explosives	530.40	323.16	853.56		~~853.56~~	853.56
Repair parts	—	—	—			
Other supplies	214.96	3,773.36	3,988.32		~~3,988.~~	3,988.32
Power	124.27	250.92	375.19			375.19
Transportation	—	—	—			
Withholding taxes	(210.43)	(874.68)	(1,085.11)			—
Compensation insurance	188.00	788.22	977.02	976.22		976.22
Other insurance	—	—	—			
Contract work	3.00	146.60	149.60			149.60
Other (specify)	3.55**	—	3.35			3.35
Total	4,216.04					
Totals previously reported		21,810.34				
Totals to date			26,027.18	4216.04	21,810.34	26,026.38

* Includes: Truck rental @ $268.35
& Compressor rental @ $470.00

** Toll charges service call on Compressor

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Glenn A Reed
Amount approved for payment $2108.02
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

10—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF October, 1951

Name of operator UNITED MINERALS RESERVE CORPORATION
Project No. DMA -81
Total contract amount $104,000.00
Government participation percent 50%

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	2	2	$ 12.32	$ 24.64
Muckers	1	6	11.84	71.04
Trammers	1	20	12.32	246.40
Timbermen				
Pumpmen				
Hoistmen	1	19	12.32	234.08
~~Surface~~ Shaftmen	2	48 4/8	13.16	638.26
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager)				
Superintendent)	1	Prorated	(500.00/mo.)	250.00
Engineers)				
Geologists	1	"	(200.00/mo.)	100.00
Bookkeeper				
Foreman	1	"	(400.00/mo.)	400.00
Clerks)				
Stenographers) Accounting & Secretarial	1	"	(100.00/mo.)	100.00
Other *Contract differential bonus				323.75
TOTAL				2,388.17

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

* Amount over gross wages for period as against "contract" unit rates.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Glenn A. Reed
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October, 1951

Name of operator UNITED MINERALS RESERVE CORP.
Project No. DMA -81
Total contract amount $104,000.00
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes*	2251.08	688.10	810.44	181.56	3931.18	Linear ft.	31.5	25	56.5	100
Drill holes										
Overburden										
Rehabilitation and preparation	137.09	50.25	59.19	12.79	259.32					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Buildings	—	—	25.54		25.54					
Totals	2388.17	738.35	895.17	194.35	4216.04					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

* Includes all hoisting and tramming.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Glenn A. Reed
Remarks

U. S. BUREAU OF MINES
RECEIVED
NOV 23 1951
ALBANY, OREGON

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

November 15, 1951

A. W. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-81
PROGRESS REPORT - OCTOBER

Dear Mr. Weissenborn:

Following is a brief narrative of progress made relative to execution by the operator under Exploration Project Contract No. I-DMA-E-18. Period covered by this report and other data submitted herewith is from October 1 to 31, 1951.

During the month of October the work on this project was mainly directed toward sinking the Homestake 602 Winze. Advance was made in this heading of 31.5 lineal feet. Considering its cross dimensions of 6' x 12', this resulted in approximately 2268 cu. ft. being removed.

About 18 inches of mineralization consisting mainly of calcite with somewhat oxidised lead, zinc and iron was encountered at Station plus 42.5 feet. A cut sample across this width assayed only 0.20 oz silver, and trace of gold, zinc and lead. Most of the ground consisted of black, carbonaceous, highly - fractured shales and limes and making it necessary to put in square-set timber, rather than merely sill plates and stulls heretofore used.

Certain delays during this period were occasioned by snow storms which caused temporary suspension of work pending show removal from the main access road. This also indirectly caused some labor turnover and other minor delays were encountered concurrent with "breaking in" a new crew.

Certain other activities were directed toward preparations necessary to face more severe weather conditions. This included burying and otherwise sealing exposed water lines, etc. It is believed that work can be continued with regards to winter conditions and it presently is so intended, barring any unusually heavy storms in the vicinity.

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NOV 23 1951
ALBANY, OREGON

We trust this brief report of progress is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS RESERVE CORPORATION

Harold A. Covey

Harold A. Covey - Vice President

HAC/md

U. S. BUREAU OF MINES
RECEIVED
NOV 23 1951
ALBANY, OREGON

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941) COPY

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-30

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Department of the Interior, Bureau of Mines,
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 10/18/51
(Give place and date)

THE UNITED STATES, Dr.,

To United Minerals Reserve Corporation
(Payee)

Address Felt Building, Salt Lake City 1, Utah

Payee's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	9/1-30/51	Per attached certified form MF-104, dtd 10/12/51				2,583	60

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 2,583 60

(Payee must NOT use this space)
Differences _____
Account verified; correct for 2,583 60
(Signature or initials) _____

Contract No. IDMA-E18 Date 6/22/51 Req. No. _____ Date _____ Invoice Rec'd _____

2,583.60

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,583.60	2,583.60

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____. Payee _____ (Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

Per _____
Title _____

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(August 1951)
April

30

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E .....

Name of Operator UNITED MINERALS RESERVE CORPORATION
Docket No. DMA -81
Total Contract Amount $ 104,000.00
Government Participation: 50 % Amount, $
Distribution of Expenditures for Month of SEPTEMBER, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 10 1952

CERTIFICATION

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

UNITED MINERALS RESERVE CORPORATION
(Name of Company)

By /S/ Harold R. Covey
(Signature of Authorized Official)

OCTOBER 12, 1951
(Date)

VICE-PRESIDENT
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT

Distribution of Expenditures for Month of September, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date
Wages and salaries	3,057.38	6,862.86	9,920.24
Equipment purchase	575.00	3,810.28	4,385.28
Equipment rental	657.80 *	315.02	972.82
Buildings	150.60	1,099.14	1,249.74
Explosives		323.16	323.16
Repair parts			
Other supplies	429.03	3,344.33	3,773.36
Power	74.92	176.00	250.92
Transportation			
Withholding taxes	(250.30)	(624.38)	(874.68)
Compensation insurance	218.96	569.26	788.22
Other insurance			
Contract work	3.50	143.10	146.60
Other (specify)			
TOTAL	5,167.19		21,810.34
Totals previously reported		16,643.15	
Totals to date			21,810.34

* Includes: Truck rental at $187.80 and Compressor rental at $470.00.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF SEPT.

Type	Number	Man-Shifts	Rate	Total
Miners	2	27 1/8	$12.32	$ 334.18
Muckers	1	18	11.84	213.10
Trammers	1	15 4/8	12.32	190.96
Timbermen				
Pumpmen				
Hoistmen				
Surface	1	18 2/8	12.32	224.84
~~XXXXXXX~~ Shaftmen	2	51	13.16	671.16
~~Samplers~~				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners	1	16 2/8	12.64	205.40
Drill helpers				
Teamsters				
Manager, Superintendent, Engineers	1	Prorated	(500.00/mo.)	500.00
Geologists	1	Prorated	(200.00/mo)	200.00
Bookkeeper				
Foreman	1	Prorated	(400.00/mo.)	400.00
Clerks, Stenographers (Secretarial & Accounting)	1	Prorated	(100.00/mo.)	100.00
Other Contract differential "bonus"*		(18½)	(0.9578)	17.72
TOTAL				3,057.38

* Amount over gross wages for period as against "contract" unit rates.

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(*d*) Fixtures						
4. Labor [3]						
5. Supervision						
6. Supplies						
(*a*) Timber						
(*b*) Explosives						
(*c*) Repair Parts						
(*d*) Other						
7. Power						
8. Transportation						
9. Insurance						
(*a*) Fire						
(*b*) Public Liability						
(*c*) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total						
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by .....

Entered by .....

Approved by .....

Amount approved for payment .....

Remarks .....

.....

.....

16—64068-3

2583.60

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF SEPTEMBER, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes *	2,060.05	822.57	336.26	149.60	3,368.48	Lin.Ft.	18	7	25	100
Drill holes										
Overburden										
Rehabilitation and preparation	520.92	214.08	87.51	38.02	860.53	Misc.				
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Buildings	476.41	196.15	230.78	34.84	938.18					
Totals	3,057.38	1,232.80	654.55	222.46	5,167.19					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Includes all hoisting and tramming

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1 Utah

October 12, 1951

A. W. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-81

Dear Mr. Weissenborn:

Following is a brief narrative of progress made relative to execution by the operator under Exploration Project Contract No. I-DMA-E-18. Period covered by this report and other data submitted herewith is from September 1, to 30, 1951.

As in the previous period of August, the work performed during the past month was directed mainly to the sinking project below the No. 6 level of the Homestake mine. Hereafter this particular heading may be referred to as the Homestake 602 Winze. Advance was made in this heading of 18 lineal feet. A crumpled zone containing black, carbonaceous gouge was encountered and the ground was extremely difficult to hold. This resulted in the dimensions of the winze being somewhat larger than the proposed 5' x 8' (in the clear); rather, its cross dimension averaged 6' x 12' or a total of approximately 1,296 cu. ft of ground being removed in this period.

Certain delays in advance resulted from the loose ground and more timber was required than is normal for most work within the Homestake vein. Also during this period, installation of a hoist and skip was completed. It was found that insufficient head room had been taken previously for the hoist room at the top of the winze. Therefore, another 3 or 4 feet will be taken out of the "back" when convenient.

It may be recalled that previous reference was made to a stringer of fine-grained sulphide ore containing mostly sphalerite occurring on the foot wall of the vein in this hoist raise. For your information, a 12-inch channel cut sample was taken on this streak in the face of the raise and assayed as follows:

Ag 13.6 oz; Pb 17.4%; Zn 43.8%;

A minor amount of rehabilitation consisting mostly of track repair continued during this period along the No. 6 haulage level. A system of

U. S. BUREAU OF MINES
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OCT 1 1951
ALBANY, OREGON

ventilation for the face was arranged by installation of vent pipe and an air-lock door, thus utilizing the natural air circulation of the mine. This proved to be very satisfactory.

Construction included installation of shower facilities in the "dry" portion of the main portal building; installation of a pipe storage rack; minor repairs to the blacksmith shop; and dismantling and salvage of materials of an existing, uninhabitable miners' cabin.

The only unusual difficulties encountered during this period was the sloughing ground in the 602 winze. However, at the close of the period, progress had gone beyond this zone and the rock appeared harder and thus more likely to stand well.

I trust this brief report is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS RESERVE CORPORATION

Harold A. Covey

Harold A. Covey - Vice President

HAC/md

U. S. BUREAU OF MINES
RECEIVED
OCT 17 1951
PORTLAND, OREGON

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-10

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Dept. Interior, Bureau Of Mines,
(Department, bureau, or establishment)
Voucher prepared at Albany, Oregon 9/27/51
(Give place and date)
THE UNITED STATES, Dr.,
To United Minerals Reserve Corporation
(Payee)
Address Felt Building, Salt Lake City, 1, Utah
Payee's Account No. I-DMA-E18

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	August 1 to August 31, 1951	Per attached certified Form MF-104, dated September 10, 1951				2,348	34

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 2,348 34

(Payee must NOT use this space)
Differences _____
Account verified; correct for 2,348 34
(Signature or initials) _____

Contract No. I-DMA-E18 Date 6/22/51 Req. No. _____ Date _____ Invoice Rec'd _____

2,348.34

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't *Amount*	Appropriation *Amount*
14X4401	Revolving Fund, Defense Production Act, Interior	2,348.34	2,348.34

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ }
(Sign original only)

Per _____
Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*) (*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

MF-104
(August 1951)

April

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E

Name of Operator UNITED MINERALS RESERVE CORPORATION
Docket No. DMA -81
Total Contract Amount $ 104,000.00
Government Participation: 50 % Amount, $
Distribution of Expenditures for Month of August, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

CERTIFICATION

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

UNITED MINERALS RESERVE CORPORATION
(Name of Company)

By /S/ Harold A. Corey
(Signature of Authorized Official)

September 10, 1951
(Date)

Vice-President
(Title)

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

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT

Distribution of Expenditures for Month of August, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date
Wages and salaries (gross)	2,948.36	3,914.50	6,862.86
Equipment purchase	495.60	3,314.68	3,810.28
Equipment rental	111.02	204.00	315.02
Buildings	297.63	801.51	1,099.14
Explosives	36.71	286.45	323.16
Repair parts	--	--	--
Other supplies	409.48	2,934.85	3,344.33
Power	101.08	74.92	176.00
Transportation	--	--	--
Withholding taxes	(268.53)	(355.85)	(624.38)
Compensation insurance	202.20	367.06	569.26
Other insurance	--	--	--
Contract work	94.60*	48.50	143.10
Other (specify)	--	--	--
TOTAL	4,696.68		16,643.15
Totals previously reported		11,946.47	
Totals to date			16,643.15

*(Includes contract skip & car repair at $84.10 plus assays at $10.50.)

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF AUG

Type	Number	Man-Shifts	Rate	Total
Miners ("company time" only)	5	104 4/8	$12.31	$1,286.39 (-)
Muckers	1	25 6/8	11.78	303.34 (+)
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters	1	25 3/8	12.60	319.73 (+)
Drill runners				
Drill helpers				
Teamsters				
Manager, Superintendent, Engineers	1	Prorated	(500.00/mo.)	359.96
Geologists	1	"	(200.00/mo.)	143.98
Bookkeeper, Foreman, Clerks, Stenographers (Accounting & Secretarial)	1	"	(350.00/mo.)	287.97
	1	"	(100.00/mo.)	71.99
Other Contract labor-miners		10	(see note)	175.00
TOTAL				2,948.36

(NOTE: Contract labor includes 2 of 5 miners sinking winze (see unit costs); 7' advance at $25/ft. = $175.)

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(*d*) Fixtures						
4. Labor[3]						
5. Supervision						
6. Supplies						
(*a*) Timber						
(*b*) Explosives						
(*c*) Repair Parts						
(*d*) Other						
7. Power						
8. Transportation						
9. Insurance						
(*a*) Fire						
(*b*) Public Liability						
(*c*) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total						
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by .....
Entered by .....
Approved by .....
Amount approved for payment .....
Remarks .....
.....
.....

16—64063-3

23 46.34

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF August, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress[4]				
	Wages[1] and salaries	Equipment[2]	Supplies	Other[3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes	1,770.06	518.12	380.39	119.80	2,788.37	Lin. Ft.	7	0	7	100
Drill holes							(plus	cutting	skip pocket-transfer)	
Overburden										
Rehabilitation and preparation	480.48	145.87	68.30	33.72	728.37	Misc.				
Geology and geophysics										
Trenching										
Sampling and assaying				10.50	10.50					
Roads and trails										
Test pits										
Other (specify Buildings**	697.82	26.73	396.21	48.68	1,169.44	--				
Totals	2,948.36	690.72	844.90	212.70	4,696.68					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Includes payroll taxes & insurance.
** Includes change room, ore bins, powder mag., etc.

September 10, 1951

A. B. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

RE: Docket No. DMA-81

Dear Mr. Weissenborn:

Following is a brief narrative of progress made relative to execution by the operator under Exploration Project Contract No. I-DMA-E-18. Period covered by this report and other data submitted herewith is from August 1, to 31, 1951.

The main work performed during this period was directed to the winze project on the No. 6 tunnel level of the Homestake mine. A raise above the level was driven for installation of the hoist and for a transfer pocket from the winze to the main haulage level, approximately 3,000 cu. ft of ground being removed for this installation. Actual sinking below the level was started and 7 ft. of advance was gained by the end of the period. The general cross-dimension of the proposed winze will be 5 x 8 ft.; or one and one-half - compartments permitting a skip- and man-way. The winze is being sunk down the dip of the vein at approximately 55° and the advance cited above represents approximately 280 cu. ft. of ground removed.

It may be noted that a stringer of sphalerite, observed in the drift on the footwall at a thickness of about 4 in., persisted up into the hoist raise and increased in thickness to about 12 in. A sample taken on this streak (at about its 8 in. thickness) assayed as follows:

Au Tr.; Ag 7.60 oz.; Pb 6.40%; Zn 38.60%.

It is not planned to mine this streak for obvious economic reasons. Further, its occurrence is in a siliceous section of the vein which has heretofore been found to contain less intense mineralization than the more calcareous portions. It is noted here merely as a minor point of interest.

U. S. BUREAU OF MINES
RECEIVED
SEP 1 9 1951
ALBANY, OREGON

To: A. E. Weissenborn, Executive Officer September 10, 1951

A minor amount of rehabilitation is continuing along No. 6 level. This consists mainly of track repairs and some retimbering as it appears necessary.

Additional construction and repairs to existing facilities in the vicinity of the portal of the No. 6 Homestake level continues, but is nearly completed. The ore bins, powder magazine and existing portal shed were all repaired. Finishing construction, such as roofing, was done on the combination compressor-warehouse - change room building. There remain only a few minor items yet to be done on this building such as installation of shower facilities for the change room portion.

No unusual difficulties were encountered in any of the work during this period. Slight delays were encountered because of a "bottle neck" in tramming from the mine area to the portal. However, as set forth in our letter to you of September 7, 1951, steps are being taken to alleviate this condition.

We trust this brief report is sufficient for your requirements and meets with your approval.

Respectfully submitted,

UNITED MINERALS RESERVE CORP.

Harold A. Covey,
Vice President

HAC/md

U. S. BUREAU OF MINES
RECEIVED
SEP 1 9 1951
ALBANY, OREGON

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-8

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Interior, Mines
(Department, bureau, or establishment)
Voucher prepared at Albany, Oregon, Sept. 13, 1951
(Give place and date)
THE UNITED STATES, Dr.,
To United Minerals Reserve Corporation
(Payee)
Address 518 Felt Bldg. Salt Lake City 1, Utah
Payee's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	June 22-July 31, 1951	Per attached certified Form MF-104, dated August 25, 1951				5,973	23

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 5,973 23

(Payee must NOT use this space)
Differences _____
Account verified; correct for 5,973 23
(Signature or initials) _____

Contract No. I-DMA-E18 Date 6/22/51 Req. No. _____ Date _____ Invoice Rec'd _____

5,973.23

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior		5,973.23

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ }
(Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.
2. (a) After advertising by circular letters sent to _____ dealers.
   (b) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(a) (b)" or "2(a)", depending on whether or not notices were posted.)
3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with _____
5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement), Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(August 1951)
April

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E

Name of Operator UNITED MINERALS RESERVE CORPORATION
Docket No. DMA 81
Total Contract Amount $ 104,000.00
Government Participation: 50 % Amount, $
Distribution of Expenditures for Month of July, 1951 *

* Includes June 22-3/ July 1-31

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

CERTIFICATION

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

UNITED MINERALS RESERVE CORPORATION
(Name of Company)

By /S/ Harold A. Corey
(Signature of Authorized Official)

August 13, 1951 (Original filing)
August 25, 1951 (Amended filing)
(Date)

Vice President
(Title)

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

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities	ITEM					
	Wages and salaries (gross)			3,914.50	nil	3,914.50
	Equipment purchase			3314.68	-	3314.68
	Equipment rental			204.00	-	204.00
	Buildings			801.51	-	801.51
(b) Buildings	Explosives			286.45	-	286.45
	Other supplies			2934.85	-	2934.85
	Power			74.92		74.92
	Withholding taxes			--	-	--
	Compensation Insurance			367.06	-	367.06
(c) Fixtures	Contract work			48.50	- -	48.50
		TOTAL		11,946.47		11,946.47
	TOTALS PREVIOUSLY REPORTED			-		-
	TOTALS TO DATE			11,946.47		11,946.47
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT

Distribution of Expenditures for Month of July, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date
Wages and salaries (gross)	3,914.50	nil	3,914.50
Equipment purchase	3,314.68	"	3,314.68
Equipment rental	204.00	"	204.00
Buildings	801.51	"	801.51
Explosives	286.45		286.45
Repair parts	--		--
Other supplies	2,934.85	"	2,934.85
Power	74.92	"	74.92
Transportation	--		--
Withholding taxes	(355.85)	"	(355.85)
Compensation insurance	367.06		367.06
Other insurance	--		--
Contract work	48.50		48.50
Other (specify)			
TOTAL	11,946.47	nil	11,946.47
Totals previously reported	nil	nil	nil
Totals to date	11,946.47	nil	11,946.47

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF _____

Type	Number	Man-shifts	Rate	Total
Miners	5	120 6/8	12.31	$1,486.43
Muckers	2	43	11.78	506.54
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters	2	~~31 6/8~~ ~~32 6/8~~	~~12.60~~ ~~12.32~~	~~400.05~~ ~~403.48~~
Drill runners				
Drill helpers				
Teamsters				
Manager) Superintendent) Engineers)	1	Prorated	(500.00/mo.)	520.00
Geologists	1	"	(200.00/mo.)	169.00
Bookkeeper				
Foremen	1	"	(350.00/mo.)	364.00
Clerks				
Stenographers				
Other ACoounting & Secretarial)	1	"	(100.00/mo.	65.00
TOTAL				$3,914.50

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(*d*) Fixtures						
4. Labor[3]						
5. Supervision						
6. Supplies						
(*a*) Timber						
(*b*) Explosives						
(*c*) Repair Parts						
(*d*) Other						
7. Power						
8. Transportation						
9. Insurance						
(*a*) Fire						
(*b*) Public Liability						
(*c*) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total						
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by .....

Entered by .....

Approved by .....

Amount approved for payment .....

Remarks .....

.....

.....

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July, 1951 *

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3] **	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting							(INITIAL	REPORT)		
Raising										
Shafts										
Winzes	905.65	1,453.54	739.86	84.79	3,183.84	(Cutting winze	station)		0	100'
Drill holes										
Overburden										
Rehabilitation and preparation	1,262.57	1,997.14	1,751.69	152.69	5,164.09	(Misc.)				
Geology and geophysics										
Trenching										
Sampling and assaying				14.00	14.00					
Roads and trails										
Test pits										
Other (specify) Buildings	1,746.28	68.00	801.51	164.08	2,779.87					
Inventory			804.67		804.67					
Totals	3,914.50	3,518.68	4,097.73	415.56	11,946.47					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

* Includes June 22-30/July 1-31
** Payroll taxes & insurance, plus welding under Rehabilitation

August 10, 1951

A. E. Weissenborn, Executive Officer, DMA
Field Team, Region II
U. S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-81

Dear Mr. Weissenborn:

Hereby submitted is a brief narrative of progress made relative to execution by the operator of the work under Exploration Project Contract (Docket No. DMA-81) between United Minerals Reserve Corporation and the United States of America. The period covered by this report is June 22 to July 31, 1951.

Before execution of the Exploration Project Contract, the operator had proceeded with some of the preliminary work as proposed thereunder. The rehabilitation of the No. 6 Level of the Homestake Mine appeared to be a lengthy and costly job and it was believed, therefore, that all delays possible should be avoided. The operator attempted to reach the face of this level while doing only the absolute minimum amount of retimbering during the initial work. Consequently, it was made accessible on a temporary basis to the face, which included the area from which the winze was planned to be sunk. However, following this work there remain certain areas along this level which will require retimbering as time will allow.

The point from which it was deemed advisable to sink said winze was ascertained both from a geological and physical point of view, with due regard to balanced proximity of potential lower ore-shoots. Approximately 1600 cubic feet of ground was taken out for a shaft station with regard for double trackage loading and hauling arrangements and minor storage at the top of the proposed winze. Three station sets of timber were stood in this vicinity and as the period closed, work was being commenced to raise above the level for the hoist station and rock transfer chute for haulage.

Upon breaking the station as far toward the hanging wall as was planned, further information was gained by driving a drill hole out beyond the wall for a distance of 6 feet and obtaining sludge samples of the cuttings with every change of steel, or at 18-inch intervals. No commercial ore was encountered in this hole and the assays gained therefrom are shown on the accompanying sketch.

A considerable amount of work was done on reconditioning the portal plant of the No. 6 Homestake level. The dump was re-graded, some old buildings dismantled (with most materials salvaged), some minor repairs made to the existing shed directly at the portal and a new, combination compressor-change room-warehouse was constructed just to the south of the portal on the dump level. This work was mainly completed at the close of the period with only a few minor items remaining.

No major difficulties were encountered in any of the work, with the exception that portions of the existing air pipe extending along the No. 6 Level were found to be in bad condition, requiring some replacement and recoupling. Rehabilitation, including further air line replacement, along this level is continuing.

Respectfully submitted,

UNITED MINERALS RESERVE CORPORATION

Harold A. Covey

H. A. Covey, Vice President

HAC:jhl

BUREAU OF MINES
SEP 7 1951

MAR 20 1963

Mr. William H. Rahse
Trust Officer
Twin Falls Bank & Trust Company
Twin Falls, Idaho

Re: DMA-81 (Lead-Zinc)
United Minerals Corporation
Hemphaine Mine
Blaine County, Idaho
Contract Lm-218

Dear Mr. Rahse:

By the terms of the subject Exploration Project Contract, as amended, and Paragraph 4(c) of Amendment No. 5 dated January 8, 1954, all minerals mined or produced from June 22, 1951, to June 22, 1962, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
3/20/63
cc: Director's Reading File
CA&A Division
Region I (2)
Docket
Code 500

Government's copy

Department of the Interior
Defense Minerals Administration
RECEIVED
JAN 16 1954

EXPLORATION PROJECT CONTRACT
UNITED MINERALS RESERVE CORPORATION
DOCKET NO. DMA-81

AMENDMENT NO. 6

This Agreement, entered into this 8th day of January, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and United Minerals Reserve Corporation, hereinafter called the "Operator," is an amendment of Exploration Project Contract Idm-E18, Docket No. DMA-81, dated June 22, 1951, as amended, hereinafter called the "Contract," and WITNESSETH THAT:

WHEREAS, by the terms of the Contract the work is required to be completed within three years from June 22, 1951, i.e., on or before June 22, 1954; and

WHEREAS, the work has been in suspension since November 1, 1952; and the Operator does not intend and would not now be able to resume the work so as to bring the project to completion within the time limited by the Contract; and

WHEREAS, under the terms of the Contract, the Government cannot make a certification of discovery or development except "upon the completion of the exploration project or termination of the contract"; and the Government is unwilling to permit the work to remain in suspension without at the same time securing its rights to a percentage royalty should the property be brought into production in the future within the time here limited;

NOW THEREFORE, it is agreed as follows:

1. The period fixed for the completion of the work is extended to November 22, 1954.

2. The current suspension of operations beginning November 1, 1952, is approved by the Government and authorized to continue to May 1, 1954.

3. No costs incurred by the Operator during the period of suspension, from November 1, 1952, to any time when

the work may be resumed before May 1, 1954, are allowable as costs for contribution by the Government; and the Operator, at its own cost and expense, without contribution by the Government, shall do all things necessary and proper to preserve the work and any property in which the Government may have an interest, during the period of suspension. No equipment to the cost of which the Government has contributed and in which it may have an interest shall be used by the Operator during the period of suspension, without the advance written approval of the Government, except to the extent necessary for the preservation of the work.

4. If the work is not resumed on or before May 1, 1954, in a manner required to bring the project to completion on or before November 22, 1954:

(a) All obligation of the Government to contribute to costs not then accrued shall terminate;

(b) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed and in which it has an equity; and shall promptly render to the Government a final report and final accounting;

(c) The total net amount contributed by the Government under the provisions of the Contract, as amended, shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the contract form, in the same manner and to the same extent as if the Government had made a certification of discovery or development under the provisions of the contract; except that the maximum period of royalty payments and lien for the payment thereof is changed from ten years to eleven years; and

(d) The Operator shall and hereby does release and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as herein otherwise provided.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

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

THE UNITED STATES OF AMERICA

By O P Mittendorf
Administrator, Defense Minerals Exploration Administration

UNITED MINERALS RESERVE CORPORATION

By George W. Snyder Jr. Pres.

By _____

Noted JLC

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

140

October 10, 1952

Memorandum

To: Mr. Frank Johnson, Deputy Administrator

From: J. L. Hofflund, Chief Counsel

Subject: Amendments of wage rates in Exploration Contracts (United Minerals Reserve Corp., Docket No. DMA-81)

The subject contract is written on an old form (MF-200 of April 1951) and has been amended twice to increase the allowance for wage rates. I understand from your informal note that you would like to know if the Field Team Executive Officers have the power to amend contracts to increase wage rates.

Field Team Executive Officers do have the authority to make amendments that increase wage rates, regardless of the form the contract is written on, unless wage rates are particularly indicated as "allowable maximums."

No doubt your inquiry arises from the fact that Interior Order No. 2684, dated April 25, 1952, does not permit Field Team Executive Officers to make any amendments which increase any item of allowable cost expressly designated "allowable maximum." This Order was issued shortly after the new contract form (MF-200 Revised Feb. 1952) was promulgated, and had particular reference to the new contract forms which use the expression "allowable maximum." The previous Interior Order, No. 2653, dated August 16, 1951, made no reference to "allowable maximum" items, because the contract forms did not then contain that expression. There was no question but that the Field Team Executive Officers, under the previous order, could make amendments increasing wage rates as long as it was not necessary to increase the estimated total cost of the contract. It was not intended by the new Order (2684) to place any further limitation on the power of Field Team Executive Officers in this particular respect, as is evidenced by the fact that the new contract forms do not make wages an "allowable maximum." The old contract forms do refer to the wages stated in Exhibit "A" as "maximum wages or salaries that may be paid to each as an allowable cost of the project," but the effect of this provision is not to make wages an "allowable maximum" as that term is used in the new contract forms and in the later Interior Order (2684).

It follows that in the absence of any special provision in the contract, Field Team Executive Officers may by amendment increase the wage rates established by contracts written on the old form, and may increase the wage rates established by contracts written on the new form without any amendment of the contract.

Signed

A. E. Kane, Acting For
J. L. Hofflund, Chief Counsel

Attachment
JLHofflund/mef
cc to: Mails and Files
Mr. Mittendorf
Mr. Chambers
Mr. Keller
Mr. Rubin
Mr. Kane
Mr. Hofflund
Chron.

Government Copy

EXPLORATION PROJECT CONTRACT
UNITED MINERALS RESERVE CORPORATION
DOCKET NO. DMA-81

AMENDMENT NO. 5

It is agreed this 15th day of May 1953, by the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and United Minerals Reserve Corporation, an Nevada corporation, hereinafter called the "Operator," each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E18, Docket No. DMA-81, dated June 22, 1951, as amended, between the parties hereto be further modified and amended as of said date as follows:

1. In Article 3 of the contract, the words "two (2) years" shall be changed to read "three (3) years."

2. This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the costs which the Government may pay under the provisions of Article 11 of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By
ACTING Executive Officer
DMEA Field Team, Region II

UNITED MINERALS RESERVE CORP.

By Harold A. Covey
Vice-President

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

May 19, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-81 (lead-zinc)
United Minerals Reserve Corporation
Blaine County, Idaho
Contract Idm-E18

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 5 to the subject contract. This amendment extends the contract time from a period of 2 years to 3 years. The amendment was authorized by the Administrator under letter dated May 1, 1953 but was signed by the Executive Officer. Distribution of this amendment has been made in the usual manner.

It will be noted that a correction has been made in the contents of the amendment. The correction has changed the sentence reading ".....United Minerals Reserve Corporation an Illinois corporation ....." to read "a Nevada corporation." This correction was made in the field and initialed by the Executive Officer.

Sincerely yours,

Thor H. Killegaard
For: M. E. Volin, Acting Exec. Officer
DMEA Field Team Region II

Attachment

cc: USBM (2)
Killegaard

We intend to proceed with the work on the project under a "unit contract" arrangement as previously outlined and followed. It is believed that these footage "bonus" payments will exceed applicable charges for wages thereunder if the work progresses satisfactorily. Therefore we hope that the overall cost of such work will not be materially affected by the above increases.

Your early consideration of this matter is respectfully requested. We would appreciate greatly if your approval could be made retoactive through May so as to include our work for that month.

Thank you for your cooperation in this matter.

Respectfully,

UNITED MINERALS CORPORATION

Harold A. Covey

Harold A. Covey, ~~Vice~~ President

HAC/wm

cc: Glenn C. Reed

AUG 7 1952

Mr. A. I. Meissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. 81 (Lead-Zinc)
United Minerals Corporation
Blaine County, Idaho
Exploration Contract No. Ida-518

Dear Mr. Meissenborn:

This will acknowledge receipt of your letter of July 15, 1952, and three copies of amendment No. 4 relating to the captioned contract, copy of the inspection report by T. E. Howard, U. S. Bureau of Mines Engineer, and a copy of a letter dated June 11, 1952, addressed to you and signed by Harold A. Covey, Vice President, United Minerals Corporation.

We are distributing the copies of amendment No. 4 for attachment to contract copies on file in this office. However, we wish to call to your attention that the original of the amendments and other documents for attachment to the contract should be forwarded to this office pursuant to instructions in the Operating Committee's memorandum No. 10. This procedure is necessary so that all original contract documents can be filed in the same place.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

D. M. Lemmon

Member, Geological Survey

FEJohnson/bih 8/5/52

cc to: Docket
Admr's. Reading File
Operating Committee
Region II
Messrs. Thayer R-5216 GSA Bldg.
Hedges R-4604
Chambers
Keller
FEJohnson

AMENDMENT NO. 4

It is agreed this 25th day of June 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and United Minerals Corp., 518 Felt Bldg., Salt Lake City, Utah (Docket No. 81 - zinc & Lead)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E18 of June 22 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be June 25 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

UNITED MINERALS CORPORATION
(Operator)

By Harold A. Berry
V. Pres.

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 21 1952

UNITED MINERALS CORPORATION

Docket No. DA 811 Contract Idm-E18

Amendment No. 4

Exhibit "C"

Changes and modifications

1. In Exhibit "C" of the contract, under "Operating Equipment to be Purchased", delete the following items:

Quantity	Item	Cost
7	1-ton ore cars @ $165.00	$1,155.00
1	air receiver	250.00
1	1-ton sinking skip	350.00
1	sinking pump	460.00

2. In Exhibit "C" of the contract, page 2, add the following paragraph:

"Equipment to be furnished by Operator"

Quantity	Item	Monthly allowance for depreciation
1	1-ton mine skip	$ 4.20
12	1-ton mine cars @ $1.70/mo. each	20.40
2	mine timber trucks	2.50
1	sump pump	4.20
Misc.	blacksmith shop equipment	1.70

M. E. Volin, Member, DMEA Field Team, Reg. II

Hailey, Idaho
May 27, 1952

T. E. Howard, Mining Engineer, Bureau of Mines

Routine inspection of United Minerals Corporation exploration project, Contract Idm-E18, Docket No. DMEA 81, Zn-Pb

The subject inspection was made May 24, 1952, with Lowell Thompson, mine foreman. Work had just been resumed after the winter shutdown. The foreman and two miners were engaged in cleaning up the No. 6 level adit of the Homestake mine where sloughing had occured during the winter. All the work done on the Homestake phase of the exploration project will require the use of this adit.

In addition to a number of places where the back of the adit was sloughed, about 50 cars of gob which was washed from a raise about 80 feet from the new winze will have to be cleaned up. At least 13 sets of old timber will have to be replaced, some of which will be difficult as the failed sets supported stope fill. The new winze is flooded and could not be examined but it is assumed to be in good shape.

The foreman estimates that about two weeks will be required to complete the necessary cleanup and repair. I talked to Mr. Covey, supervisor in charge of the project, later and with him prepared an amendment to allow their cost as a cost of the project. I have included repairs to surface plant because anti-freeze was discovered in the oil when the compressor was drained and it will have to be checked and possibly repaired. Also the outside water line will require some repair. Though the cost of this work will further reduce the funds available for actual exploration, the work must be done before the project can proceed.

The second part of the amendment is to allow a change from the originally planned method of driving the drift from the bottom of the winze. The Operator intended for the mucking to be done by hand. The slusher provided for in the amendment should give a more efficient operation.

The amendment has been signed by Mr. Covey and is enclosed for the consideration of the Field Team.

The high cost of the work done thus far under the contract was discussed again with Mr. Covey. He stated that he intends to start both the winze and the No. 6 level drift extension on a 2-shift-per-day working schedule as soon as the cleanup and repair is completed if sufficient labor is available. If he is able to do this, costs should be reduced considerably.

The Long Grade prospect is still under fairly deep snow and work cannot be started there for about another month.

T. E. Howard

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

June 11, 1952

Mr. A. E. Weissenborn, Executive Officer,
DMA Field Team, Region II
U.S. Department of the Interior
South 157 Howard Street
Spokane 4, Washington

Refer to: Contract Idm-E18

Dear Mr. Weissenborn:

Herewith enclosed is a copy of an Equipment Inventory as of May 31, 1952, and description of new Construction at the Homestake Mine in connection with our Exploration Project Contract, Idm-E18.

In connection therewith, it may be noted that certain equipment items have been charged to the contract and do not appear on the inventory. These were items which were deemed unsatisfactory, have been returned and for which suitable replacements have been or will be obtained. Credit will be given to the appropriate Contract accounts following Mr. Hulls' suggestion that this be done during a month of substantial expenditure so as to absorb the credits with more convenience from the accounting point of view. It appears that this may be effected in our monthly report for June, 1952. For your immediate convenience, these items have been added to said Inventory as a footnote.

For your information, the McGowan pump has been replaced by a portable Chicago-Pneumatic sump pump; the Ingersoll-Rand jackhammer and jacklegs will be replaced by an Atlas rock drill with pneumatic pusher using Sandvik Coromant drill steel. The drill changes are expected to be better economically as they have been found so in this region and we are using them with success in one of our Nevada operations. It may also eliminate the need for liners as set forth in our original estimates for the drifting with considerable savings in equipment costs.

We close our fiscal year on June 30th and there are other changes in the Contract account which we would like to make subject to your approval to be effective July 1, 1952. We believe they will "clear up" these accounts somewhat and will be favorable both from the governments' and our points of view.

We propose to "buy back" the governments' share of certain equipment items at the same figure for which we were previously reimbursed and thus gain 100 per cent ownership of such items. With our operating other properties it might be advantageous, for example, to be able to inter-change equipment with more elasticity than the present set-up permits. For such equipment, a reasonable rental figure would be set for that actually used on the project and according to established practices.

If this proposal meets with your approval, the items which we would like to absorb are as follows:

Quantity	Description	Cost to Contract	Gove't Share /1
1	3/4-ton Mine Skip, 24" ga., fabricated	$ 50.00	$25.00
3	1-ton Mine Cars, 18" ga., end dump, used, @ $50.00	150.00	75.00
1	1-ton Mine Car, 18" ga., end dump, used	35.00	17.50
1	Set Chain Blocks, used	50.00	25.00
1	Hand driven forge blower	10.00	5.00

/1 Actual amount government reimbursement to Operator.

If the cost for these items are thus absorbed by the Operator, the effect will be as though the Contract never was charged therefor and yet the project has had the use of them and other equipment furnished by the Operator. This poses the question of some retroactive rentals coming under consideration to truly balance the accounts. However, we are willing to forego any such past rentals in the interests of the project and more convenience in the bookkeeping.

Please bear in mind that neither the Operator nor the Government had been able to establish the exact methods for handling many of these items as they occurred. We have had to more or less "grow" along with the program and this, along with a few simple errors in learning, now calls for the proposed revisions. We would like to be able to put the account on more of "an even keel" beginning with our next fiscal year. Therefore, we urge your favorable consideration of these matters.

To accomplish the proposed objectives, an amendment to the Contract appears necessary. For your convenience and consideration, we have prepared the following draft of a proposed Exhibit "F" of Amendment No. 4.

UNITED MINERALS CORPORATION
EXPLORATION PROJECT CONTRACT AMENDMENT NO. 4
EXHIBIT "F"

Changes and Modifications

In Exhibit "C" of the Contract, under operating equipment to be purchased, delete the following items:

Quantity	Item	Cost
7	1-ton ore cars @ $165.00	$1,155.00
1	Air receiver	250.00
1	1-ton sinking skip	350.00
1	Sinking pump	460.00

In Exhibit "C", Page (2), of the Contract, under operating equipment furnished by the Operator as rental to the project, add the following items as maximum allowable costs of the project:

Quantity	Item	Rental
1	One-ton mine skip	4.20/mo.
12	One-ton ore cars @ $1.70/mo.	20.40/mo.
2	Mine timber trucks @ $1.25/mo.	2.50/mo.
1	Sump pump	4.20
Misc.	Blacksmith shop equipment	1.70

We respectfully request your consideration hereof and will look forward to hearing from you in this regard. If the above appears satisfactory, please proceed to prepare the necessary forms for execution. If any changes appear desired or questions arise, please communicate with us.

Respectfully yours,

UNITED MINERALS CORPORATION

Harold A. Covey. m.d.

Harold A. Covey - Vice President

HAC/md

UNITED MINERALS CORPORATION
LAKE-CREEK DIVISION

INVENTORY as of MAY 31, 1952
in connection with DMEA Contract Idm-E18

EQUIPMENT

Pur. Date	Serial No.	Description	Cost	Charged to Contract
7/24/51	670128	J40 Jackhammer (40-50965) Ingersoll-Rand, new	$345.00	$345.00
6/13/51	673354	R48 Stoper (40-50967) Ingersoll-Rand, new	670.00	670.00
9/1/51	—	3/4-ton mine skip - fabricated - 24" ga.	250.00	50.00
9/13/51	—	3-1-ton mine cars, 18" ga., end dump, used @ 100.00 (to contract @ 50.00), Geo. W. Snyder	300.00	150.00
5/1/51	—	1-1-ton mine car, 18" ga., end dump, used. Triumph Mining Co.	35.00	35.00
8/1/51	—	Mule, harness, collar - "Sandy" Brooks & Andrew Knight	110.00	79.20
8/10/51	—	20 gal water pressure tank - J. K. Wheeler, new	78.00	78.00
6/6/51	—	"Prestweld" welding outfit, Fran. Jones, Inc., new	124.50	124.50
9/13/51	—	1 set chain blocks, Geo. W. Snyder, used	100.00	50.00
9/13/51	—	2 Timber trucks, 18" ga., Geo. W. Snyder, used @ 75.00 (to contract @ 37.50)	150.00	75.00
5/3/51	—	1 hand-driven forge blower, McGraw Blacksmith Shop, used	10.00	10.00
5/12/51	—	50-lb Anvil, Fran. Jones, Inc., new	75.00	75.00
6/12/51	—	2K6 Air receiver, Foulger Equip. Co., new	75.00	75.00
7/10/51	A-1241	I-R Air Hoist, model HU, Cate Equipment Co., used	550.00	550.00
6/13/51	673289	R48 stoper (40-50967) Ingersoll-Rand, new	670.00	—
6/15/50	—	2-1-ton mine cars, 18" ga., end dump, used @ 75.00	150.00	—
9/7/51	B855063	Coleman water heater, mod. 162, 20-gal., used, Royce Heating	62.50	(to building)
9/7/51	—	Coleman oil space heater, used, Royce Heating	62.50	(to building)
6/15/50	—	750-gal. Oil storage tank, used, on hand reconditioned	100.00	—
9/24/51	—	2-#5AKS C-O "Sno-Fog" Extinguishers @ $31.75 Mine and Smelter Supply, new	63.50	(to supplies)
9/24/51	—	2-#TS15 Soda acid "Quick aid" Extinguishers @ 19.50 Mine and Smelter Supply, new	39.00	(to supplies)
6/15/50	—	40-lb. Rail Bender, S. L. Hardware, new	40.00	—
8/10/51	—	20 gal water pressure tank - J. K. Wheeler, new	78.00	—
11/20/51	?	Chicago-Pneumatic sump pump (model CP-20), Rip Van Winkle, used	250.00	—
6/15/50	—	2-Coleman Double burner gas lanterns @ 10.00	20.00	—

EQUIPMENT RETURNED from Homestake. Contract Idm-E18

Pur.	Ret.		
9/21/51	11/20/51	1- 6X4X6 McGowan Duplex Pump, Cate Equip. Co., used	250.00
7/24/51	2/15/52	1- J40 Jackhammer, Ser. #-669421, Ingersoll-Rand, new	345.00
7/26/51	2/15/52	2- JL4 Jacklegs 36" for J40 hammer, Ingersoll-Rand, new @ $195.00	390.00

NEW CONSTRUCTION - BUILDINGS

1 54' X 16' Combination building at Portal of No. 6 Tunnel. Homestake Mine. Frame Construction, single-sheathed, outside paper covered, tar-paper roof, concrete slab floor. Interior change room portion fitted with shower facilities, one Coleman oil 20-gallon water heater and one Coleman oil space heater. Interior partitioned in rooms as follows:

Compressor room	24' x 16'
Change room	20' x 16'
Warehouse room	10' x 16'

Total Cost, Materials and Labor: $2,500.00

Note: (Other construction on project consisted of extensive repairs to the powder magazine, miners' cabins and ore bins in the vicinity of the portal of the Homestake lower haulage level since making original estimate. On construction these items should be considered as repairs rather than new construction where applicable.)

dmea 81

AMENDMENT NO. 3

It is agreed this 24th day of May 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and United Minerals Corporation, 518 Felt Building, Salt Lake City 1, Utah, A Nevada corporation

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E18 of June 22, 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be May 1, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

United Minerals Corporation
(Operator)

By Harold A. Covey, V.P.

The United States of America

By A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

See ltr. of 5/27/52 from Howard, BuMines Engineer, justifying Amendment, filed in Docket.

7/17/52

19

UNITED MINERALS CORPORATION
Exploration Project Contract Idm-E18
Docket No. 81 (lead-zinc)

AMENDMENT NO. 3

Exhibit "F"

Changes and modifications

1. To Exhibit "A" of the contract add the following paragraph:

"In order that work on the project may be resumed after the winter shut-down, some rehabilitation and repair to the No. 6 level adit and the surface plant of the Homestake mine must be done. The cost of such rehabilitation and repair, not to exceed $1,500.00, shall be allowable as a cost of the project."

2. In Exhibit "C" of the contract, under Equipment to be Purchased, delete the following:

"1 Semi-portable sawmill $1500.00"

and substitute the following:

"1 Double-drum slusher with scraper and rope $1500.00"

C
O
P
Y

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

May 26, 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 81
Contract No. Idm-E18
United Minerals Reserve Corp.
Zinc-Lead

Dear Mr. Weissenborn:

This is in response to your memorandum of May 8, 1952, regarding an Amendment No. 2 to the above numbered contract. The Amendment involves an expenditure of $1,000.00 for an access road to the Long Grade prospect. Mr. Volin's memorandum indicates that this expenditure together with the rise in the cost of operation since the work was started, will require an increase in the estimated total cost of the project or a reduction in the estimated amount of the work. We note that the Operator, to date, has greatly exceeded the unit costs as specified in the contract, and that the work at the project has not sufficiently advanced to permit the Field Team to make further recommendations at this time.

In a telephone conversation regarding other matters on May 22, 1952, Mr. George Snyder, Jr., informed the Base Metals Division that arrangements had been made for a conference at the mine within a few days between Mr. Kiilsgaard of your office and Mr. Covey of the United Minerals Reserve Corporation. Under the circumstances, we feel that it will perhaps be best to delay further consideration of the Amendment and the project until we have heard from you as a result of this conference. Distribution will be held in abeyance until we hear from you.

Sincerely yours,

/s/ Frank E. Johnson

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

/s/ J. H. Hedges
Member, Bureau of Mines

/s/ D. M. Lemmon
Member, Geological Survey

AGKeating/mef 5/26/52
cc to: Adm. R. File
Docket File
Mr. McKnight
Mr. Keating
Op. Committee
Mr. Bishop
Mr. Moulds
Region II

GAO

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

OCT 25 1 43 PM '51

AMENDMENT NO. 1

II D-E18

It is agreed this 24th day of September 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and the United Minerals Reserve Corporation, a Nevada corporation whose principal place of business is Salt Lake City, Utah

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract DMA-81 IDMA-18 of 22 June 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be date of said Contract 195____.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written. NOV 2 1951

17

United Minerals Reserve Corp.
(Operator)

By Harold A. Corey
Vice President

Contract Sec.
Change Order
Noted.....
Reviewed.....

The United States of America

RECEIVED
G. A. O.

By M. Gilbert
Acting Executive Officer
DMA Field Team, Region II

21

UNITED MINERALS RESERVE CORPORATION

EXPLORATION PROJECT CONTRACT AMENDMENT NO. 1

EXHIBIT "F"

Changes and modifications

(1) In Exhibit "C" of the Contract, page 1, line 12, delete the item "1 315-ft. Air compressor $9400.00". Rental on a 315CFM portable air compressor, not to exceed $470.00 per month, shall be allowable as a cost of the project.

(2) In Exhibit "C" of the Contract, page 1, line 17, delete the item "1 Mucking machine $3,100.00". Rental on a mucking machine, not to exceed $260.00 per month, shall be allowable as a cost of the project.

(3) In Exhibit "C" of the Contract, page 1, lines 18 and 19, delete the items "1 Electric trammer with batteries $6900.00" and "1 charging unit (diesel) $1,700.00". Rental on a compressed-air-driven trammer, not to exceed $200.00 per month shall be allowable as a cost of the project.

(4) In Exhibit "D" of the Contract, page 1, under "Base Rate" change the allowable wage rates as follows:

Miners	$12.32/day
Motormen	12.32/day
U/G Hoistmen	12.32/day
U/G Trammer	12.32/day
Muckers	11.84/day
Carpenters	12.64/day
Shaftsman	13.16 /day

(5) In Exhibit "D" of the Contract, page 1, line 24, after the sentence "Both are subject to time and one-half over 40 hours per week." add the sentence "The above wage rates are subject to change, upon notification of and approval by DMA Field Team, Region II, for increases made to conform with going rates for like work in the region in which the project is located.".

(6) In Exhibit "D" of the Contract, page 2, line 3, under "Base Rate" change the allowable rate for Mine Foreman to $400.00 per month.

(7) In Exhibit "D" of the Contract, page 2, add the paragraph "Labor for the sinking and drifting, described in Exhibit "A" of the Contract, may be paid at unit contract rates not to exceed rates generally paid for like work in the region in which the project is located.

MME Form 14
March 1961

No. 97

Contract No. Idm-E) 14-23) 18

Docket No. DMEA) MME) 61

Date of Action ~~October 19, 1961~~ Reobligation

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Fiscal Section, Office of the Secretary

From: Chief, Division of Administrative Management

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

United Minerals Reserve Corp.
310 Felt Building
Salt Lake City 1, Utah

Date of Contract	Region	State	Commodity
June 22, 1961	I	Idaho	Lead-Zinc-Silver

	Reserve	Obligation
Prior Amount	0	$21,703.91
Increase	0	2,923.08
Decrease	0	0
Revised Amount	0	$24,500.99

Remarks:

cc: 110
800
210

88995-61

Contract No. Idm-E 18

Docket No. 81

DEPARTMENT OF THE INTERIOR **Reobligation**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 22, 1951	I NW	Idaho	Lead-Zinc-Silver

Name and Address of Operator: United Minerals Reserve Corporation
518 Felt Building
Salt Lake City 1, Utah

	Reserve	Obligation
Prior Amount	0	$18,903.15
Increase	0	2,880.76
Decrease	0	0
Revised Amount	0	$21,783.91

Remarks:

(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 7/24/56

98963

Docket No. DMA-81

Commodity Lead-Zinc-Silver

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 18

Date of Contract [redacted]: June 22, 1951

Name and Address of Operator:

United Minerals Reserve Corporation
518 Felt Building
Salt Lake City 1, Utah

Amount of Government participation ____ $52,000

Percent of Government participation 50 %

Region: I [redacted] State: Idaho

Note: Please release $33,096.85

E. H. Gehrke
(Name)
for J. L. Chambers
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington.
8/23/55

54458

Idm-E-18

Docket No. DMA -81
Commodity Zinc & Lead
~~I-DMA-B13~~

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(951)

Index
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Reviewed

RECEIVED JUN 27 1951 G. A. O.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 22nd day of June, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] United Minerals Reserve Corporation
518 Felt Building
Salt Lake City 1, Utah,
a Nevada corporation,
hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Blaine described as follows: [3] the so-called Long Grade and Homestake Mines located at the head of Lake Creek Canyon in Secs. 3, 4, 5, T. 5 N., R. 18 E., and unsurveyed Secs. 32, 33, T. 6 N., R. 18 E., Boise Meridian.
with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached~~:

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within ten (10) days from the date of this contract shall commence work on a project of exploration for [5] Zinc and lead; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] two (2) years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator Fifty (50) percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $52,000.00, which is Fifty (50) percent of the agreed estimated total cost of this project, $104,000.00.

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in six copies the day and year first above written.

UNITED MINERALS RESERVE CORPORATION
(Operator)

By George W. Snyder Jr.
GEORGE W. SNYDER, JR. PRESIDENT

THE UNITED STATES OF AMERICA

By
Administrator
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

EXHIBIT "A"

EXPLORATION PROJECT CONTRACT
Dated _____

The exploration work to be performed under the EXPLORATION PROJECT CONTRACT attached hereto, together with maps pertinent thereto, are hereinbelow described.

PROJECT A:

It is proposed to explore the underground lateral extent of the Homestake vein by drifting along its strike for a distance of 1,000 feet. This work will be performed from the present face of the Homestake No. 6 Level and from a new level below this elevation as established by the sinking described below under Project B. All of this work will be performed within or close to the limits of the vein, and distribution of footage will depend on geologic conditions encountered as the work advances. See Map II.

PROJECT B:

It is proposed to sink on the Homestake vein from the No. 6 Level for a distance of 100 feet. This work will be performed as close as is practicable within the downward extension of the vein and permit a new lower drift level to be established. The cutting of hoist room above the level, rock transfer chutes, skip pockets, etc., have been taken into account and are included within this project. See Map II.

PROJECT C:

It is proposed to extend the No. 5 Level of the Long Grade Mine from its present face for a distance of 600 feet. As in the above described drifting, this work will be performed along the strike of and within the fissure. This work will explore the ground, which has been found to be highly mineralized in workings above, and will provide adequate depth below the surface for mining. See Map III.

EXHIBIT "A" (CONT'D.)

PROJECT D:

It is proposed to reopen and make accessible certain upper workings and then to perform sufficient surface stripping by bulldozer work to expose the vein along its surface trace on the Long Grade group. The cutting will be performed at sufficient intervals to permit geologic study and possible mining for a slope distance on the surface of approximately 4,500 feet. See Map III.

ESTIMATED COST BREAKDOWN:

Project	"A"	1000'	@	25.00	$25,000.00
"	"B"	100'	@	100.00	10,000.00
"	"C"	600'	@	25.00	15,000.00
"	"D"	Contract			3,500.00
SUB TOTAL:					$53,500.00
Construction (Exhibit "B")					5,700.00
Equipment (Exhibit "C")					35,931.00 *
Rehabilitation (Exhibit "E")					6,000.00
SUB TOTAL:					$101,131.00
Contingency Reserve:					2,869.00
GRAND TOTAL:					$104,000.00

* Omitting mine rail, pipe, etc.

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

EXHIBIT "B"

EXPLORATION PROJECT CONTRACT
Dated _____.

A list of additional facilities, buildings and fixtures to be purchased, installed or erected is as follows:

	Item	Approximate Cost
1.	Combination warehouse, machine shop, change room and compressor building to be erected at Portal No. 6 Level, Homestake Mine	$ 2,500.00
2.	Powder magazine to be erected near Portal No. 6 Level, Homestake Mine	1,000.00
3.	Combination storage and compressor building to be erected at Portal No. 5 Level, Long Grade Mine	1,000.00
4.	60-ton ore bin to be erected at Portal No. 5 Level, Long Grade Mine. . . .	1,200.00

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

EXHIBIT "C"

EXPLORATION PROJECT CONTRACT
Dated _____

A list of the operating equipment to be purchased by the Operators hereunder, with a purchase price noted, follows. Note is taken that the prices shown are from recent quotations secured from standard suppliers for new equipment and are subject to such revision as may be necessary from price fluctuations or the purchase of used equipment.

Quantity	Item	Cost
7	1-ton ore cars @ $165	$ 1,155.00
4	Jackhammers w/jackleg @ $554	2,216.00
2	Stopers @ $670	1,340.00
2	Drifters w/columns @ $1,070	2,140.00
1	105-ft. Air compressor	3,400.00
~~1~~	~~315-ft. Air compressor~~	9,400.00
2	Air receivers @ $250	500.00
1	1-Ton sinking skip	350.00
1	1-Ton hoist, pneumatic	950.00
200 ft.	3/4" steel cable @ .30 per ft.	60.00
~~1~~	~~Mucking machine~~	3,100.00
~~1~~	~~Electric trammer with batteries~~	6,900.00
~~1~~	Charging unit (diesel)	1,700.00
1	Sinking pump	460.00
1	Portable chain saw	580.00

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

EXHIBIT "C" (Cont'd.)

Quantity	Item	Cost
1	Semi-portable sawmill	$ 1,500.00
3200 ft.	20-lb. mine rail w/fish-plates, bolts, and spikes	2,000.00
3500 ft.	2" air pipe	2,100.00
3500 ft.	½" water pipe	700.00
4	Pressure water tanks @ $60	240.00

Quantity	Item	Rental
1	3/4-ton Pickup Truck	15¢ /mile

EXHIBIT "D"

EXPLORATION PROJECT CONTRACT
Dated _____

Following is an itemized schedule of labor by numbers and classes, direct supervisors by numbers and positions, and maximum applicable wages or salaries that may be paid to each properly chargeable as a cost of the project. Note is taken that the wages and salaries are based on the current going rates for each category in the vicinity of the proposed operations. Further, the total number of employees shown below will not be employed thruout the project, e.g., the carpenters will be required only during the initial construction; rather, the figures are intended to show the maximum required at any one time.

Number	Classification	Base Rate
5	Miners	12.31/ day
2	Motormen	12.31/ day
2	U/G Hoistmen	12.31/ day
1	U/G Trammer	11.78/ day
5	Muckers	11.78/ day
1	Mechanic	12.60/ day
2	Carpenters	12.60/ day
1	Sawyer	12.60/ day
1	Sawyer Helper	12.33/ day
1	Mechanic Helper	11.78/ day
2	Bullgang Laborers	11.78/ day

Note: Base shown above is for Day Shift. Night Shift differential is 6¢ per hour additional. Both subject to time and one-half over 40 hours per week.

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

EXHIBIT "D" (Cont'd.)

Number	Classification	Base Rate
1	Supervising Engineer	500.00/mo.
1	Mine Foreman	350.00/mo. 400.00
1	Geologist	200.00/mo.
1	Timekeeper	100.00/mo.
1	Accounting & Secretarial	100.00/mo.

Note: Above categories are shown as part-time or prorated to the direct costs of the project.

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

EXHIBIT "E"

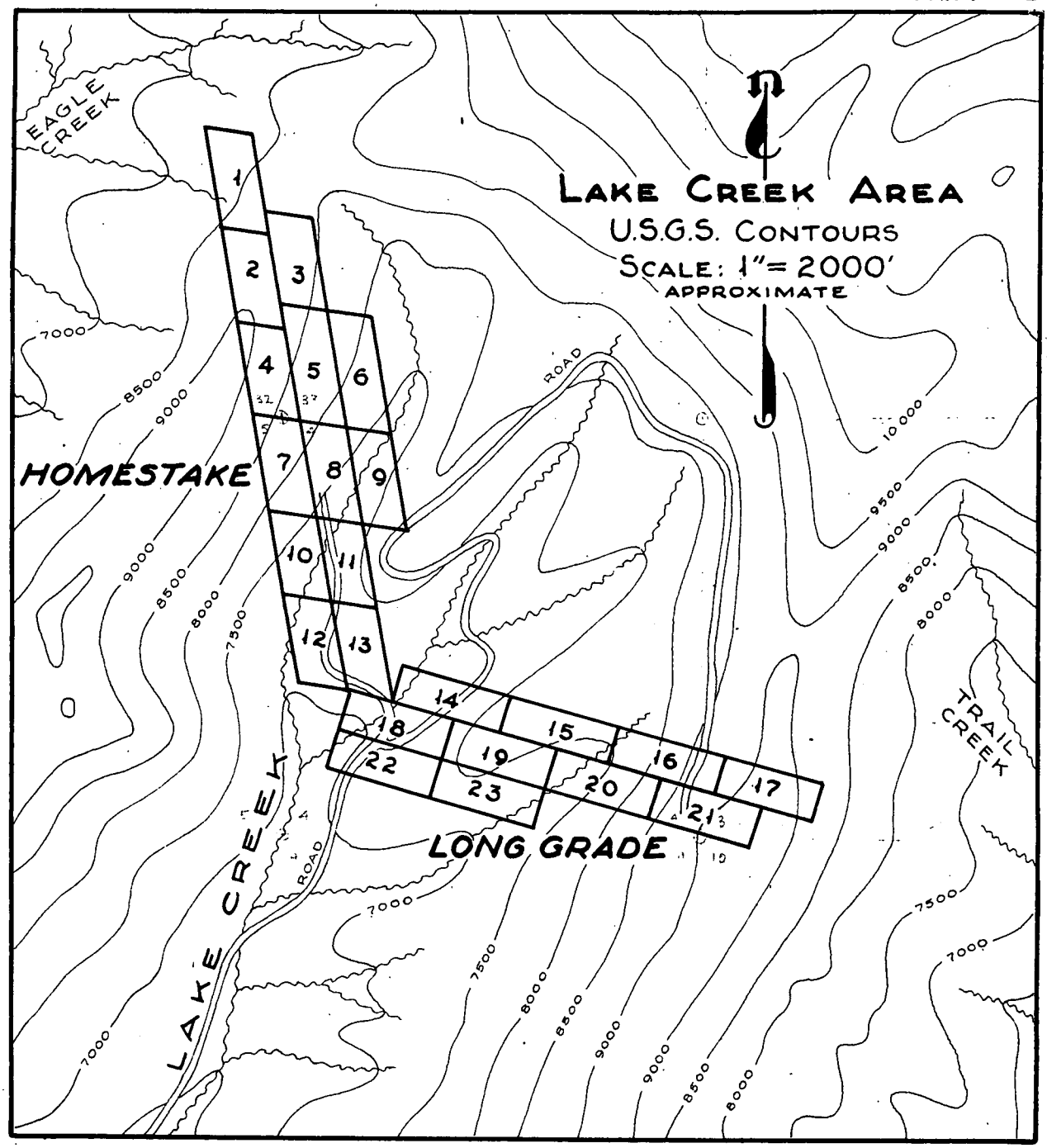
EXPLORATION PROJECT CONTRACT
Dated _____

- Existing facilities, building, installations and fixtures requiring rehabilitation and repairs, with the cost for each, is as follows:

Item	Approximate Cost
1. Approximately 2,400 feet of the Homestake No. 6 Level may be utilized for this project. This will require some rehabilitation and repair consisting mostly of retimbering. Cost:	$ 5,000.00
2. Two 60-ton ore bins are available for use adjacent to the portal of the No. 6 Level at the Homestake Mine. They require lining and chute repairs. The cost therefor:	500.00
3. Two miner's cabins are in place at the Homestake requiring minor repairs before they can be made habitable. Cost:	500.00

UNITED MINERALS RESERVE
CORPORATION
518 Felt Building
Salt Lake City 1, Utah

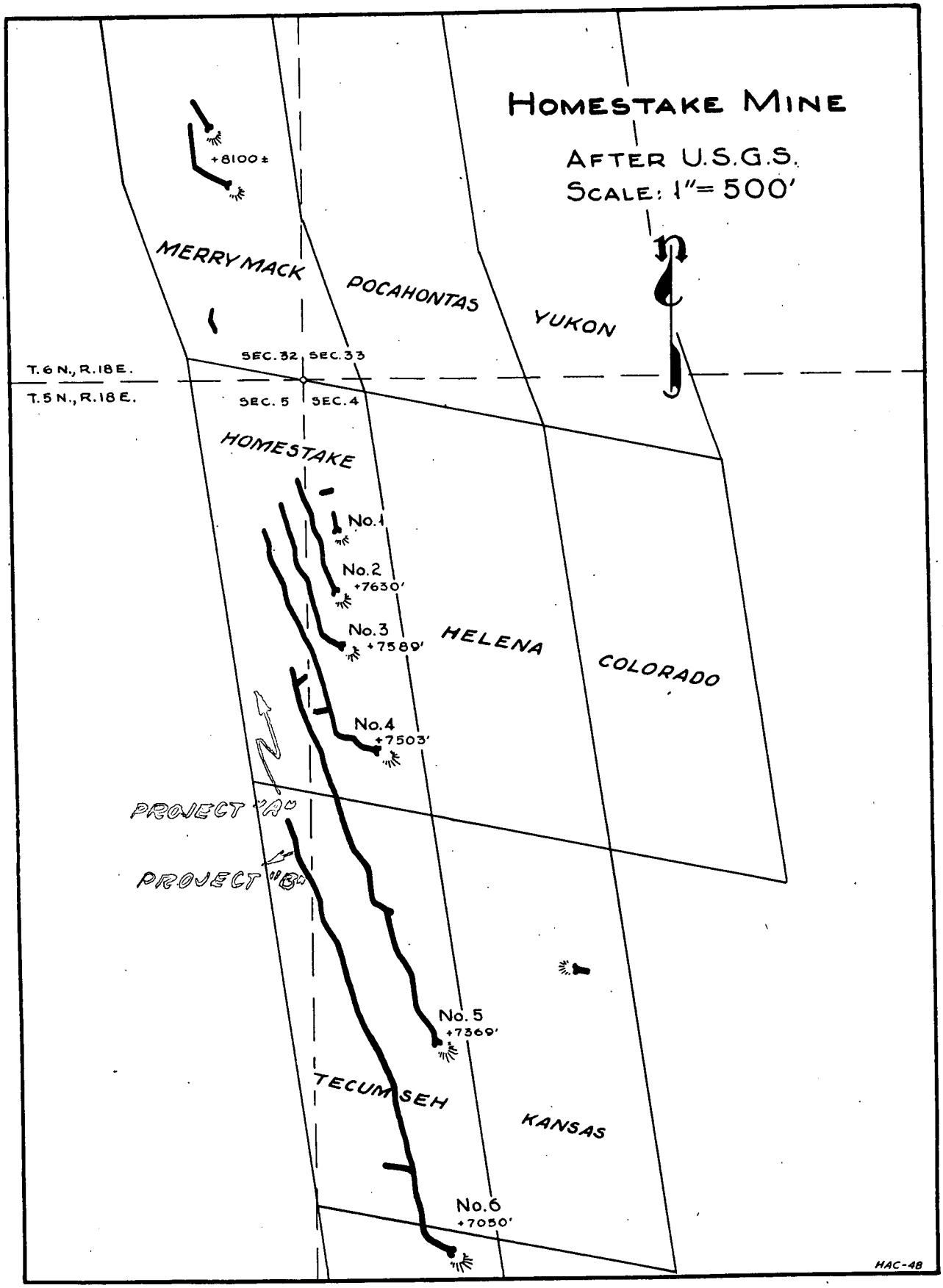
MAP I

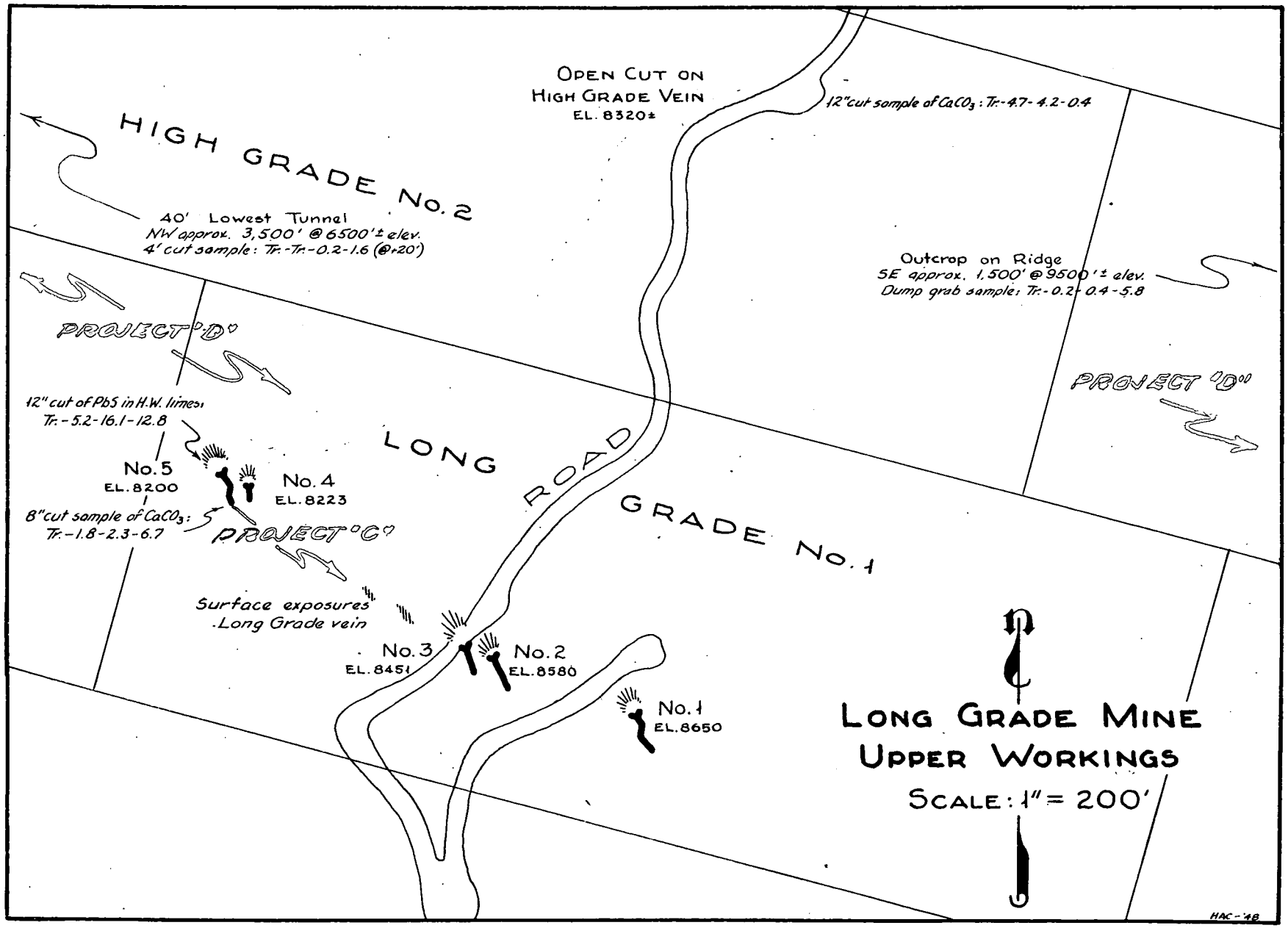


✓1 - Montreal
✓2 - Chatham
✓3 - Lillian B.
✓4 - Merry Mack (Pat.)
✓5 - Pocahantas
✓6 - Yukon
✓7 - Homestake
✓8 - Helena
✓9 - Colorado
✓10 - Tecumseh
✓11 - Kansas
✓12 - Lone Jack
✓13 - Marona
14 - High Grade No. 4
15 - High Grade No. 3
16 - High Grade No. 2
17 - High Grade No. 1
18 - Long Grade No. 4
19 - Long Grade No. 3
20 - Long Grade No. 2
21 - Long Grade No. 1
22 - Stalwart No. 1
23 - Stalwart No. 2

HAC-48

MAP II


HOMESTAKE MINE
AFTER U.S.G.S.
SCALE: 1"= 500'
+8100±
MERRYMACK
POCAHONTAS
YUKON
SEC. 32
SEC. 33
T. 6 N., R. 18 E.
T. 5 N., R. 18 E.
SEC. 5
SEC. 4
HOMESTAKE
No. 1
No. 2
+7630'
No. 3
+7589'
HELENA
COLORADO
No. 4
+7503'
PROJECT "A"
PROJECT "B"
No. 5
+7369'
TECUMSEH
KANSAS
No. 6
+7050'
HAC-48


OPEN CUT ON
HIGH GRADE VEIN
EL. 8320±
12" cut sample of $CaCO_3$: Tr.-4.7-4.2-0.4
HIGH GRADE No. 2
40' Lowest Tunnel
NW approx. 3,500' @ 6500'± elev.
4' cut sample: Tr.-Tr.-0.2-1.6 (@r.20')
Outcrop on Ridge
SE approx. 1,500' @ 9500'± elev.
Dump grab sample: Tr.-0.2-0.4-5.8
PROJECT "D"
PROJECT "D"
12" cut of PbS in H.W. limes:
Tr.-5.2-16.1-12.8
No. 5
EL. 8200
No. 4
EL. 8223
8" cut sample of $CaCO_3$:
Tr.-1.8-2.3-6.7
PROJECT "C"
LONG
ROAD
GRADE No. 1
Surface exposures
Long Grade vein
No. 3
EL. 8451
No. 2
EL. 8580
No. 1
EL. 8650
N
LONG GRADE MINE
UPPER WORKINGS
SCALE: 1" = 200'
HAC-'48

MAP III

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned ~~is~~ are the ~~owner~~ owners in fee simple of that certain parcel of ground in the county of Blaine, State of Idaho, described in a certain Exploration Project Contract dated _____, 195__, between UNITED MINERALS RESERVE CORPORATION, A Nevada corporation, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as ~~Lessor~~ Lessors of said property under lease dated May 26, 1949, does by these presents subordinate all of ~~his~~ their right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agree~~s~~ that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agree~~s~~ that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and do~~es~~ hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agree~~s~~ to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 17 day of June, 195 1

Lester Ritter

Angela Ritter

George R. Ritter

A. Hazel Donovan L.S.

Hazel M. Donovan L.S.

U. S. GOVERNMENT PRINTING OFFICE 940708

POWER OF ATTORNEY

Know All Men by These Presents: That A. F. (JACK) and HAZEL M. DONOVAN, husband and wife,

have made, constituted and appointed, and by these presents do make, constitute and appoint

LESTER T. DITTER

true and lawful attorney for them and in their name, place and stead, and for their use and benefit, for a period of two years from the date hereof, unless revocation be made by recording revocation in the County and State where this Power of Attorney has been recorded,

to ask, demand, sue for, recover, collect and receive all such sums of money, debts, dues, accounts, legacies, bequests, interests, dividends, annuities and demands whatsoever, as are now or shall hereafter become due, owing, payable or belonging to them and have, use and take all lawful ways and means in their name or otherwise for the recovery thereof, by attachments, arrests, distress or otherwise, and to compromise and agree for the same, and acquittances or other sufficient discharges for the same for themselves and in their name, to make, seal and deliver, to bargain, contract, agree for, purchase, receive and take lands, tenements, hereditaments, and accept the seizin and possession of all lands, and all deeds and other assurances in the law therefor, and to lease, let, demise, bargain, sell remise, release, convey, mortgage and hypothecate lands, tenements and hereditaments, upon such terms and conditions, and under such covenants as he shall think fit. Also, to bargain and agree for, buy, sell, mortgage, hypothecate, and in any and every way and manner deal in and with goods, wares and merchandise, choses in action, and other property in possession or in action, and to make, do and transact all and every kind of business, of what nature and kind soever, and also for them and in their name, and as their act and deed, to sign, seal, execute, deliver and acknowledge such deeds, leases and assignments of leases, covenants, indentures, agreements, mortgages, hypothecations, bottomries, charter parties, bills of lading, bills, bonds, notes, receipts, evidences of debt, releases and satisfaction of mortgage, judgments and other debts, and such other instruments in writing of whatever kind or nature, as may be necessary or proper in the premises.

GIVING AND GRANTING unto their said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do if personally present, hereby ratifying and confirming all that their said attorney shall lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, they have hereunto set their hands and seals the 16th day of April, A. D., 1949.

Signed, Sealed and Delivered in presence of

A. F. (Jack) Donovan (SEAL)

Hazel M. Donovan (SEAL)

(SEAL)

(SEAL)

This blank is guaranteed against successful alteration, which guaranty is insured in LLOYD'S London—Pat. Pend.
Washington Legal Blank Co., Seattle. (Power of Attorney) Form No. 58.

Printing Date 11/15 48

STATE OF WASHINGTON,

County of Benton } ss. (INDIVIDUAL ACKNOWLEDGMENT)

I, R. M. White, Notary Public in and for the State of Washington, residing at Prosser, do hereby certify that on this 16th day of April 19 49 personally appeared before me A. F. (JACK) DONOVAN and HAZEL M. DONOVAN, husband and wife,

to me known to be the individuals described in and who executed the within instrument and acknowledged that they signed and sealed the same as their free and voluntary act and deed for the uses and purposes herein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 16th day of April 19 49

R M White

Notary Public in and for the State of Washington, residing at Prosser in said County

No. 95215

Power of Attorney

FROM

A. F. (Jack) Donovan et ux

TO

Peter T. Ritter

STATE OF IDAHO, } ss
COUNTY OF BLAINE }

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD IN MY OFFICE AT THE REQUEST OF Peter T. Ritter AT 2:45 O'CLOCK P. M. April 20 A. D. 1949 RECORDED IN BOOK 6 ON PAGE 312 OF Power of Attorney

Judy Pledger
EX-OFFICIO RECORDER

BY _____ DEPUTY

FEES $ 1.00

ENTERED ON MAPS

RECORDED IN PARTY

ASSIGNMENT

Undersigned, Harold A. Covey, George W. Snyder, Jr., and Mason W. Ran- for a valuable consideration, receipt whereof is hereby acknowledged, y assign and transfer to United Minerals Reserve Corporation, a corpor- under the laws of Nevada, that certain lease and option agreement dated May 26, 1949, between Mrs. Anna B. Ditter et als, lessors, and the undersigned as lessees and optionees, describing the Montreal and seventeen other unpatented lode mining claims, The Merry Mack lode, Lot No. 1007, patented, situate in Warm Springs Creek Mining District, Blaine County, Idaho, and Lots 31, 32, 33 and 34, Block 173, Village of Ketchum, Blaine County, Idaho.

This assignment is made upon the express condition and consideration that assignee shall keep and perform all the obligations of said agreement on the part of lessees to be kept and performed; provided that assignee may relinquish its rights and be relieved of liability hereunder by serving a thirty day notice in writing on the undersigned of its intention so to do and returning to them the property described in said agreement; otherwise assignee shall be and remain liable to undersigned for all damages caused by its failure to keep the obligations of said agreement.

WITNESS our hands this 26th day of June, 1950.

Harold A. Covey

George W. Snyder Jr.

Mason W. Rankin

STATE OF UTAH :
) ss
County of Salt Lake:

On this 26th day of June, 1950, before the undersigned, a Notary Public in and for said county and state, personally appeared Harold A. Covey and George W. Snyder, Jr., known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in said county and state, the day and year in this certificate first above written.

Hortense White
Notary Public
Salt Lake City, Utah

My Commission Expires:
April 4, 1952

STATE OF MONTANA :
) ss
County of Lewis and Clark:

On this 12 day of July, 1950, before the undersigned, a Notary Public in and for said county and state, personally appeared Mason W. Rankin, known to me to be one of the persons described in and who executed the foregoing instrument, and acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in said county and state, the day and year in this certificate first above written.

R. C. Wallace
Notary Public
Residing at
NOTARY PUBLIC for the State of Montana,
Residing at Helena, Montana.
My commission expires March 15th, 1952

My Commission Expires:

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned are owners in fee simple of that certain parcel of ground in the county of Blaine, State of Idaho, described in a certain Exploration Project Contract dated _____, 195__, between United Minerals Reserve Corporation, a Nevada corporation, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessors of said property under lease dated July 10, 1948, does by these presents subordinate all of their right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agree that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agree that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and do hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agree to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 14th day of June, 1951

Thelma E. Crutchley

U. S. GOVERNMENT PRINTING OFFICE 940768

Grant W. Crutchley

LEASE AND OPTION

THIS LEASE AND OPTION, made this 26 day of March, 1949,

BETWEEN Mrs. Anna B. Ditter, now of Twin Falls, Idaho, owning an undivided 3/5 interest, Lester T. Ditter and Angela Ditter, husband and wife, now of Twin Falls, Idaho, owning an undivided 1/5 interest, Alfred F. Donovan and Hazel M. Donovan, husband and wife, now of Grandview, Washington, owning an undivided 1/5 interest, together owning a total of 5/5 interest in and all of the property hereinafter described, LESSORS,

AND Harold A. Covey and George W. Snyder, Jr., now having the same address of Salt Lake City, Utah, and Mason W. Rankin, now of Helena, Montana, LESSEES,

WITNESSETH: That the said Lessors, for and in consideration of the sum of One Dollar ($1.00), lawful money of the United States, and other valuable considerations, the receipt whereof is hereby acknowledged, and in further consideration of the royalties, covenants and agreements hereinafter reserved, and by said Lessees to be paid, kept and performed, have granted, demised and let, and by these presents do grant, demise and let unto said Lessees all of their right, title and interest in and to the following described property and mining claims situate in Warm Springs Creek Mining District, Blaine County, Idaho, known as and recorded in Quartz Locations books and at pages, records of the Clerk and Recorder of Plaine County, Idaho, to-wit:

MONTREAL,	Book 5 Q, Page 18,	CHINOOK,	Book 102 Q, Page 233,
CHATHAM,	Book 5 Q, Page 19,	MINNEHAHA,	Book 102 Q, Page 234,
TECUMSEH,	Book 5 Q, Page 587,	RAMONA,	Book 102 Q, Page 235,
LONE JACK,	Book 75 Q, Page 36,	MANITOU,	Book 102 Q, Page 236,
POCAHANTAS,	Book 102 Q, Page 232,	CURAY,	Book 102 Q, Page 237,
or,	Book 102 Q, Page 544,	UTE,	Book 102 Q, Page 246,
LILLIAN B.,	Book 102 Q, Page 543,	or,	Book 102 Q, Page 550,
YUKON,	Book 102 Q, Page 545,		
HELENA,	Book 102 Q, Page 546,		
COLORADO,	Book 102 Q, Page 547,		
KANSAS,	Book 102 Q, Page 548,		
MARONA,	Book 102 Q, Page 549,		
HOMESTAKE,	Book Six Q.L. (Alturas County), Page 462,		

and THE MERRY MACK LODE, Lot No. 1007, a patented claim,

also LOTS 31, 32, 33 and 34, Block 173, Village of Ketchum, Blaine County, Idaho,

and more fully described in such recorded instruments upon the public record hereinabove referred to; together with all water rights, privileges, roads, ways, easements, tenements and hereditaments belonging to or in any way appertaining in and to the real property hereinabove described, including the apexes, dips, spurs, angles and variations of all veins, workings, lodes and mineral deposits contained within and belonging to each and all of said lode mining claims;

TO HAVE AND TO HOLD SAID DEMISED PREMISES and property unto said Lessees for the purposes of mining and removing ores and metals therefrom, for the term of ten (10) years from the date hereof, unless at any time sooner terminated as hereinafter provided.

AND IN CONSIDERATION of said demise, the lessees do hereby covenant and agree with the lessors as follows, to-wit:

1. That lessees herein are independent contractors and there shall be no privity of contract between Lessors and the employees of Lessees; Lessees shall have exclusive dominion and control over the leased property and the operations thereof during the term hereof.

2. lessees will enter upon said premises and take possession thereof and will commence exploration, development and mining operations upon said property before June 30, 1949, and will continue such operations with reasonable continuity, and to expend in such operations at least ***Five Thousand** Dollars ($ 5,000.00) during each twelve-month period following July 1, 1949, and thereafter so long as this agreement shall be in force. In full compliance with this provision, lessees may elect to pay to lessors an advance royalty equal to twenty percent (20 %) of the difference between actual amounts expended and the minimum amount hereinbefore stipulated. In no event shall the actual expenditure be less than the amount necessary to comply with existing statutory requirements for annual assessment work.

3. Lessees will perform all work in said demised premises in a safe and minerlike fashion in accordance with the mining laws and such rules and regulations as may have been issued by any Officers, Boards or Commissions of the State of Idaho; and all active working places shall be maintained in accordance with the standards established by such rules and regulations.

4. Lessees, at their own expense, will carry workmen's compensation insurance and liability insurance covering their operations hereunder and also any other insurance required by the laws of the State of Idaho covering them and all their employees; lessees will pay all taxes and contributions and make all deductions required under the Federal Social Security Act and the Idaho State Employment Security Law, and for which Lessees may become obligated; and Lessees will comply with all other rules and regulations of any governmental authority affecting Lessees' operations upon said premises and shall furnish Lessors with supporting evidence of such compliance upon request.

5. There is reserved to Lessors the right of entry in and upon said property for the purposes of inspection, surveying and sampling of the workings and for checking upon compliance by Lessees with the terms and conditions hereof, all at the sole expense and risk of Lessors, and without interference with the Lessees' operations hereunder.

6. Lessees will immediately post and record, according to law, statutory notices to material men and laborers to indemnify Lessors and said property against obligations and liability incurred by Lessees in their operations hereunder.

7. Lessees will hold lessors harmless and fully indemnify Lessors against all claims and demands of every kind and nature which may be made upon Lessors or against the above described premises for or on account of any debts or expenses contracted or incurred by Lessees, as well as from and against all acts, transactions or omissions by Lessees, their agents and servants, including claims, demands, causes of action, costs and expenses to any person. Lessors will hold Lessees harmless and indemnify Lessees against all claims and demands of every kind and nature arising from reasons of any condition of said premises as of the date hereof or operations prior to Lessees taking possession.

8. This Lease and Option may be assigned by lessees in whole or in part at any time upon Lessees submitting to lessors a copy of such article of assignment showing that such assignees or sub-lessees accept all terms and conditions of this indenture.

9. Lessees shall surrender to Lessors the said premises with the appurtenances and improvements thereto without demand or further notice on the last day of the term, or any extension of the term hereof, or any time previous thereto upon demand after forfeiture; and upon termination in any manner other than by purchase of said premises, any sums of money theretofore and thereafter paid to the lessors under the provisions hereof shall be retained by the Lessors as liquidated damages and rental in full; provided, that Lessees shall have thirty (30) days from and after date of any such termination in which to remove all broken ore from the property for shipment under the terms of this agreement, and Lessees shall have the right during such interim, to remove from said premises, all tools, equipment and supplies owned by lessees.

10. All ores shall be marketed by Lessees; the ore buyer shall make such divisions of the proceeds as is agreed herein and pursuant to instructions to be submitted by the parties hereto. Lessees shall not be liable for ores lost by theft, accident or financial difficulties of the ore buyer not arising from their own negligence.

11. Lessors shall have access to all original records of Lessees concerning ore production to enable Lessors to ascertain compliance herewith; such examinations shall be conducted by Lessors at no cost to Lessees and not more often than once each calendar month and within normal business hours. Lessors shall have the right to be present or be represented at the sampling of any ores should they so desire. Lessors shall pay the cost of assaying mine samples and of any control assays and also the cost of any surveys desired by Lessors.

12. Lessees shall pay the Lessor royalties upon all ores, concentrates, and other products of operations hereunder, as follows:

On Concentrates: Seven and one-half percent (7½ %) of the net smelter returns.

On Crude Ores: (a) Ten percent (10 %) of the net smelter returns when such returns are $ 25.00 per ton and under.

(b) Twelve and one-half percent (12½%) of the net smelter returns when such returns are $ 25.01 per ton and over to, but not in excess of, $ 50.00 per ton.

(c) Fifteen percent (15 %) of the net smelter returns when such returns are $ 50.01 per ton and over.

The term "net smelter returns" as used herein is defined and means the amount by lot paid by the smelter or other purchaser after all deductions for smelting and/or treatment charges, sampling, assaying, R.R. freight, and truck haulage costs, whether by Lessees or independent contractors. An additional royalty of five percent (5 %) shall be paid on any premium or bonus payments made to Lessees by or on behalf of any governmental agency under any premium or bonus price plan for lead, zinc, copper, and other metal products produced from said premises, to the extent that the law or regulations applicable to such premium or bonus payments permit. All royalties paid shall be credited as payments upon the purchase price hereinafter stipulated.

13. Lessees will annually file proof of labor on or before the 30th day of June of each year showing full compliance with the statutes regarding the same, it being understood that should Congress again waive annual assessment work lessees may file such notice of intention to hold as such act of Congress may provide.

14. During the life of this contract the Lessees shall pay all state and county taxes lawfully assessed or levied against improvements, machinery and other property placed upon said mining claims by them, or upon any operations carried on hereunder. Lessors, however, shall pay their pro rata share of any production or severance taxes assessed against the products of such operations.

15. In the event the Lessees shall fail to keep, observe and perform each and all of the terms and conditions hereof on their part, as and when required by this contract, the Lessors may give the Lessees sixty (60) days written notice of their intention to declare a forfeiture hereof, stating in such notice the alleged grounds of forfeiture; and if the Lessees shall fail to cure and correct any defaults of which they may then be guilty, within sixty (60) days after service of such notice, then this Option and Lease shall become null and void at the expiration of said period; but if they shall remedy all such defaults within said time, then this contract shall continue in full force and effect as though such notice had not been given.

16. The Lessees may surrender this Option and Lease at any time upon thirty (30) days written notice to the Lessors.

17. When the operations of the Lessees hereunder are prevented by strikes, acts and results of war or civil strife, governmental requirements or regulations, adverse weather conditions or other acts of God, or other conditions beyond their control, operations and work requirements hereunder, except the doing of the annual assessment work as required, shall be excused during the period of such prevention, and the term of this Lease and Option shall be automatically extended for a period equal to the time of such prevention, provided the Lessees shall have otherwise kept their observance and performed the terms and conditions hereof on their part.

18. In consideration of the execution and delivery of the foregoing lease, Lessors hereby give and grant unto Lessees the exclusive right and option to purchase all the right, title and interest of Lessors in and to said demised premises and property for the sum of Sixty-seven Thousand, Five Hundred ** Dollars ($ 67,500.00) and agree that all royalties received by lessors hereunder shall be applied toward the payment of said purchase price. Lessees shall have the right to make such other and further payments upon said purchase price as they may at any time desire, and upon the payment of the balance of said purchase price in full Lessors will execute and deliver to Lessees a good and valid conveyance of said property.

19. Lessees may institute suits to quiet title on said premises if, in their opinion, such suits are necessary; Lessees may, on behalf of Lessors, institute such proceedings as are required, do such surveys and make such amended locations on said premises as are reasonably necessary for issuance of mineral patent to such claims; and upon furnishing satisfactory evidence as to costs and expenses of such suits, proceedings, surveys, et cetera to Lessors, the said costs and expenses shall also be applied on the above mentioned purchase price.

20. It is agreed that Lessor shall, after Ten Thousand * * * * * * Dollars ($ 10,000.00) in royalties or other payments shall have been paid to them, execute good and sufficient deeds warranting the title to the above described property and shall place the same together with abstract of title showing good and marketable title as against everyone except the United States of America, in Escrow with a Bank to be agreed upon, together with a copy of this agreement and with instructions that upon purchase price hereinabove named being paid in full said deed will be delivered to Lessees herein.

21. Written notices hereunder shall be sent by registered mail and addressed to: Harold A. Covey, Felt Building, Salt Lake City 1, Utah, for Lessees, and to: Lester T. Ditter, 142 Jefferson Street, Twin Falls, Idaho, for Lessors, or to such other more correct addresses as may be furnished in writing from time to time between the parties hereto. Such notices shall be deemed complete upon deposit in a Post Office of the United States.

22. This agreement shall be binding upon the heirs, personal representatives, executors, administrators and assignees of all parties hereto.

23. It is understood and agreed by and between all parties hereto that all of this Lease and Option is contingent upon and subject to the termination of the existing indenture between the Lessors as aforesaid and the Casino Mining and Milling Company, a corporation of the State of Washington, and will become effective, valid and binding only after the date and hour of such termination of said indenture.

IN WITNESS WHEREOF, Lessors and Lessees have hereunto set their hands and seals in triplicate as of the 26 day of May, 1949.

Mrs Anna B. Ditter
Lester T. Ditter
Angela Ditter
Alfred E. Donovan By L.T.D.
Hazel M. Donovan By L.T.D.
LESSORS

Harold A. Covey
George W. Snyder Jr.
Wilson M. Fadelin
LESSEES

STATE OF Utah :
) ss
County of Salt Lake :

On this 15th day of April, 1949, before the undersigned, a Notary Public in and for said County and State, personally appeared Harold A. Covey and George W. Snyder, Jr., known to me to be the persons described in and who executed the foregoing instrument, and aknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

Marlene Miller
Notary Public
Residing at: Salt Lake City, Utah.

My Commission Expires:
April 4, 1950

STATE OF Idaho :
) ss
County of Twin Falls :

On this 26th day of May, 1949, before the undersigned, a Notary Public in and for said County and State, personally appeared Mrs Anna B. Ditter, Lester T. Ditter & Angela Ditter, husband & wife known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

Alice A. Parsons
Notary Public
Residing at: Twin Falls, Idaho

My Commission Expires:
Feb 22-1951

STATE OF Utah :
) ss
County of Salt Lake :

On this 26th day of May, 1949, before the undersigned, a Notary Public in and for said County and State, personally appeared Mason W. Rankin, known to me to be the person described in and who executed the foregoing instrument, and acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

My Commission Expires:
April 1, 1950

Notary Public
Residing at:

STATE OF Idaho :
) ss
County of Twin Falls :

On this 26th day of May, 1949, before the undersigned, a Notary Public in and for said County and State, personally appeared Lester F. Ditter, Attorney in fact for Alfred F. and Hazel M. Donovan, known to me to be the person described in and who executed the foregoing instrument, and acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

My Commission Expires:
Oct. 22-1951

Notary Public
Residing at: Twin Falls, Idaho

STATE OF :
) ss
County of :

On this _____ day of _____, 1949, before the undersigned, a Notary Public in and for said County and State, personally appeared _____ known to me to be the person described in and who executed the foregoing instrument, and acknowledged to me that _____ executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

My Commission Expires:

Notary Public
Residing at:

AMENDMENT OF LEASE AND OPTION

WHEREAS there is in full force and effect LEASE AND OPTION by and between GRANT W. CRUTCHLEY and THELMA E. CRUTCHLEY, of Ketchum, Idaho, lessors and HAROLD A. COVEY and GEORGE W. SNYDER JR. OF Salt Lake City, Utah, lessees; and,

WHEREAS it is lessees desire to make amendment to said LEASE AND OPTION;

Now therefore, for and in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other valuable considerations, the receipt whereof is hereby acknowledged, the parties hereto hereby agree as follows, to-wit:

1. Paragraph 2 of said LEASE AND OPTION is hereby amended as follows, in full. Lessees will enter upon said premises and take possession thereof and will commence exploration, development and mining operations upon said property before June 15, 1949, and will continue such operations with reasonable continuity, and to expend in such operations at least Two Thousand Dollars ($2000) during each twelve-month period following July 1, 1949 and thereafter so long as this agreement shall be in force. In full compliance with this provision, lessees may elect to pay to lessors an advance royalty equal to twenty percent (20%) of the difference between actual amounts expended and the minimum amount hereinbefore stipulated. In no event shall the actual expenditure be less than the amount necessary to comply with existing statuatory requirements for annual assessment work.

IN WITNESS WHEREOF the parties hereto have executed these presents this 1st day of May, 1950.

Grant W. Crutchley
Thelma E. Crutchley
Lessors

George W. Snyder Jr.
Harold A. Covey
Lessees

STATE OF IDAHO)
) SS
County of Blaine)

On this 1st day of May, 1950 before me A. A. Samuels, a Notary Public in and for said State, personally appeared Grant W. Crutchley and Thelma C. Crutchley known to me to be the persons described in and who executed the foregoing instrument, and aknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

A. A. Samuels
Notary Public
Residing at: Hailey, Idaho

My Commission Expires:
May 14, 1951

STATE OF UTAH)
) SS
County of Salt Lake)

On this 1st day of June, 1950 before me Hortense White a Notary Public in and for said State, personally appeared George W. Snyder Jr. & Harold A. Coney known to me to be the persons described in and who executed the foregoing instrument, and aknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State, the day and year in this certificate first above written.

Hortense White
Notary Public
Residing at:

My Commission Expires:
April 4, 1952

ASSIGNMENT

Undersigned, Harold A. Covey and George W. Snyder, Jr., for a valuable consideration, receipt whereof is hereby acknowledged, hereby assign and transfer to United Minerals Reserve Corporation, a corporation under the laws of Nevada, that certain lease and option agreement dated July 10, 1948, between Grant W. Crutchley and Thelma E. Crutchley, lessors, and the undersigned as lessees and optionees, describing the High Grade and three other unpatented lode claims, situate in Warm Springs Mining District, Blaine County, Idaho.

This assignment is made upon the express condition and consideration that assignee shall keep and perform all the obligations of said agreement on the part of lessees to be kept and performed; provided that assignee may relinquish its rights and be relieved of liability hereunder by serving a thirty day notice in writing on the undersigned of its intention so to do and returning to them the property described in said agreement; otherwise assignee shall be and remain liable to undersigned for all damages caused by its failure to keep the obligations of said agreement.

WITNESS our hands this 26th day of June, 1950.

Harold A. Covey

George W. Snyder Jr.

STATE OF UTAH :
) ss
County of Salt Lake:

On this 26th day of June, 1950, before the undersigned, a Notary Public in and for said county and state, personally appeared Harold A. Covey and George W. Snyder, Jr., known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in said county and state, the day and year in this certificate first above written.

Hortense White
Notary Public
Salt Lake City, Utah

My Commission Expires:
April 4, 1954

MINING DEED

THIS INDENTURE made the 26th day of June, 1950, by and between Harold A. Covey and George W. Snyder, Jr., parties of the first part, and United Minerals Reserve Corporation, a corporation under the laws of Nevada, party of the second part,

WITNESSETH:

That the said parties of the first part for and in consideration of the sum of Ten Dollars and other considerations, receipt whereof is hereby acknowledged, hereby quit claim unto the party of the second part all of their right, title and interest in and to the following named unpatented lode mining claims in Warm Springs Creek Mining District, Blaine County, State of Idaho, to-wit:

High Grade No. 2
High Grade No. 3
High Grade No. 4
High Grade No. 5
Long Grade No. 4
Stalwart No. 1
Stalwart No. 2

To HAVE and to HOLD all of said property with the water rights, easements, privileges and appurtenances thereunto belonging to the said party of the second part, its successors and assigns forever.

IN WITNESS WHEREOF the parties of the first part have hereunto set their hands the day and year first above written.

George W. Snyder Jr.
Harold A. Covey

STATE OF UTAH :
) ss
County of Salt Lake:

On this 26th day of June, 1950, before the undersigned, a Notary Public in and for said county and state, personally appeared Harold A. Covey and George W. Snyder, Jr., known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein stated.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in said county and state, the day and year in this certificate first above written.

Hortense White
Notary Public
Salt Lake City, Utah

My Commission Expires:
April 4, 1954

LEASE AND OPTION

THIS LEASE AND OPTION made as of this 10th day of July, 1948, between GRANT W. CRUTCHLEY and THELMA E. CRUTCHLEY, of Ketchum, Idaho, hereinafter called lessors and HAROLD A. COVEY and GEORGE W. SNYDER JR. of Salt Lake City, Utah, hereinafter called lessees, WITNESSETH:

That lessors, for and in consideration of the royalties, covenants and agreements hereinafter reserved and by said lessees to be paid, kept and performed, have granted, demised and let, and by these presents do grant, demise and let, unto said lessees all of their right, title and interest in and to the following described property and unpatented mining claims, situate in Warm Springs Mining District, Blaine County, Idaho, to-wit:

UNPATENTED MINING CLAIMS

HIGH GRADE
LONG GRADE NO. I
LONG GRADE NO. II
LONG GRADE NO. III

Together with water rights, privileges, raods, ways, easements, tenements, and hereditaments belonging to or in any way appertaining in and to the real property hereinabove described, including the apexes, dips, spurs, angles and variations of all veins, workings, lodes and mineral deposits contained within and belonging to each and all of the lode mining claims hereinabove described.

TO HAVE AND TO HOLD SAID DEMISED PREMISES and property unto said lessees for the purposes of mining and removing ores and metals, therefrom for the term of ten (10) years from the date hereof, unless at any time sooner terminated for default on the part of said lessees as hereinafter provided. And in consideration of said demise the lessees do hereby covenant and agree with the lessors as follows, to-wit:

1. That lessees herein are independent contractors and there shall be no privity of contract between lessors and the employees of lessees; lessees shall have exclusive dominion and

control over the leased property and the operations therein during the term hereof.

2, Lessees will enter upon said premises and take possession thereof and will commence and continue the working of said premises in a good and minerlike fashion, accidents not arising from negligence excepted, and will perform a minimum of 150 shifts of work annually upon said premises; a shift of work being that amount of work performed by one man under the customs in this vicinity.

3. Lessees will perform all work in said demised premises in a safe and minerlike fashion in accordance with the mining laws of the State of Idaho and such rules and regulations as may have been issued by any boards or commissions or the State Mine Inspector of the State of Idaho. All openings shall be maintained in accordance with the standards established by such rules and regulations.

4. Lessees will at their expense carry workmen's compensation insurance and liability insurance covering their operations hereunder and also any other insurance required by the laws of the State of Idaho covering them and all their employees, and lessees will pay all taxes and contributions and/or make all deductions required under the Federal Social Security Act and/or the Idaho Unemployment Security Act, and for which lessees may become obligated and lessees will comply with all other rules and regulations of any governmental authority affecting lessee's operations upon said premises and shall furnish lessors with supporting evidence of such compliance upon request.

5. There is reserved to lessors the right of entry in and upon said property for the purposes of inspection of workings or for surveying and sampling, and for checking upon compliance by lessees with the terms and conditions hereof, all at the expense and risk of lessors.

6. Lessees will immediately post and record according to law statutory notices to material men and laborers.

7. Lessees will hold lessors harmless and fully indemnify them against all claims and demands of every kind and nature which may be made upon them or against the above described premises for or on account of any debts or expenses contracted or incurred by lessees, as well as from and against all acts, transactions or omissions by lessees, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement from or on account of injury to any person. Lessors will hold lessees harmless and indemnify them against all claims and demands of every kind and nature by reason of any condition of said premises as of the date hereof or operations prior to lessees taking possession.

8. This lease and option may be assigned by lessees in whole or in part at any time upon lessees submitting to lessors a copy of such sub lease or assignment showing such sub-lessees accept all terms and conditions of this agreement.

9. Lessees shall deliver to lessors the said premises with the appurtenances and improvements in good order and condition, accidents not arising from negligence alone excepted, without demand or further notice on the last day of the term, or any extension of the term thereof, or any time previous thereto upon demand after forfeiture; provided, that lesssees shall have thirty days from and after date of any such termination in which to remove all broken ore from the property for shipment under the terms of this agreement; and lessees shall have the right during such interim, to remove from said premises, all tools, equipment, and supplies owned by them.

10. Lessees shall ship all ores produced by lessees from said premises under such names as is agreed upon, and lessors

are hereby given a lien upon all ores extracted from the premises during the term of this lease to secure to them any and all sums due or owing by lessees. The ore buyers or smelter shall make such divisions of the proceeds as is agreed herein and pursuant to instructions to be submitted by the parties hereto.

11. Lessees shall have access to all original records of mine, mill and smelter returns to enable them to check such receipts, deductions and payments. Lessees shall have the right to be present or be represented at the sampling of any ores should they so desire. Lessees shall pay the cost of assaying mine samples and of any controls and also the cost of any surveys desired by them. Lessors shall not be liable for ore lost by theft, accident or financial difficulties of the ore buyer not arising from their negligence nor shall they collect any royalties on ores so lost.

12. Lessees shall pay to lessors, as rental for the property hereby leased by them, a royalty on all ores mined, removed and marketed from said premises in an amount equal to ten (10%) per cent of the net value thereof.

13. The term "net value" as hereinabove used shall be construed to mean the gross smelter value of each lot of ore shipped to the smelter, less smelter treatment, assay and sampling charges and less all haulage and freight charges from mine to smelter and in addition thereto, the above specified percentage of any premium or bonus payments made to lessees by or on behalf of any governmental agency under any premium or bonus price plan for lead, zinc, copper, or other metal products produced from said leased premises, to the extent that the law or regulations applicable to such premiums or bonus payments do not prohibit the payment to lessors of royalties based thereon.

~~14. Should lessees erect upon or in the vicinity of said leased premises a mill for the treatment and concentration~~

~~of low grade ores mined from said premises, or should lessees elect to have such ores milled in this vicinity then there shall be charged as against the net value as above defined an addtional $2.00 per ton for each ton of ore so processed or milled which charge shall be deducted from the gross value in determining royalty.~~

Hab
G.W.C.

15. That all installed rails, car tracks, including ties, air pipes and permanent building, placed upon said demised premises by lessees shall remain upon the premises and become the property of lessors upon the termination of this agreement.

16. Lessees shall pay before delinquent all general taxes levied and assessed against said leased property during the term hereof.

17. Lessees will annually file proof of labor on or before the 30th day of June of each year showing full compliance with the statutes regarding the same, it being understood that should Congress again waive annual assessment work lessees may file such notice of intention to hold as such act of Congress may provide.

18. In consideration of the execution and delivery of the foregoing lease, lessors hereby give and grant unto lessees the exclusive right and option to purchase all the right, title and interest of lessors in and to said demised premises and property for the sum of Seventy-five Thousand Dollars ($75000) and agree that all royalties received by lessors hereunder shall be applied toward the payment of said purchase price. Lessees shall have the right to make such other and further payments upon said purchase price as they may at any time desire, and upon the payment of the balance of said purchase price in full lessors will execute and deliver to lessees a good and valid conveyance of said property.

19. Lessees may on behalf of lessors institute such proceedings as are required, do such surveys and make such amended locations on said premises as are necessary for issuance

of mineral patent to such claims, and upon furnishing satisfactory evidence as to costs of such proceedings, surveys and etc. to lessors the cost of such proceedings shall also be applied on the above mentioned option price.

20. It is agreed that lessors shall after $10,000 in royalties or other payments shall have been paid to them, they will execute good and sufficient deeds warranting the title to the above described property and shall place the same together with abstract of title showing good and marketable title as against everyone except the United States of America, in Escrow with a bank, to be agreed upon, together with a copy of this agreement and with instructions that upon purchase price herein above named being paid in full said deed will be delivered to lessees herein.

21. It is further specifically understood and agreed by and between the parties hereto that should lessees violate any covenant or condition of this lease on their part to be performed during the term thereof, and if such default or violation shall continue at the expiration of sixty (60) days after lessors shall have given to lessees written notice of such violation or default and demand possession of said leased premises because thereof, this lease and all rights of lessees hereunder shall at the option of lessors terminate and expire at the expiration of sixty day period, lessees being given said sixty day period in which to overcome the cause of such forfeiture by full compliance with the violated covenant or agreement and that if such default be not cured at the expiration of said sixty day period lessors without further demand or notice may themselves or by their agents or attorneys, enter upon the same and lessees shall have no further right in or under this agreement either as lessees or as optionees.

22. Written notices shall be addressed to Lessees at their business address at Salt Lake City, Utah, and to lessors at Ketchum, Idaho.

23. This agreement shall be binding upon the heirs, executors, administrators and assignees of all parties hereto.

IN WITNESS WHEREOF, Lessors and lessees have hereunto set their hands and seals in triplicate as of the 10th day of July, 1948.

Grant W. Crutchley
Thelma E. Crutchley
LESSORS

Harold A. Covey
George W. Snyder Jr.
LESSEES

STATE OF IDAHO)
) SS
County of Blaine)

On this 30th day of October, 1948, before the undersigned, a Notary Public in and for said State, personally appeared Grant W. Crutchley and Thelma Crutchley of Ketchum, Idaho, and known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

L. D. Daniels
NOTARY PUBLIC FOR IDA
Residing At:

STATE OF UTAH)
) SS
County of)

On this 30th day of October, 1948, before me the undersigned a Notary Public in and for said State, personally appeared Harold A. Covey and George W. Snyder, Jr. known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Fontenne White
NOTARY PUBLIC FOR UTAH
Residence: