UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1247

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

✓ Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

✓ Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

Clw
Reviewer's Initials

7973

GOVERNMENT'S COPY
Lead, Zinc, Copper
DMEA 1247

RESCISSION OF EXPLORATION PROJECT CONTRACT BY MUTUAL
AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 23rd day of June 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Donald D. Hanni
Box 27
Moore, Idaho
, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm E164, Docket No. DMEA-1247, dated October 2, 1951, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By Donald D. Hanni

Donald D. Hanni
(Operator)

By A E Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

RECEIVED
JUN 30 1952
U. S. G. S.
SPOKANE, WASH.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

three

Government Copy
DMEA 1247
Lead, Zinc

AMENDMENT NO. 1

It is agreed this 10th day of April 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Donald D. Hanni

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E164 of October 2, 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 November 2, 1951.

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.

Donald D. Hanni
(Operator)

By Donald D. Hanni

The United States of America

By A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Donald D. Hanni

Exploration Project Contract [illegible]

Amendment No. 1

Exhibit "y"

Changes and Modifications:

In paragraph 3 of the Exploration Project Contract, change the starting date of the Contract from within 30 days of the date of Contract (October 2, 1951) to within 30 days of May 15, 1952.

This change in the starting date has been brought about by winter weather conditions that did not permit work to commence as was originally planned.

MF-200
(June 1951)

Docket No. DMA 1247X
Commodity Lead, Zinc, Copper
Idm-E 164

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 2nd day of October, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] Donald D. Hanni
Box 27
Moore, Idaho

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 Custer described as follows:[3] George Washington group of claims on Alder Creek, and Silver Lead Bell group of claims on Cliff Creek, all in Township 6 North, Range 23 East, 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:

None

(*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 Thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] Lead, Zinc and Copper; 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. Any 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 currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. 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.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. 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.* 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 is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The 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, analytical work, accounting, 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 this 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, taxes, or any other indirect costs not expressly allowed by these provisions, 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. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $17,000.00, which is 50 percent of the agreed estimated total cost of this project, $34,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator 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.

15. *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 for each additional 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 mineral deposit 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.

16. *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.

17. *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 sextuplicate the day and year first above written.

Donald D. Hanni
(Operator)

By Donald D. Hanni
Owner

THE UNITED STATES OF AMERICA

By C O Wettendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Docket No. DMA - 1247X
Donald D. Hanni
Exploration Project Contract Idm-E164

EXHIBIT "A"

Exploration Project

The purpose of the project is to explore the granite-limestone contact mineralized zone and partly explored ore bodies on the following unpatented mining claims:

George Washington No. 1
" " No. 2
" " No. 3
" " No. 4

Silver and Lead Bell No. 1
" " " " No. 2
" " " " No. 3

Project No. 1 on the George Washington group will be divided into two stages, stage II to be undertaken only after a finding by the Government that the results of stage I warrant it.

STAGE I

1. Bulldozer trenching to trace mineralized contact between limestone and granite.
2. Rehabilitate 500 feet of present adit.
3. Map geology of and sample mine workings and mineralized zone exposed by above trenching.

STAGE II

1. If favorable showings are encountered during stage I - 300 feet of crosscutting and drifting, 100 feet of raising, and 100 feet of sinking will be done at the most promising locations.

Project No. II on the Silver and Lead Bell group of claims will be divided into two stages, stage II to be undertaken only after a finding by the Government that the results of stage I warrant it.

STAGE I

1. Rehabilitate two existing adit drifts, totaling approximately 300 feet in length.

2. Map geology of and sample mine workings.

STAGE II

1. If favorable showings are encountered during stage I, 250 feet of drifting and crosscutting will be done at the most favorable locations.

Total Estimated Cost of the Project

PROJECT NO. I

STAGE I

1.	100 hours bulldozer trenching, and road improvement by contract @ $11.50 per hour	$ 1,150.00
2.	Rehabilitate 500 feet of adit	700.00
3.	Sampling, assaying and engineering services	850.00
	Total cost of stage I, project No. 1	$ 2,700.00

STAGE II

1.	300 feet crosscutting and drifting @ $30.00 per foot	$ 9,000.00
2.	100 feet raising @ $30.00 per foot	3,000.00
3.	100 feet sinking @ $50.00 per foot	5,000.00
4.	Buildings and facilities	1,000.00
5.	Sampling, assaying and engineering	1,000.00
	Total cost of stage II, project No. 1	$19,000.00
	Total cost of stage I and stage II, project No. 1	$21,700.00

Items 1, 2, and 3. The per foot costs include all labor, supplies, utilities, repairs, pipe, rail, use allowance for operating equipment furnished by the Operator and supervision.

PROJECT NO. II

STAGE I

1.	Rehabilitate 300 feet of adit @ $9.00/ft.	$ 2,700.00
2.	Map geology of and sample mine workings	300.00
	Total cost of stage I, project No. II	$ 3,000.00

STAGE II

1.	250 feet of drifting and crosscutting @ $30.00 per foot	$ 7,500.00
2.	Sampling, assaying and engineering	700.00
3.	Approximately 2 miles of bulldozer road, 50 hours bulldozing, by contract @ $11.50/hr.	575.00

PROJECT NO. II - STAGE II (continued)

4. Buildings and facilities	$ 525.00
Total cost of stage II, project No. II	9,300.00
Total cost of Stage I and Stage II, Project No. II	$12,300.00

Item 1. The per foot cost includes all labor, supplies, utilities, repairs, pipe, rail, use allowance for operating equipment furnished by the Operator and supervision.

Total cost of project No. I and Project No. II	$34,000.00

Fixtures and Improvements

PROJECT NO. I

STAGE II

Construction of compressor shed, shop and storehouse on George Washington group	$1,000.00

PROJECT NO. II

STAGE II

Construction of compressor shed, shop and storehouse on Silver and Lead Bell group	$ 525.00

Operating Equipment

To be rented:

1 - Eimco, 12-B mucking machine	$ 250.00 per month
1 - 2-drum air slusher	75.00 " "
Total rental	$ 325.00 per month

Equipment furnished by Operator:	Value
1 - 120 CFM portable gasoline engine-driven compressor	$1,800.00
1 - 1½ ton, 1931 International truck	900.00
1 - Drifter, column and arm	500.00
1 - Jackhammer	120.00
2 - Mine cars	500.00
1 - Hoist with gasoline engine	300.00
1 - Gasoline engine to drive bit-grinding equipment	215.00

The maximum monthly cost allowance for use on the project shall be determined on the basis of 60-month depreciation of value for each unit, with the allowable monthly amount chargeable only for the months actually used for the benefit of the project.

Labor and Supervision

Necessary miners @ $14.00 per shift

1 - Cook @ $12.00 per shift
1 - Clerk (part time) @ $150.00 per month
1 - Superintendent @ $500.00 per month

Rehabilitation and Repairs

PROJECT NO. I

STAGE I

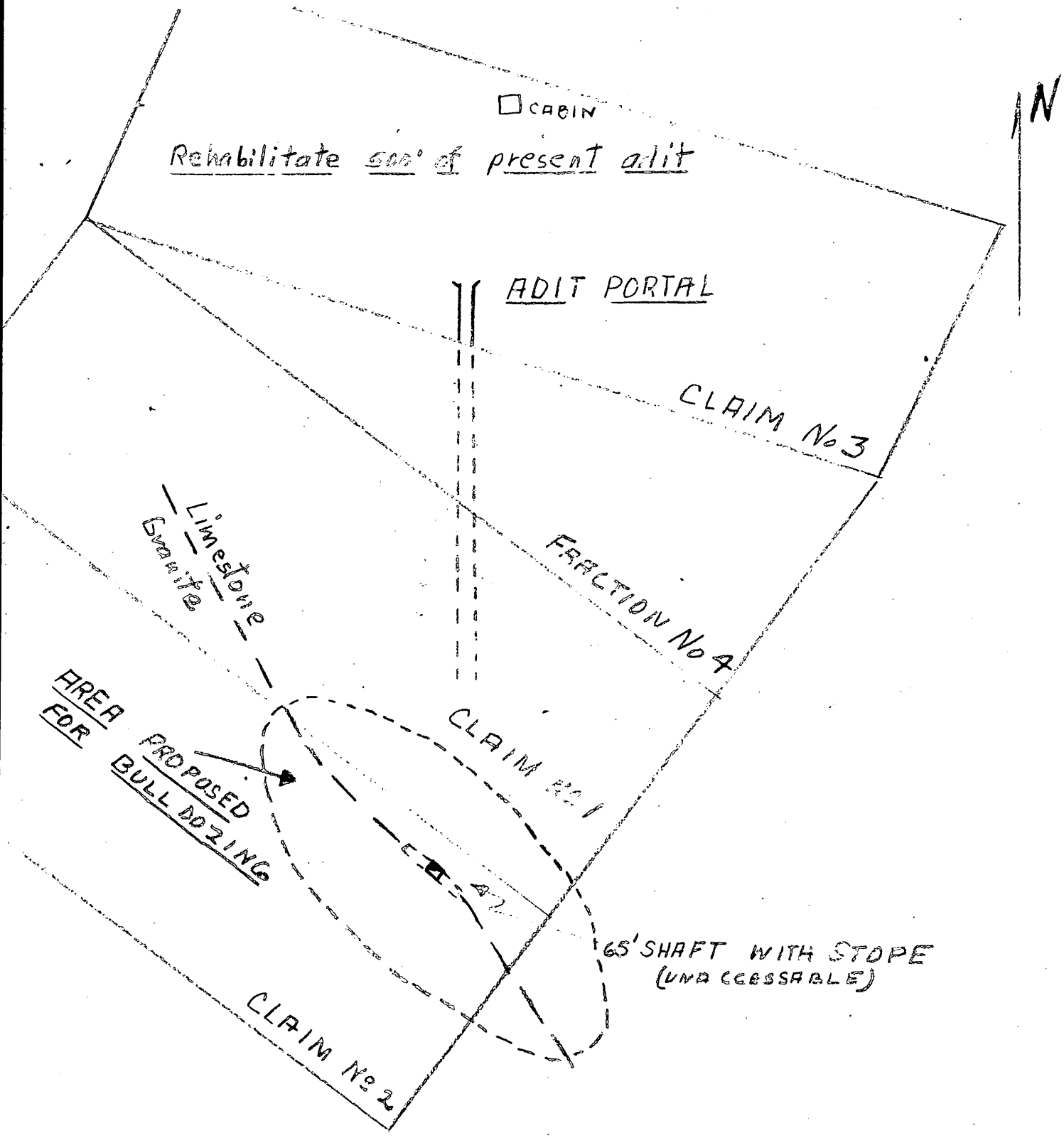
Rehabilitate 500 feet of adit - $700.00

PROJECT NO. II

STAGE II

Rehabilitate 300 feet of adit @ $9.00/ft. $2,700.00

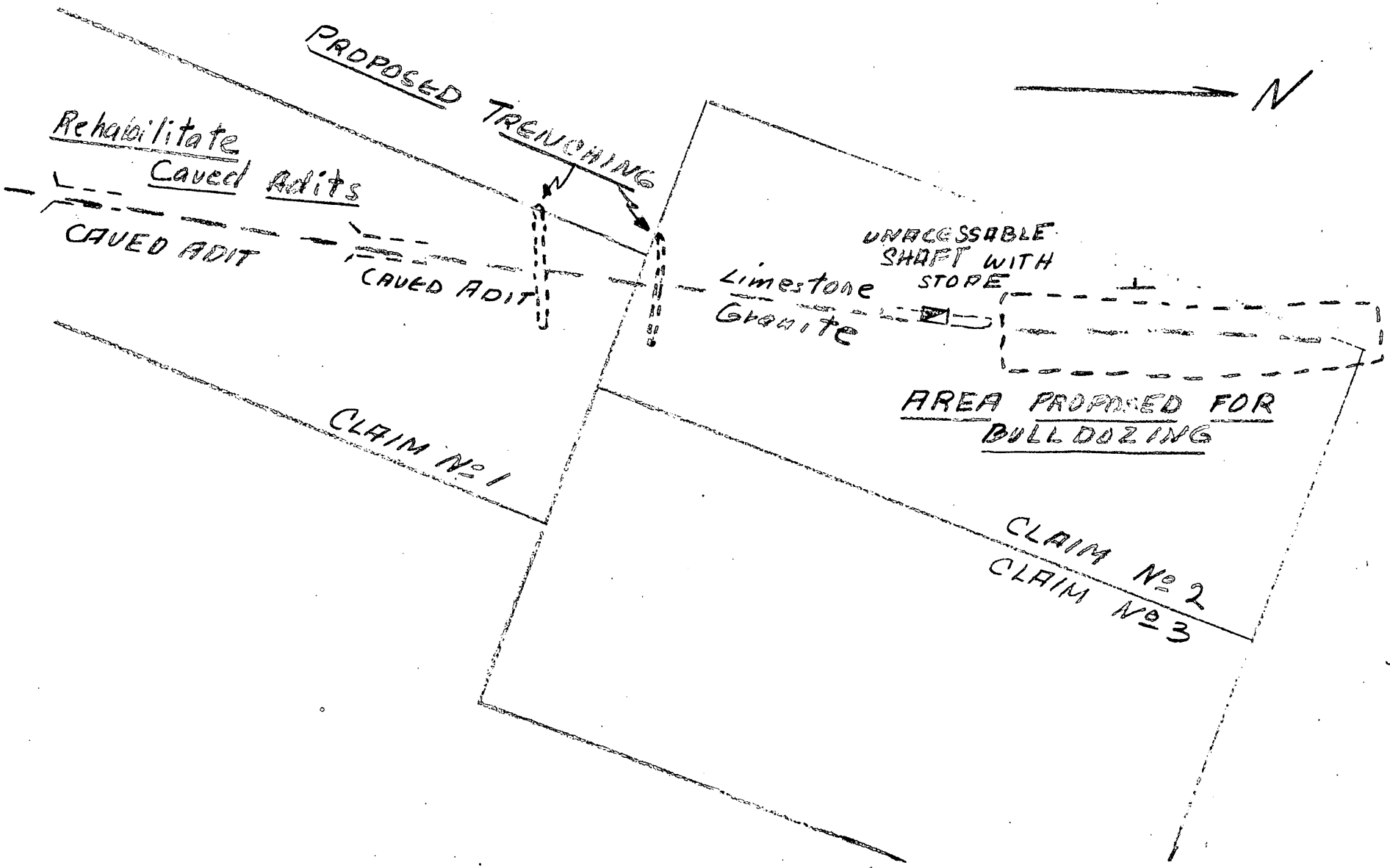
DMA. DOCKET NO. 1247X



GEORGE WASHINGTON CLAIMS, HANNI PROPERTY, CUSTER CO, IDAHO

1

D.M.A. DOCKET NO. 1247X



SILVER AND LEAD BELL CLAIMS, HANNI PROPERTY, CUSTER Co, IDAHO

2

MF-200
(April 1951)

Docket No. DMA 1247X
Commodity Lead-zinc

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 21 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] Donald D. Hanni, Box 27, Moore, Idaho

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 Custer described as follows: [3] George Washington group of claims on Alder Creek, and Silver Lead Bell group of claims on Cliff Creek, all in Township 6 North, Range 23 East, 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: none

(*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 days from the date of this contract shall commence work on a project of exploration for [5] lead, zinc, and copper; 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 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 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 $17,000, which is 50 percent of the agreed estimated total cost of this project, $34,000.

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 triplicate the day and year first above written.

Donald O. Hanni
(Operator)

By _____

THE UNITED STATES OF AMERICA

By _____

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Donald D. Hanni

Exploration Project Contract,

George Washington Claims Nos. 1, 2, 3, and 4

and

Silver and Lead Bell Claims Nos. 1, 2, and 3

Exhibit "A"

Exploration Project

The purpose of the project is to explore the granite-limestone contact mineralized zone and partly explored ore bodies on the following unpatented mining claims:

George Washington No. 1
" " No. 2
" " No. 3
" " No. 4

Silver and Lead Bell No. 1
" " " " No. 2
" " " " No. 3

Project No. 1 on the George Washington group will be done in two stages with the commencement of stage "II" contingent upon the success of stage 1.

Time Schedule - First year

1 month

Stage 1

1. Bulldozer trenching to trace mineralized contact between limestone and granite.

2. Rehabilitate 500 feet of present adit.

3. Map geology of and sample mine workings and mineralized zone exposed by above trenching.

Stage II

5 months

1. If favorable showings are encountered during Stage I 300 feet of crosscutting and drifting, 100 feet of raising and 100 feet of sinking will be done at the most promising locations.

Exhibit "A" (Cont.)

Project No. 2 on the Silver and Lead Bell group of claims will be done in two stages with the commencement of Stage II contingent upon the completion and success of Stage I.

Time Schedule - Second year

1 month

Stage I

1. Rehabilitate two existing adit-drifts, totaling approximately 300 feet in length.

2. Map geology of and sample mine workings.

5 months

Stage II

1. If favorable showings are encountered during Stage I, 250 feet of drifting and crosscutting will be done at the most favorable locations.

The work to be done and the costs thereof are as follows:

Project No. 1

Stage I

1.	100 hours bulldozer trenching by contract @ $11.50 per hour (includes access road to area to be explored),	$1,150.00
2.	Rehabilitate 500 feet of adit,	700.00
3.	Sampling, assaying and engineering services,	850.00
	Total,	$2,700.00

Stage II

1.	300 feet crosscutting and drifting @ $30 per foot,	$9,000.00
2.	100 feet raising @ $30,	3,000.00
3.	100 feet sinking @ $50,	5,000.00
4.	Buildings and facilities,	1,000.00
5.	Sampling, assaying and engineering,	1,000.00
	Total,	$19,000.00
	Total for Project No. 1 =	$21,700.00

Exhibit "A" (cont.)

Project No. 2

~~Time Schedule - Second Year~~

Stage I

~~1 month~~

1.	Rehabilitate 300 feet of adit @ $9/foot,	$2,700.00
2.	Map geology of and sample mine workings,	300.00
	Total Stage I,	$3,000.00

Stage II

1.	250 feet drifting and crosscutting @ $30/foot,	$7,500.00
2.	Sampling, assaying and engineering,	700.00
3.	Approximately 2 miles of bulldozer road, 50 hours bulldozing by contract @ $11.50 per hour,	575.00
4.	Buildings and facilities,	525.00
	Total Stage II,	$9,300.00
	Total for Project No. 2,	$12,300.00
	Grand total,	$34,000.00

The operator may furnish operating supplies from his present inventory and charge the actual cost of such items as a cost of the project.

Donald D. Hanni

Exploration Project Contract,

George Washington Claims Nos. 1, 2, 3, and 4

and

Silver and Lead Bell Claims Nos. 1, 2, and 3

Exhibit "B"

Additional buildings and facilities:

1.	Compressor shed, shop and storehouse on George Washington group,	$1,000.00
2.	Compressor shed, shop and storehouse on Silver and Lead Bell group,	525.00
	Total,	$1,525.00

Donald D. Hanni

Exploration Project Contract,

George Washington Claims Nos. 1, 2, 3, and 4

and

Silver and Lead Bell Claims Nos. 1, 2, and 3

Exhibit "C"

Operating equipment

To be rented	Monthly rental
1 - Eimco, 12B mucking machine,	$250.00
1 - 2-drum air slusher,	75.00
	$325.00

To be purchased

None

To be furnished	Cost	Maximum allowable monthly rental
1 - 120CFM portable gasoline engine-driven compressor,	$1,800.00	$ 65.00
1 - 1½ Ton, 1931 International truck,	900.00	40.00
1 - Drifter, column and arm,	500.00	20.00
1 - Jackhammer,	120.00	10.00
2 - Mine cars,	500.00	11.00
1 - Hoist with gasoline engine,	300.00	9.00
1 - Gasoline engine to drive bit grinding equipment,	215.00	5.00
		160.00

Donald D. Hanni

Exploration Project Contract,

George Washington Claims Nos. 1, 2, 3, and 4

and

Silver and Lead Bell Claims Nos. 1, 2, and 3

Exhibit "D"

Labor and Supervision	Rate per shift
Miner	$14.00
Cook	12.00
Clerk (part time)	150.00 per mo.
Superintendent	500.00 " "

The above wage rates are subject to change for lawful overtime and revision of pay scale under Union contracts.

Donald D. Hanni

Exploration Project Contract,

George Washington Claims Nos. 1, 2, 3, and 4

and

Silver and Lead Bell Claims Nos. 1, 2, and 3

Exhibit "E"

Any repairs to existing buildings or facilities will not be charged as a cost of the project.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. .....

Date received .....

Participation .....

Donald D. Hanni
Moore, Idaho

Name and address of applicant

Date May 2, 1951

FILL IN THIS BLOCK

Date of application May 2, 1951

Estimated cost $40, 000.

Mineral or metal (Metal) Lead, Silver, Copper Zinc

Percentage of Government participation 50%

Location of mine Alder Creek Mining Dist. Custer Co. Mackay, Idaho.

Date of filing MF-100 .....

DMA Docket Number, if available .....

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Owner

*2. If a partnership, state names and addresses of partners. None

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. None

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. ans. on attached sheet.

*5. Are you the owner or the lessee of the property? Owner

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. None

7. If lessee, attach a copy of the lease and state if it is in good standing. None

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. None

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? Ans. under question 23.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY*

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Ans. on attached sheet.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Ans. on attached sheet.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. Ans. on attached sheet.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. Adequate supply State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. Ans. on attached sheet.

15. State in detail how the ore could be shipped and how and where milled. Ans. on attached sheet.

*16. History: Ans. on Form MF-100 under question7.

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production: Not in production

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly. Ans. on attached sheet

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. None

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? lead, copper zinc

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Ans. on attached sheet

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. Ans. On attached sheets.

THE REQUIREMENTS AND COSTS

Ans. on attached sheet.

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. Ans. on attached sheet.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Hanni Mines
(Name of company)

By Donald D. Hanni
(Signature of authorized official)

May 2, 1951
(Date)

Owner and Operator
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

ANSWERS TO QUESTIONS ON FORM MF-103

Ques. 9. How much money is applicant prepared to envest , etc.

Ans. I have $800.00 in cash. I have $4000.00 worth of equipment and supplies. I can furnish three men including myself for the two year project.

Ques. 10.
(a) Give a description of the real property that will be any way involved in the exploration projext.

Ans. Silver and Lead Bell Claims No. 1-2-3
George Washington Claims No. 1-2-3 fraction No. 4.

(b) Give legal descriptions of exact parcel.

Ans. The exploration will be conducted on the 6 claims and fraction named above. All claims are in the one area.

Ques. 11. Present and former names of property.

Ans. Silver and Lead Bell No. 1-2-3 (Old Bennett Property.)
George Washington No. 1-2-3 fraction No. 4
(Former owner-Stuart and William H. Hanley.)

Ques. 12. Location of prop. and etc.

Ans. Road in good condition within one mile of Silver and Lead Bell claims and passable within one-half mile.
Road to George Washington claims good to within 2 miles. Road passable within one-eigth mile.
Both properties within 7 miles of Mackay, Idaho, also shipping point. Roads running in a south-western direction to mine properties. from Mackay, Idaho.

Ques. 14. Describe facilities, buildings, equipment and etc.

Ans. George Washington claims:
One large cabin---24 ft. by 40 ft.
One small blacksmith shop
One tool shed.

Ques. 15. State how Ore shipped and milled.

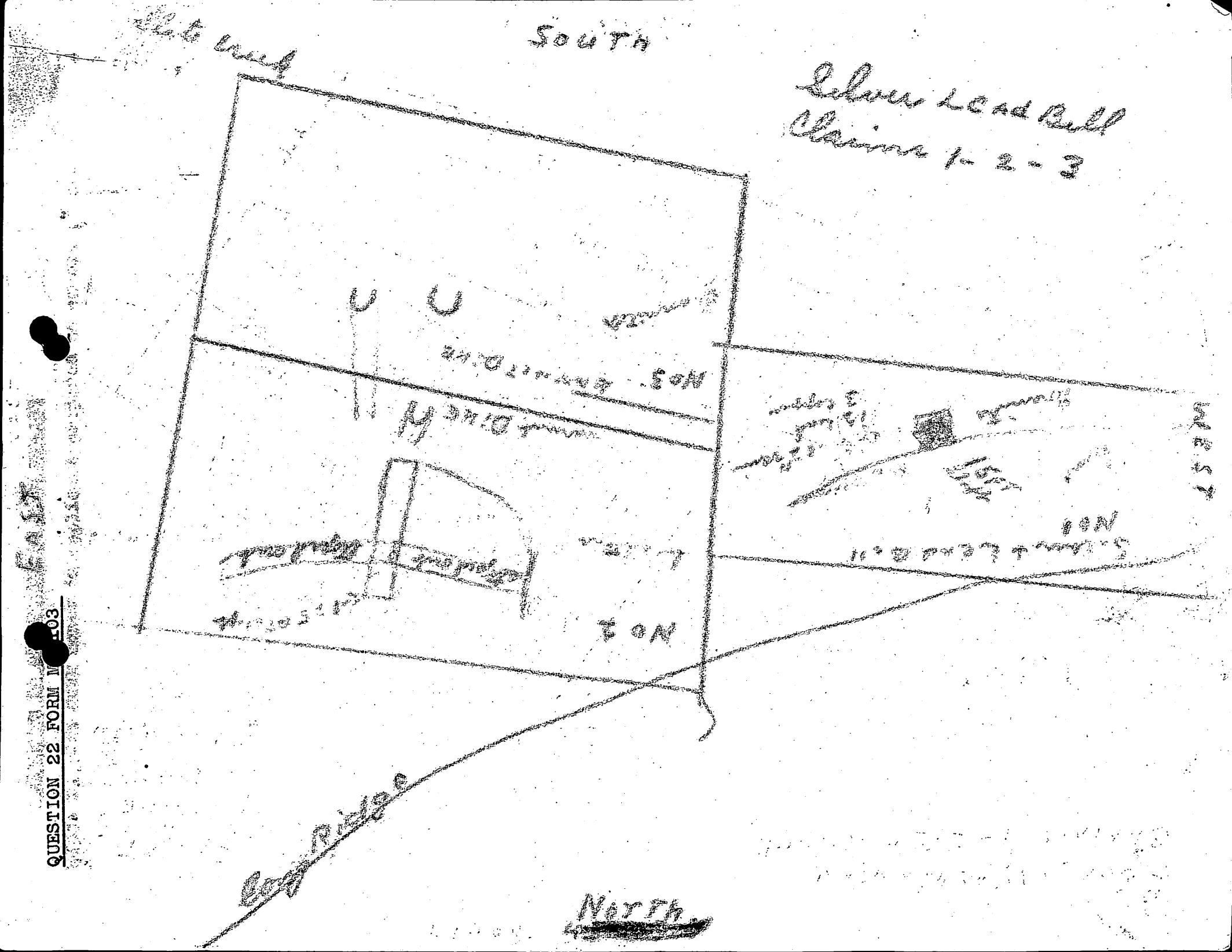
Ans. Ore will have to be shipped 7 miles to Mackay, Idaho by truck. Then shipped by rail to Salt Lake City, Utah or East Helena, Montana.

Ques. 16. History

Ans. This was answered on Form MF-100 under question 7.

Ques. 18;

(a) There is a 12 in. vein of ore on No. 1 claim of Silver and Lead Bell. Also there is a supposedly four and one-half foot vein in the 125 ft. shaft on Silver and Lead Bell claim No. 2. This ore runs 30 percent lead, some zinc and silver. I have not explored this shaft completely as yet. According to old timers was closed because og water conditions and shipping facilities. Several attempts were made to drift under and tap water in the bottom of the 125 ft. shaft.

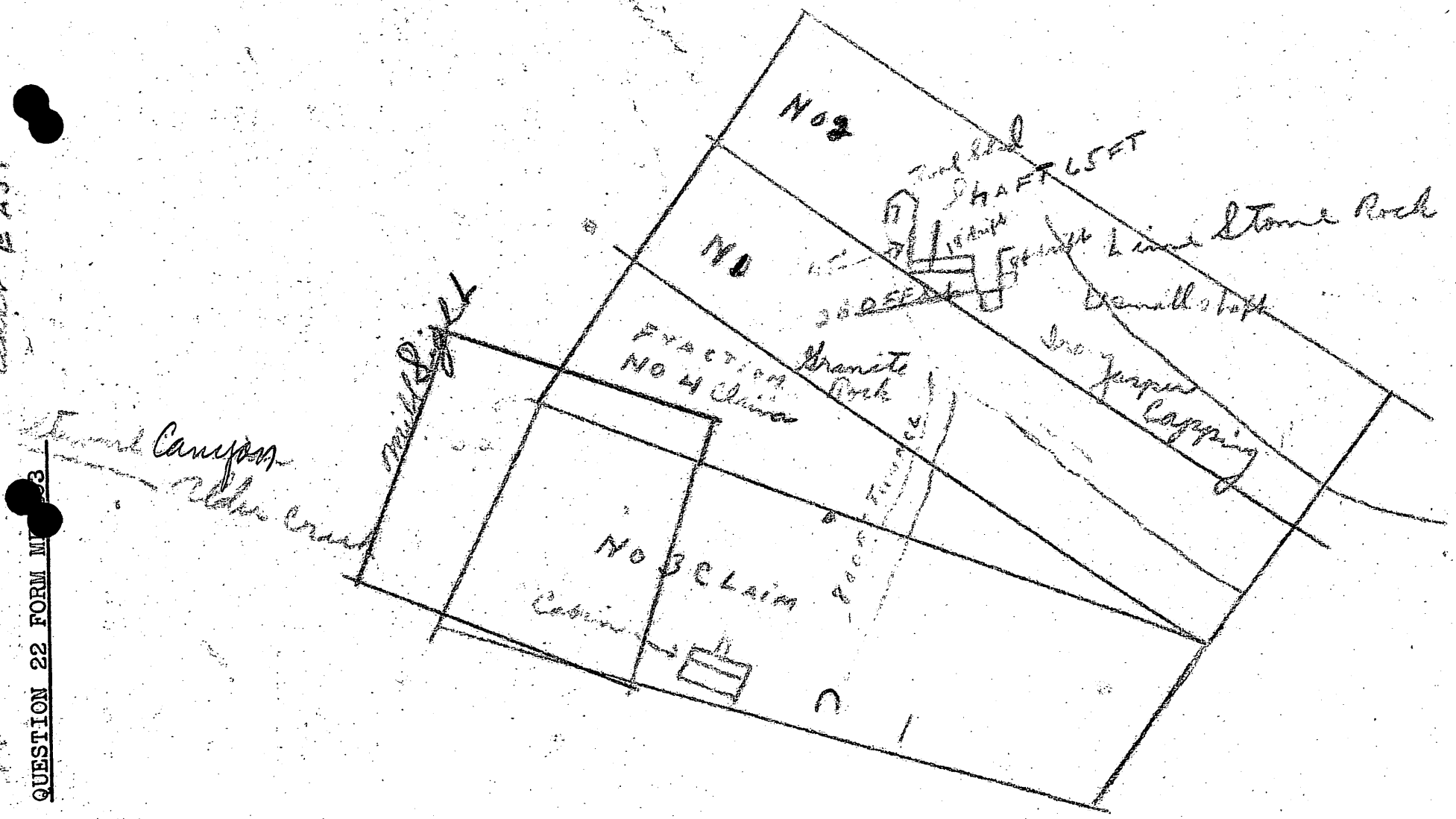


QUESTION 22 FORM M 03

SOUTH

George WASHINGTON
CLAIMS-1-2-3 FRACTION 4

Ore From SHAFT
RUNS- 14 Lead
7 TO 9 SINC
6 oz Silver
5 FOOT VAIN



NORTH

QUESTION 22 FORM M[illegible]3

Form MF-103 continued.

Ore or Mineral Reserves: George Washington Claims.

Ore in the 60 ft. shaft of the George Washington Claims is 5 ft. wide. And is a angle-sight and sear-sight lead. Contains 14% lead, some copper and 9 to 10 percent zinc and 4 to 8 ounces silver. I have tapped this vein three different places on the surface. Ore capping extends one-fourth mile long on the surface. Depth of the Ore body is not known.

(c) There is approximately 100 tons of ore in sight in the 60 ft. shaft on George Washington claims. I also have 20 tons of Ore mined.
Ore reserves on Silver and Lead Bell claims are approx. 15 tons in sight. And about 6 tons mined. I have a small fisher vein of ore which belong to the Silver and Lead Bell group, which runs 21 per-cent lead and 31 per-cent zinc. I estimate 200 tons of this ore in sight.

Ques. 21.

Silver and Lead Bell Claims: I'd like to sink 50 ft. shaft of shaft on the No. 1 claim to further explore the 12 in. vein. Time required would be four months. I intend to run a drift 200 ft. long on the Silver and Lead Bell claims No. 2 and 3 to tap the ore in the bottom of the shaft which is 125 ft. deep and to do drifting on the vein approx. 100 ft. Time required 8 mos. Would also like to do additional sinking after vein is tapped, approx. 50 ft.

George Washington Claims. I would like to run a cross cut on No. 1 and 2 claims in the 800 ft. tunnel. This cross-cut will take approx. 150 ft. to tap the vein. Time required 4 months. I would also like to run a raise between shaft and 800 ft. tunnel which will be 150 ft. long. Time required 6 months. Additional two months for road construction and building.

Ques. 23. Requirements and Costs.

(a) Labor: Numbers and Classes.

Two Miners----	$12.50	per day
Three Muckers-	$12.00	per day
One Cook	$ 8.00	per day
One Clerk	$ 7.00	per day

(b) Supervisors:

Superentendent operator	$500.00	per month.
Assistant	$400.00	per month

(c) Repairs for existing fixtures. $750.00
(d) Additional fixtures $4000.00
(e) Cost of items of equipment etc.

One slusher	$1000.00	
One air-hoist	$ 500.00	
One air operated shaft pump.	$ 600.00	
One air receiver tank	$ 150.00	
Two tram cars	$ 250.00	each
One Dump truck	$3500.00	
One Compressor (105 cu. ft	$3000.00	
One Jeep	$1600.00	
Three tons rail (10 lb.)	$ 140.00	per ton
Drill steel (various size	$ 250.00	per ton
Two heating plants	$ 800.00	
Electric welder	$ 250.00	

Ques. 23

(e) One Delco light plant $350.00
Plumbing fixtures $500.00

(f) Cost of rental for equipment $450.00
(g) Rental value of items etc. $400.00
(h)
1500 ft. of 2 in. pipe (45 cents per foot.
1500 ft. of three-quarter inch pipe (20 cents per foot.)
1000 ft. of 3/8 inch cable (15 cents per foot.)
4 Kegs of rail spikes $20.00 per keg.
100 (50 lb.) boxes of powder $11.00 per box
6 kegs nails $20.00 per keg
10 spools fuse $17.50 per spool
50 boxes dynamite caps $ 2.25 per box
500 ft. of 1 in. air hose (70 cents per ft.)
300 ft. of water hose (20 cents per ft.)
20 (100)lb. cans ~~volts~~ carbide $10.00 per hundred
2 kegs of rail bolts $25.00 per hundred
20 air and water valves (various sizes) $ 3.50 apiece
100 pipe fittings (50 cents each)
100 lbs. of common wire $10.00
100 ft. of belting (60 cents per ft.)
4 Scoocum pullies $45.00 apiece
50 tungsten carbide bits $13.80 apiece
Acetylene welding rod (100 lbs. 85 cents per lb.
Electric welding rod (150 lbs. 60 cents per lb.)
One grindstone $50.00
1000 lbs. of sheet metal. (various thichnesses-20 cents per lb.

(i) Cost of power per day approx. $10.00

Ques. 24.

I intend to start work immediately after project is proved and expect to advance approx. four feet per day in drifts, tunnels and raises, at a cost of $30.00 per foot or $120.00 per day. This includes labor, equipment rental, supervision and etc.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMA 1247X

Date received 5/21/51

Donald D. Hanni
Moore, Idaho

Name and address of applicant

Date May 2, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products? Lead, Zinc, Silver and Copper
   (*b*) What are the byproducts, if any? Unknown
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following: Silver and Lead Bell Claims
   (*a*) Linear feet of shafts. Silver & Lead Bell-125 ft.(Geo. Wash.)65 ft. (1-2-3.)
   (*b*) Linear feet of drifts and crosscuts. Silver & Lead Bell-140 ft.(Geo. Wash.) 800ft.
   (*c*) Linear feet of tunnels or adits. None
   (*d*) Linear feet of other mine openings (explain briefly). None
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity. Ans. separate on attached sheets
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point. 7 mi. N.E. of Mackay, Idaho
   (*b*) Mining district. Alder Creek
   (*c*) Township, Section, Range. Town ship 6 North-Range 23 East-Boise Meridan
   (*d*) County, State. Custer County, Idaho
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated Not in operation at present.
   (*b*) Are you operating this property as:
   - [x] Owner.
   - [ ] Lessee.
   - [ ] Contractor.
5. Number of years in production Not known
   If not in production or operation, estimated date when production will begin October 1951
6. Experience of operators: Ans. on attached sheets.
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History: Ans. on attached sheets.
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation. None

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues: None

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production: Not known

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.) short tons	copper lead zinc	6 tons	none	none	none
2. Quantity of product processed (specify unit of measure and type of process)	none				
3. Quantity and grade of product sold or shipped (specify units of measure)	none				

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. ~~None~~ Not known at present

12. Ore or Mineral Reserves: None available

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves. Ans. attached sheets.

ANSWERS TO QUESTIONS ON FORM MF*100

Ques. 2.

(a) Flooded and Pumpimg problems.

The mine is flooded. My intentions are to drift under 125 foot shaft which would eradicate pumping problems and would make production speedier.

Ques. 6.

(a) Experience of operator.

I have had 15 years experience in Mining. I am capable of operating all kinds of air tools, compressor operator, mucking machines, liner, jack-hammer, stoper, slushers, hoists, (air and electric) and electric trammer. I have done all types timbering, shafts, stopes, ore shoots, skip pockets, and am experienced in all types of stopes, square set timbering, shringage, cut and fill, top slicing, rill stopes, stull and head board. I have worked in all types of tunnels and drifts and excuts, raises (various types) two cap, three cap and bawl-headed without timber. I have done lots of cubic work and linear feet in drifts and raises commonly known as Jippo or Contract.

For references I refer you to Rio Tinto, Nevada---1940 to 43. Managed by Roy O'Brian.

U.S. Smelting and Refining Co,---Lark, Utah.(Supt.) Benny Boyd and Jack Whitmore.

Clayton Silver, Clayton, Ida.----Al Legarde.

Lucky Boy, Sunbeam, Ida. Owned by Charles Rimsnyder.

Paymaster Mine, Arco Ida. (1944) Managed by Hoyt Ray. Idaho Falls, Idaho. I was Foreman at the Paymaster Mine.

Livingston Mine. Challis, Idaho Managed by Tommy Mackay. I leased the the Livingston Mine in 1948 and 49.

Silver Summit Mine----Grismer (Supt.)

Day Mines----------Don McClain (Mine Foreman) Kellogg, Ida.

Frisco Mine----------Howard Corbin

I am sure any of these companies will give you my references and ability.

Ques. 7. History.

(a) The history as I know it is the Silver and Lead Bell.

Preivious exploration and development operations:

These claims wereoperated in the late nineties. Were closed because of road conditions and long distances to smelters and mills. As far as I can learn were also closed because of water conditions. The main operation was 125 ft. shaft. There has been considerable stoping on each side of the shaft which was mined within ten feet of the surface. There were several attempts to drive drifts to tap bottom of the shaft. The reason none of these drifts were never completed were due to an extremely hard garnet dyke. All this work was done in the early days with hand steel. I estimate this dyke to be approximately 90ft. which is on the foot wall side.

From stories I have learned from old timers there is four and one half feet of lead carbonate sulfide ores. All hoisting was done by hand windless. The nearest shipping point in those days was Hailey, Idaho and Salt Lake City, Utah, by team and wagon.

My intentions are to drift and cut this vein at the bottom of the shaft with a 300 ft. cross cut. I have done some exploration work on No. 1 claim of the Silver and Lead Bell group. I sunk a small shaft and exposed a small vein of Lead, Copper and Zinc. The shaft is approximately 15 ft. deep and widened from 1 in. to 12 in. I would also like to do some more exploration work on this vein. I have a small fisher vein of ore which runs 21 and 8/10 percent lead and 31 and 4/10 percent Zinc.

HISTORY CONTINUED ON QUESTION 7.

GEORGE WASHINGTON CLAIMS NO. 1-2-3-4 (Fraction)

These claims were operated last in the late twenties. And were closed because of low metal prices. The development work was also suspended because of this. There is an 800 ft. tunnel on George Washington No. 2 which was run to tap the vein under the 60 ft. shaft of No. 1 . There was Ore shipped from this shaft somewhere in the neighborhood of 6 railroad cars, but I have no record of these shipments. The Ore in the shaft ran 12 percent Lead, 9 percent Zinc and a fraction of copper. I shipped 6 tons of Ore which brought me $83.00. The Bureau of Mines have a record of this shipment. Lead was quoted at 12 cents per pound at this time. There is about 20 tons mined in the Ore bin. I have done quite a lot of excavating and development on this property, and could be brought into production with a minimum amount of exploration. I propose a drift at a lower level or an inclined raise in the 800 ft. tunnel. This property would produce immediately from shaft., but would in my estimation be more costly than developing at a lower elevation, taking into consideration road conditions and hoisting.

There is road within 600 yards of this Mine, . The road is passable only with jeep or truck and is in good condition, within two miles of the Mine, and 7 miles to Mackay or shipping point.

FORM MF-100 continued.

I intend to ship from this vein immediately. There is approximately 30 tons of Ore in sight. I intend to work this in order to keep my exploration work going. I also have a small amount of Ore which I intend to ship from the 12 in. vein. The Ore from the 12 in. vein runs three and one-half percent copper, fourteen percent lead, and 6 ounces silver.

(b) State briefly known history &production of neighboring prop.

Mackay metals had operated for several years. Also the U. S. Smelting and Refining Mining Co. has produced hundreds of tons of lead, all in this district. There is the Grand Prize and Champion owned by Joseph L. Ossich, Mackay, Idaho which has had a great production record and a recent production record.

(c) Furnish any available reports.

(I have none.)

Ques. 12. Describe the ore or mineral deposit briefly.

(a)

The ore deposit vein is supposedly four and one-half feet wide. Containing 30 % lead carbonates and sulfide ore's. Also silver, 20 ounces per ton. And a trace of copper.

There has been quite a lot of stoping off from shaft on this ore body. According to old timers was closed on account of pumping and water conditions and shipping facilities in the late nineties.

Ques. 17. Equipment and Facilities.

I have: 120 ft. Air Compressor. Gas Operated.
130 ft. Air hose
50 ft. water hose-----one-half inch.
60 ft. liner steel-----one inch and one eighth.
One Gardner-Denver liner.
One Exide jack-hammer
One 3and½ inch armand bar and saddle. Four Liner
20 tungston carbide bits.
250 regular timpkin bits.
200 jack bits.
$150.00 worth of pipe fittings, spuds, nipples, unions, valves and air connections.
One Gardner-Denver oiler--one Ingersoll oiler.
One ton and a half International Truck.
One 150 gal. centrifical pump.
One Walkashaw Motor--45 horse.
One horse and half Fairbanks Morris Motor.
One trailor----three-quarter ton.
$50.00 worth of small hand tools.
300 lbs. powder--Dupont-Zelex No,2.
2500 ft. of fuse.
500 blasting caps.
300 ft. of 10 lb. rail.
400 ft. of galvonized 6 in. vent pipe.

This concludes the equipment that I have.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

Not known

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve Not known	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

Good road within one mile. 7 mi. to shipping point.

14. Water Supply: Adequate

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power: Gasoline and Deisel

State amount of power used, rate per hour, and source thereof.

16. Labor: Two miners and two muckers.

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Ans. on attached sheets.

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

None

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Hanni Mines
(Name of company)

By Donald O. Hanni
(Signature of authorized official)

May 2, 1951
(Date)

Operator and Owner.
(Title)

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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

140

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

JUL 16 1952

AEKane
Hofflund
Selfridge

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

Subject: Donald D. Hanni
DMA-1247X

Dear Mr. Weissenborn:

Reference is made to your letter of June 30, 1952, enclosing three copies of the rescission of the subject contract. I am assuming that you have forwarded a copy of this agreement to the Field Finance Office, although your letter did not so state. If you have not done so, please do.

Very truly yours,

George C. Selfridge

Acting Chairman, Operating Committee

S.N. 7-16-52

AEKane/ema/7-15-52
cc: Mails & Files
J. L. Hofflund
A. E. Kane
F. E. Johnson
Chron.
Operating Committee

APPROVED:

J. H. Hedges
For Bureau of Mines

T. P. Thayer
For Geological Survey

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

June 30, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Exploration Project Contract
Idm-E164, DMEA Docket No.
1247X.

Dear Sir:

Enclosed are three copies of a Rescission of Exploration Project Contract by Agreement Before Work is Begun, signed by Mr. Donald D. Hanni, Operator. One copy of the Rescission Agreement has been retained by the Operator and one copy by this office.

Mr. Hanni's contract, dated October 2, 1951, was not signed by Mr. Hanni until late in February 1952. The delay in obtaining signature to the contract arose from the difficulty in contacting Mr. Hanni. It was only after several letters written to Mr. Hanni from this office that he was finally located. At the time Mr. Hanni signed the contract he advised this office that he intended to commence exploration operations on his property during May 1952. A letter from Mr. Hanni dated June 13, 1952, advised that he was unable to secure finances for his share of the exploration program. Furthermore, Mr. Hanni stated that because of the falling metal prices he was doubtful as to the advisability of entering into an exploration project on his property. He therefore requested that he be allowed to withdraw from the contract before work was begun.

Sincerely yours,

Thor H. Kiilsgaard
Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

SDS 7-7-52

Enclosures

cc: USBM, Spokane
USBM, Albany

DONALD D. HANNI DMA-1247X

Contract Rescinded at request of Operator June 23, 1952

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

No. 297 Pennsylvania Avenue
Washington 6, Washington

June 23, 1952

Mr. Donald R. Jones
Box 27
Boise, Idaho

Dmea 1247 x

Dear Mr. Jones:

This will acknowledge receipt of your letter of June 13 in which you state that you are willing to enter into the exploration program outlined for this Department with DMA.

We are very sorry to learn that you do not have funds necessary for your part of the exploration program. We agree that the present prices maintained seem high now. It may have been easier to obtain reasonable terms, but certainly from that point prices do not appear the prime issue they will be when all metal production now under way.

We are enclosing six copies of a resolution recent adopted by the Government relinquishing all interests in the exploration contract there to for your property. Please sign these six copies, retain one copy for your use, and return the original and four copies to this office. Photo copies will be attached to other copies of your contract. They will show that both parties have terminated the contract in good faith and with mutuality. We do realize for you to be superior to obtain another contract if and when conditions may enable your doing so.

Sincerely yours,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951

[illegible]
[illegible]
Executive Officer, [illegible]
Field Team, Denver [illegible]

Enclosures

cc: [illegible]
[illegible] (2)

OFFICE OF THE ADMINISTRATOR

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

So. 157 Howard Street
Spokane 4, Washington

April 30, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Sir:

Enclosed are the original and two copies of Amendment No. 1, Contract Idm-E164, the Donald D. Hanni property, Custer County, Idaho. The amendment extends the starting date to within 30 days of May 15, 1952.

This amendment is necessary because of difficulty in contacting Mr. Hanni last fall to obtain signature on his contract so that he could commence work on his exploration program, and because of an unusually heavy winter in the central Idaho area which has delayed mining operations.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures.

cc: USBM

ICE OF THE ADMINISTRATOR

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

So. 157 Howard Street
Spokane 4, Washington

April 14, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 1 8 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Attention: D. E. Moulds, Acting Chief
Base Metals Division

Dear Sir:

Enclosed please find the original and three copies of Mr. Donald D. Hanni's Exploration Project Contract, Idm-E164. The contract has been signed by the Operator, who has retained one copy for his personal files. One copy of the contract has been retained at this office.

Mr. Hanni's contract was received at this office last October 11 and attempts were immediately made to contact him and obtain signature on his contract. However, Mr. Hanni had left his home at Moore, Idaho, and had gone to work in Death Valley, California, leaving no forwarding address. After a considerable amount of correspondence, we finally contacted Mr. Hanni, who advised us that he was extremely sorry for the trouble he had caused us, and who advised that he still wanted the exploration contract and would be in a position to commence work on the project on about June 1, 1952. He states that he may be able to commence work at a somewhat earlier date, but that snowfall in the Central Idaho area has been unusually heavy during the past winter and, consequently, the starting date may be delayed.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures.

cc: USBM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

FEB 22 1952

So. 157 Howard Street
Spokane 4, Washington

February 19, 1952

Mr. D. E. Moulds
Acting Chief, Base Minerals Division
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Moulds:

This will acknowledge your letter of February 13, referring to the Donald D. Hanni property, Custer County, Idaho, DMA Docket 1247X.

On November 16 we notified Mr. Hanni that his contract was ready for signature and suggested that he come to Spokane to sign the contract, inasmuch as we wished to discuss with him the proposed exploration program and also to call to his attention the proper manner of submitting the monthly operating report. In that letter we told Mr. Hanni that if winter weather would be a hindrance to his operations, an amendment could be prepared allowing him to discontinue work until the coming spring. We did not receive a reply to this letter.

On January 16 we again wrote Mr. Hanni in much the same manner, but requesting an early reply. This letter was also unanswered. On February 12 we wrote Mr. Hanni by registered mail advising that unless Mr. Hanni immediately signed his contract, or unless he could present a very plausible reason for not signing the contract, we would consider that he did not favor entering into an exploration contract with DMEA and would therefore return the contract to Washington, D. C., to be cancelled. To date, this letter has also remained unanswered.

No definite deadline has been set to cancel the contract; however, I would assume that if Hanni's answer is not forthcoming in the next ten days, we will return the contract to Washington to be cancelled.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

c.c. USBM - Spokane

500 Docket
FILE COPY
SURNAME:

Moulds

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

FEB 13 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1247X
Donald D. Hanni
Lead, Zinc, Copper

Dear Mr. Weissenborn:

We transmitted to you under date of October 11, 1951, the original and five copies of the exploration contract for the George Washington group of claims under the subject docket. These contracts were signed for the Government and required the Operator's signature for completion.

We have not received the completed contracts or any correspondence relative to the project. Kindly advise, at your earliest convenience, the status of this contract.

Sincerely yours,

D. E. Moulds meh E.L. 2/13/52

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

DEMoulds/meh/hmj
2-12-52
cc to: Adm. R. File
Docket
Mr. Bishop
Mr. McKnight
Region II
Mr. Moulds

1247

IDAHO

CUSTER COUNTY

February 1, 1952

Hanni-Alder Creek, Idm-E164, Pb, Zn, Cu.

50-50 of $34,000.00

2 years

The exploration program is divided into two projects with two subdivisions of each project.

Stage one of Project I on the Washington group calls for bulldozer trenching to determine a limestone-granite contact, and rehabilitation of 500 feet of adit followed by sampling. If favorable showing ore encountered during Stage one, 300 feet of crosscutting and drifting, 100 feet of raising and 100 feet of sinking will be done at the most promising locations.

Stage one of Project II on the Silver and Lead Bell group calls for the rehabilitation of two adits, a total of 300 feet followed by mapping and sampling. If favorable showings are encountered during Stage one, 250 feet of drifting and crosscutting will be done at favorable locations.

In November the applicant was notified that his contract would be in effect following his signature to the contract. To date he has made no effect to sign the contract, consequently he has been recently advised that if his signature is not forthcoming in the immediate future the government will consider the contract cancelled.

Donald C. Lanni

Exploration Project Contract,

George Washington Claims Nos. 1, 2, 3, and 4

and

Silver and Lead Bell Claims Nos. 1, 2, and 3

Exhibit "F"

Any repairs to existing buildings or facilities will not be charged as a cost of the project.

FILE COPY
SURNAME:

410

Mittendorf

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

Q.E.C.

Mr. A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1247X
Donald D. Manni
Exploration Project Contract Idm-E164

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above-subject Exploration Contract, signed by me, together with Exhibit "A" (4 pages), and two maps.

If the terms and conditions of this contract meet with the approval of the Operator, all six copies should be signed by a duly-authorized official of the company, one copy should be given to the Operator, one copy retained by your office and the original and three copies returned to this office.

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

Sincerely yours,

C. O. Mittendorf (J. W.) 10-12

C. O. Mittendorf, Director
Production Expansion Division

Enclosures

APPROVED:

Chairman, Coordinating Committee

Member, Geological Survey

Member, Bureau of Mines

JWAlt/meb
10/4/51
cc to: Admr's Reading Files
Reports and Records
Messrs.Mittendorf/Olund
Billings McKnight
Mote Gowen
C.H.Johnson Moon
Alt Docket

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

September 26, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Donald D. Hanni exploration contract -- Docket No. DMA-1247X

The proposed exploration contract submitted to this office September 24, is approved as to legal form and sufficiency for signature by the Government, subject to:

1. Change of the sentence on the first page of Exhibit "A" beginning "Project No. 1" to read, "Project No. 1 on the George Washington group will be divided into two stages, stage II to be undertaken only after a finding by the Government that the results of stage I warrant it."

2. Change of the sentence on the first page of Exhibit "A" beginning "Project No. II" to read, "Project No. II on the Silver and Lead Bell group of claims will be divided into two stages, stage II to be undertaken only after a finding by the Government that the results of Stage I warrant it."

3. The insertion of the words "Stage II" at the top of page 2 of Exhibit "A".

4. Government approval of any subcontracts as provided in paragraph 4.

5. Proper signature by the applicant.

6. Proper dating prior to delivery.

J. L. Hofflund
General Counsel

Attachment

DEPARTMENT OF THE INTERIOR
RECEIVED
SEP 4
Defense Minerals Administration
Production Expansion Division

McKnight
Menefee (note)
6/5/51
Johnson.

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-1247X

To: Production Expansion Division

Commodity Lead-zinc-copper

From: Director, Supply Division

Total Amount $34,000

Govt. Participation 50% ($17,000)

1. Name and Address of Applicant Donald D. Hanni, Box 27, Moore, Idaho

2. Location of Property Silver Lead Bell claims Nos. 1,2,3, and George Washington claims Nos. 1,2,3, and Franction No. 4. T. 6 N., R. 23 E., B. M. Custer County, Idaho

3. Mineral or metal Lead,zinc,copper,silver Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good See attached field team report

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? No
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Does not apply

Does the lease have sufficient time to run to cover a future productive period? Does not apply

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Road to be constructed

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? Has been checked

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? Has been checked

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes, see attached contract

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes, see attached contract and draft

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

10. (b) The map of the proposed work on the Silver and Lead Bell claims shows some proposed trenching and an area to be bulldozed. However, because this work is not mentioned in the description of the project nor is it accounted for in the costs, it may be assumed that this phase of the project is not to be done.

Is this part a worthwhile exploration project? _____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes If so, attach a draft. See attached contract

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? Has been checked

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft. See attached contract

c) Is a field check needed? Has been checked

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft. See attached contract

c) Are rents and charges reasonable? Yes

d) Is a field check needed? Has been checked

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? Has been checked

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed? Has been checked

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Approved Erwin Lyon

Reviewed by: Erwin J. Lyon, GS

Date 8-29-51

INT.-DUP. SEC., WASH., D.C. 99009

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1207 N. Division St.
Spokane 2, Wash.

July 2, 1951

MEMORANDUM

To: Otto Herres, Chairman, Lead-Zinc Branch
Defense Minerals Administration
Department of Interior, Washington 25, D. C.

Thru: L. F. Strobel

From: DMA Field Team, Region II

Subject: George Washington and Silver Lead Bell claims, Custer County, Idaho, Docket DMA 1247x.

Transmitted herewith is an exploration contract (6 copies of form MF-200) with Mr. Donald D. Hanni, in the amount of $34,000, of which the applicant will furnish half. Attached to the contract are Exhibits A to E inclusive. A map to be attached to the contract is in preparation and will be forwarded in a few days.

Several carloads of high-grade lead ore have come from the George Washington group of claims and a few small lots from the Silver and Lead Bell claims, but both properties have been idle for the past 30 years.

The few mine workings comprise shallow shafts and adits.

Small ore bodies are found within limestone at or near a contact with granite porphyry. The surface mineral showings are numerous and confined to the contact zone.

The applicant proposes a two-stage program including geologic mapping, rehabilitation of old workings, and trenching in the first stage, and driving underground workings in the second stage. The second stage will be contingent upon the completion and success of the first stage. The work will be done in two successive years because of inaccessibility of the property for six months of the year.

The estimated cost of the first stage is $5,700 and of the second stage is $28,300, a total of $34,000.

The applicant is an experienced and competent miner.

ON-SITE EXAM

JUL 17 1951

Otto Herres, Chairman, Lead-Zinc Branch July 2, 1951
Subject: George Washington and Silver Lead Bell claims, DMA 1247x

The Field Team believes that the work will result in a small production of high-grade lead ore and recommends that the proposal be approved.

By Field Team, Region II

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

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

5 copies DMA Examination Team report, Donald D. Hanni Property.
6 copies Form MF-200 with attached Exhibits A to E inclusive.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

July 3, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Read -

Dear Mr. Strobel:

Enclosed are 6 copies of a proposed contract on the Hanni Property, Custer County, Idaho, DMA Docket No. 1247x. Also enclosed are 4 copies of a report on the property by C.C. Popoff, U.S.B.M. The fourth copy of the application is also attached.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S. Bur. Mines
Spokane, Wash.

JUL 20 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1207 N. Division
Spokane 2, Wash.

June 29, 1951

Memorandum

To : DMA Field Team, Region II

From : C. C. Popoff

Subject: Donald D. Hanni Property
Custer County, Idaho

RECOMMENDATIONS

An ~~loan~~ exploration contract on a matching basis in the amount of $34,000 is recommended for exploration of the George Washington and Silver and Lead Bell groups of unpatented claims in the Alder Creek mining district.

APPLICANT

The applicant, Donald D. Hanni, P. O. Box 27, Moore, Idaho, is an experienced and competent miner. However, he has had but little business experience.

PROPERTY AND LOCATION

The property consists of two groups of unpatented claims: The George Washington Nos. 1, 2, 3, and Fraction No. 4 on Alder Creek, and the Silver and Lead Bell Nos. 1, 2, and 3 on Cliff Creek. These claim groups, separated by a high ridge of the White Mountains, are at altitudes ranging from 9,200 to 10,200 feet. They are accessible about 6 months of the year.

The George Washington group is about 14 miles southwest of Mackay, Idaho, the nearest town and railhead (Union Pacific Railroad). The Silver and Lead Bell group is about 8 miles from Mackay. The George Washington claims are reached by a Forest Service road leading to the intersection of the Steward and Mammoth Canyons, then by following a partly washed road about 1-1/2 miles to the mine cabin. The Silver and Lead Bell claims are reached by the old Empire Copper Co. road to the Darlington shaft, and thence by hiking 3 miles up Cliff Creek to White Knob Mountain.

HISTORY AND PAST PRODUCTION

Both claim groups apparently were discovered in the 90's. Past production credited to the George Washington claims amounts to six or seven carloads of high-grade lead ore. A few lots of high-grade lead ore were packed by mule from the Silver and Lead Bell claims. These properties virtually have been idle during the last 30 years.

MINE WORKINGS

The underground workings on the George Washington claims consist of an old shaft about 60 feet deep with short drifts and a small stope on the ore body. An 800-foot cut about 600 feet below the shaft collar has been drifted toward the vein structure. These openings were inaccessible at the time of the examination.

The workings on the Silver and Lead Bell claims consist of several adits and an old shaft. Two adits and the shaft on a limestone granite contact are inaccessible. A small output of oxidized lead ore is credited to the shaft working.

DESCRIPTION OF PROPOSAL

George Washington Claims

The applicant originally proposed to rehabilitate the crosscut adit and to drive an additional 150 feet to penetrate the ore shoot presumably developed by the shaft. This ore shoot was to be further explored by a 150-foot raise.

Silver and Lead Bell Claims

The applicant proposed to rehabilitate the old shaft, sink a second shaft to a depth of 50 feet, and to drift on the vein from both shafts for a total distance of 300 feet.

After discussion with the applicant, the original proposals have been split into two stages: (a) preliminary work to include detailed geologic mapping, rehabilitation of the old workings, and bulldozing and sampling; (b) underground exploration work.

The second step is to be contingent upon an appraisal of the results of the first step. The driving of new underground exploration workings prior to the geologic mapping of the deposits does not appear to be justified. Steep relief may allow the drifting along the mineralized contact, thus avoiding the necessity of rehabilitation of old workings or shaft sinking. The known ore bodies are small and cannot justifiably be projected to a depth of more than 100 feet. The above step exploration plan was accepted by the applicant.

GEOLOGIC SETTING

The geology and ore deposits of the Alder Creek mining district are described by J. B. Umpleby 1/. High grade oxidized lead

---

1/Umpleby, J. B., Geology and Ore Deposits of the Mackay Region, Idaho: Professional Paper 97, 1917.

and copper ore have been found on both claim groups within the limestone at or near its contact with an intrusive body of granite porphyry. The ore bodies apparently are relatively small and nonpersistant. On the Silver and Lead Bell claims the presence of magnetite and garnet near the contact zone indicates intense metamorphism. On the George Washington claims the contact minerals in general are meagerly developed. The mineralization on both properties presumably is associated with a limestone xenolith. Time did not permit geologic reconnaissance.

DISCUSSION

Numerous ore showings have been found on both claim groups. Little accurate geologic information concerning these properties is available. The small output from the properties ranged above 25 percent lead and 15 percent copper per ton. Although the ore shoots apparently are small and irregular, the width of the mineralized contact zone permits their location by simple exploration methods. The existence of limited high-grade deposits that can be mined profitably by small operators should not be overlooked. The intent of the proposed exploration is to assist Mr. Hanni in the exploration and development for such ore bodies.

FILE COPY
SURNAME:

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

May 28, 1951

Mr. Donald D. Hanni
Moore, Idaho

Subject: DMA-1247X
Re: Exploration Loan
Silver, Lead Bell No. 1, 2, 3, George Washington No. 1, 2, 3 Mines

My dear Mr. Hanni:

Receipt is acknowledged of your application and attachments of May 2, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1247X and was referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on May 25, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1247X.

Sincerely yours,

LANDON F. STROBEL
jhs

Landon F. Strobel
Executive Secretary

LFSTROBEL:jhs
cc: Strobel-2
✓Files
Herres
Lyon

DMA 1247

Idaho 1247 X

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington

May 14, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department Of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are three copies of an application submitted by Mr. Donald D. Hanni of Moore, Idaho, for an exploration contract on his property in the Alder Creek Mining district near Mackay, Custer County, Idaho. Also attached are ~~four~~ three copies of Form MF-100. One copy of each has been retained here by the Bureau of Mines office in order to facilitate an early field examination.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S. Bur. Mines
Spokane, Wash.

MAY 25 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1951
LANDON F. STROBEL
Executive Secretary