OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E350, Docket DMEA-2264 (monazite-columbium-tantalum), dated June 23, 1952, with

Cosumnes Gold Dredging Company
465 California Street
San Francisco, California

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the White Hawk Placer located in Valley County, Idaho, during the period June 22, 1955, through January 2, 1962.

A certification of discovery or development was issued on August 19, 1954, and, in accordance with Article 9 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. An Audit Certificate dated March 8, 1954, indicated accepted costs under the exploration contract amounting to $8,881.79 with the Government's contribution on a 90 percent basis being $7,993.61.

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

This review established no sales subject to the Government's royalty for the period subsequent to that covered by a prior Report of Royalty Review, which found no sales subject to the Government's royalty through June 21, 1955. Accordingly, as of January 2, 1962, the royalty account of this project was found to be:

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

E. D. Talbert

February 1, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The records disclose no evidence of operations on the property under the contract since termination of the exploration work in November 1952. The Operator terminated its lease of the property on or about July 1, 1953, and the property has remained inactive.

Article 10 of the contract contains the so-called "abandonment" provision; therefore, the Operator possibly is relieved of obligation to pay royalty on future production, if any, unless he reacquires the property during the royalty repayment period. Furthermore, the Owner's Consent to Lien (executed on June 7, 1952, by John Eaton, Main at Pine, Cascade, Idaho, in his own behalf and as Attorney-in-fact for the other property owners) only secures the payment of the percentage royalty "provided for under the terms of said exploration project contract". Therefore, the lien may not be enforceable.

As agent for the owners, John Eaton in a January 2, 1962, reply to a field office inquiry, stated that no leases are in effect and ownership remains with the original locators.

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

(1) The records indicate no production during the exploration work;

(2) The property has been inactive since 1952; and

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

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address
Cosumnes Gold Dredging Company
c/o Mr. John Eaton

Main at Pine

Cascade, Idaho

Contract No.	Docket No.
Idm-E350	**DMEA-2264 (Monazite, Columbium-Tantalum)**

Prepared by (Signature)	Date
Donald R. MacLaren	**1/24/62**

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

*8. Current status of property. (Check one).
☐ Operating.
☐ Inactive.
☐ Abandoned.
_____ Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

***As nearly as can be determined, this property has been inactive since 1952. See Request for Information form submitted by Mr. Eaton on January 2, 1962.**

84861-60

No. 157 Howard Street
Spokane 4, Washington
February 7, 1962

Memorandum

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

From: Acting Field Officer, OME, Region I

Subject: DMMA-2264 (Monazite-Columbium-Tantalum)
Continental Gold Dredging Company
White Hawk Placer
Valley County, Idaho
Contract Ida-8770

There is enclosed a Report of Royalty Review dated February 1, 1962, for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the White Hawk Placer located in Valley County, Idaho, during the period June 22, 1955, through January 2, 1962.

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

Donald R. MacLaren
D. R. MacLaren

Enclosure

MLSmalner:mls
cc: CA&A Div., OME
OME; CPF
Reading copies to:
Nolan
Hobbs
Guild

extra
OFFICE FILE COPY
RECEIVED
O. M. E.
FEB 9 1962
DATE
800

FEB 2 - 1962

Memorandum

To: Acting Field Officer, Region I

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

Subject: EMEA-2264 (Monazite-Columbium-Tantalum)
Cosumnes Gold Dredging Company
White Hawk Placer
Valley County, Idaho
Contract Idm-2550

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 2-2-62

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

So. 157 Howard Street
Spokane 4, Washington
December 22, 1961

RECEIVED
DATE
800

Mr. John Eaton
John Eaton Company
Main at Pine
Cascade, Idaho

Re: DMMA-2264 (Manganite, Columbium-Tantalum)
Cascades Gold Dredging Company
White Hawk Placer Claims
Valley County, Idaho
Contract Ida-2350

Dear Mr. Eaton:

Our records indicate that the subject Operator relinquished his lease on the White Hawk Placer Claims and that you represent the claim owners.

In order to bring our records up-to-date will you please give the information requested on the enclosed BMM Form 63, Request for Information, sign both copies as agent for the owners and return to this office.

Sincerely yours,

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

Enclosures

DRMacLaren:als
cc: OME(2)
CFP
Reading copies to:
Helen
Hobbs
Guild

NOV 1 8 '961

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2264 (Monazite, Columbium-Tantalum)
Cosumnes Gold Dredging Company
White Hawk Placer Claims
Valley County, Idaho
Contract Idm-E350

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since 1952. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama
November 16, 1961

Copy to: Docket
Director's Reading File
CA & A Division

RECEIVED
JUL - 8 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region I, N.W. District, pertaining to Contract Idm-E350, Docket No. DMEA-2264, with:

Cosumnes Gold Dredging Company
465 California Street
San Francisco, California

for the purpose of determining the amount of royalties due the U. S. Government on sales of monazite and columbian-tantalum from property referred to as White Hawk Basin Placer Deposit, located in Valley County, Idaho, during the period, June 23, 1952, to June 21, 1955.

The exploration contract is dated June 23, 1952; the contract was completed in November, 1952; and certification of discovery or development was issued under date of August 19, 1954. According to audit report dated March 8, 1954, prepared by Mr. Robert M. Hull, auditor, total accepted costs under the contract amounted to $8,881.79, with the Government's participation, on a 90 per cent basis, being $7,942.91.

My review included a conference at Cascade, Idaho, on June 21, 1955, with Mr. John Eaton, who is one of the parties to the owner's consent to lien made a part of the exploration contract, in company with Mr. John D. Bardill, metallurgist, Bureau of Mines, Spokane, Washington, who is thoroughly familiar with the project.

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

(1) The exploration consisted only of drilling ten cased holes with a clamshell drill and the investigation developed that no mining machinery has been installed on the property, so no production subject to DMEA royalty has been possible.

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

The review has not disclosed any sales of minerals from this project which would be subject to royalty payments to the U. S. Government.

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

July 1, 1955

FINAL
AUDIT REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of the

Cosumnes Gold Dredging Company
Room 403
465 California Street
San Francisco, California

pertaining to Exploration Project Contract No. Idm-E350, Docket No. DMEA-2264, including Amendment No. 1, covering a project for the exploration of monazite and columbium-tantalum on property located in Valley County, Idaho, commonly known as the White Hawk Placer Claims Nos. 1,2,3, and 4, for the period of September 1, 1952 to November 30, 1952.

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

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

Total cost as billed by contractor			$9,111.96
Add:			
Costs transferred from E-351			54.67
Costs paid by Government			50.70
Total adjusted cost			$9,217.33
Exceptions (see Audit Report for details):			
Prior to this audit	$ .04		
During this audit	340.00	$340.04	
Less: Reinstatement of prior exception		4.50	335.54
Total Accepted Cost			$8,881.79

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven thousand nine hundred ninety three and 61/100 dollars (90% of the accepted costs) less a debit of $50.70 (project costs paid by the Government) or the net amount of

$7,942.91

is valid and proper.

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

Robert M. Hull
Robert M. Hull
Auditor

March 8 1954

AUDIT REPORT

I INTRODUCTION

During the month of March, 1953, a final audit covering the period of September 1, 1952 to November 30, 1952, was made of the records and accounts pertaining to Exploration Project Contract No. Idm-2350, Docket No. DMEA 2264, including Amendment No. 1, with the

Cosumnes Gold Dredging Company
Room 403
465 California Street
San Francisco, California

covering a project for the exploration of monazite and columbium-tantalum on property located in Valley County, Idaho, commonly known as the White Hawk Placer Claims Nos. 1, 2, 3, and 4.

The accounting records under this contract were maintained by and are in the custody of Mr. Merrill Yost, General Manager of the Cosumnes Gold Dredging Company, 608 34th Street, Sacramento, California.

Prior to the actual audit of the accounts the records of the DMEA Certifying Officer for Region II were reviewed and discussions were held with the Executive Officer of the DMEA Field Team, Mr. A. E. Weissenborn, and Mr. John D. Bardill, U. S. Bureau of Mines Engineer assigned to the project.

II GENERAL INFORMATION ON RECORDS

The Cosumnes Gold Dredging Company did not maintain a formal set of books for the exploration project. The General Manager, Mr. Merrill Yost, made available the cancelled checks, the payrolls and supporting time records and tax receipts. These documents, together with the original

supplier's invoices or certified true copies submitted with the Forms MF-104, were adequate for the purposes of this audit.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety, and validity of the costs shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the month of November 1952. The Operator had made transpositions between several of the items of costs and these had been adjusted by the Certifying Officer. Only the work authorized under Stage I of the Exploration Project was accomplished. The findings, after an analysis of the charges and correction of the distribution of costs, follows:

(1) Independent Contracts

The contract provided for the construction of a road to the work site with a tractor with dozer for a maximum of 200 hours at $12.00 per hour while working. Also provided was the sum of $300.00 for the moving of the tractor with dozer to and from the project. The costs properly chargeable and allowable under this item were found to be:

Item	Actual Cost	Claimed	Allowable Maximum
Moving "Cat" to and from White Hawk Basin	$ 334.40	$ 300.00	$ 300.00
Construction of road- 211 hrs. @ $12.00/hr.	2,532.00	2,400.00	2,400.00
	$2,866.40	$2,700.00	$2,700.00

(2) Labor and Supervision

A detailed analysis of the payrolls and other documents and a spot check of the cancelled pay checks disclosed the following charges applicable to and allowable under this item of cost:

Labor (Driller, Drill Helper, Sample Plant Operator and Helper)

523½ hours @ $1.50 straight time	$784.87		
157 " " 2.25 overtime	353.25		
63 " " 1.85 straight time	116.55		
36 " " 2.77 overtime	99.72		
		$1,354.39*	

Supervision (General manager-engineer, Merrill Yost)

18 days @ $20.00 per day	360.00
	$1,714.39

*The Operator underclaimed the labor charges by $0.10, but no adjustment was made. Labor did not exceed the going rate for the area and supervision was not in excess of the allowable maximum.

(3) Operating Materials and Supplies

A detailed examination was made of the items chargeable to this category of costs, and the following summarized the findings resulting from the review of vouchers, invoices, and cancelled checks.

	Cost Claimed	Transferred from Item (6)	Reinstated By Audit	Allowed By Audit
Gas and Oil	$370.16	$	$	$370.16
Miscellaneous Supplies	51.20			51.20
Sample plant supplies	54.95	20.07	4.50	79.52
	$476.31	$20.07	$ 4.50	$500.88

A disallowance under Sample Plant Supplies was made by the Certifying Officer due to a mathematical error. The amount of $4.50 was a legitimate charge and is therefore reinstated.

There had been classified under New Buildings, Improvements, Etc., an item of "1 set weights" $20.07. This item is properly allowable under Sample Plant Supplies and results in an increased charge to Idm-E350 of $10.04 as the entire $20.07 is applicable to this contract.

(4) Operating Equipment

Purchased

None.

Rented

None.

Depreciation on Equipment furnished by the Operator was allowable in accordance with Exhibit "A" of the contract at the maximum rate of $315.42 a month on an aggregate of nine items of equipment. The Operator has claimed depreciation only for the periods when the equipment was in use, and therefore the full amount claimed is being allowed as follows:

1-1/2 months (approx)	Screen for sample plant, Geiger Counter, Clam shell drill, 1/2 ton pick-up and car, and minor equipment.	$303.95

(5) Initial Rehabilitation and Repairs

This item is not applicable to this contract.

(6) New Buildings, Improvements, etc.

Under this item there was provided by Exhibit "A" of the contract the following:

Building 12' x 14' floor area, sample concentrating plant and office	$1,000.00*
Equipment installation for power and water at sample concentrating plant	500.00*
Collection of equipment and materials at Slough House, California, and transporting to and installing at work sites	1,535.80*
Lodging and meals of workmen enroute to work sites	96.00*
	$3,131.80*

Fifty percent of the estimated total of each item in this category is an allowable cost under this contract The remaining fifty percent is allowable under Contract Idm-E351, Docket No. DMEA-2265, Cosumnes Gold Dredging Company.

The Operator has claimed the sum of $2,952.12 for this item and allocated $1,476.06, fifty percent, to each contract. However, the entire amount of payroll taxes, $89.26, applicable to New Buildings, Improvements, etc., were claimed under Item 7, "Miscellaneous-Payroll Taxes". The necessary adjustments have been made.

Item	Claimed by Operator	Transferred to Operating Materials & Supplies	Corrected Distribution	Disallowed By Audit	Allowed By Audit
Sample concentrating plant and office	$ 923.79	$	$ 923.79	$	$ 923.79
Equipment installation for power & water	500.00	20.07	479.93	474.46 (3)	5.47
Collection, transportation and installing equipment at work sites	1,432.33		1,432.33	205.54 (1)	1226.79
Lodging and meals for workmen	96.00		96.00		96.00
Payroll taxes	89.26 (2)		89.26		89.26
	$3,041.38	$20.07	$3,021.31	$680.00	$2,341.31

(1) Due to erroneous distribution the Operator included labor charges already claimed under drilling, therefore a disallowance of $205.54 is made.

(2) The payroll taxes ($89.26) applicable to New Buildings, Improvements, etc. had been claimed in their entirety under Contract Idm-E351. These have been transferred to Contract Idm-E350.

(3) The Operator claimed under Equipment Installation for power and water at the sample concentrating plant these items:

1 BKW-5 microscope	$417.50
1 Illuminator, Nichols	40.00
1 Transformer	16.00
1 Extra lamp bulb	.96
Miscellaneous pipe fittings	5.47
1 Set weights	20.07
	$500.00

The item of $20.07 (1 set weights 2000 GM 12720) is allowable under Operating Materials and Supplies to which it has been transferred. The audit disallows the microscope, illuminator, transformer, extra light bulb, in the total amount of $474.46, as these items are not considered by the Executive Officer of the Field Team as being necessary to the project. The miscellaneous pipe fittings are allowed in the amount of $5.47.

The proper amount allowable under this item is $2,341.31, with 50 percent, $1,170.66 allocated to Contract Idm-E350 and $1,170.65 to Contract Idm-E351.

The Operator elected to improve an existing building on the property because of its nearness to electric power and water facilities necessary for the screening-washing laboratory, rather than erect a new one. The amount involved of $2,341.31 after deductions (50% on each of the contracts) was less than the total amount of $3,131.80 allowed in Exhibit "A" of the contracts.

As the improvements were made on an existing building they reverted to the owner, Mr. Frank Callender of Cascade, Idaho, when the building was released by the Operator. Under these circumstances, it was impossible for the Operator or the Government to dispose of the improvements made to the building.

It is the position of the Field Team, as set forth in their memorandum of July 24, 1953, that "neither the Operator nor the Government has an equity in the improvements".

(7) Miscellaneous

The findings of the audit as to the costs chargeable to, and allowable under, this item are summarized as follows:

	Costs Claimed	Costs Paid by Government	Disallowed by Certifying Officer	Acceptable Costs
Liability Insurance	$ 64.29			$ 64.29
Repairs to equipment	$ 586.26	$	$ 0.04	$ 586.22
Sampling and analysis	550.80	50.70		601.50
Payroll taxes	72.00			72.00
Accounting services	50.00			50.00
Lodging and meals at work sites	1,118.00			1,118.00
	$2,441.35	$50.70	$ 0.04	$2,492.01

Repairs to Equipment covered minor repairs to the clam shell drill, including portable compresser power unit, pick-up truck and caterpillar tractor with dozer.

The invoice of the Cascade Auto Company for October, 1952, was overstated by $0.04. The Operator did not adjust his figures to reflect the disallowance made by the Certifying Officer, which is concurred in

Sampling and Analysis costs claimed by Operator covered:

Hauling samples - White Hawk Basin to Cascade, Idaho			
10 round trips -- 212 miles @ $0.25/mile	$530.00		
Railroad freight - to Red Mountain, Calif.	7.75		
Weights for samples	13.05	$550.80	
Additional costs paid by the Government		50.70	
Total			$601.50

Due to the location of the White Hawk Basin, it was necessary for the Operator to pay $0.25 a mile for hauling. The Field Team considers this a reasonable cost under the circumstances.

The Field Team did not consider the analysis work done by the Operator as adequate and therefore ordered 10 additional assays made. The work was done by Mr. John F. Kolars, 2010 Eastlake 2, Seattle, Washington, at a cost

of $5.07 per assay. The Government paid the entire cost ($50.70) of this work. The audit allows the Operator's claim of $550.80, as well as the amount of $50.70 paid by the Government, a total of $601.50 for sampling and analysis.

Payroll taxes applicable to this project, at the following rates, which were verified by reference to the Company's records, were:

Federal Old Age Benefit	1.5%
Idaho Unemployment	2.7%
Idaho Compensation Insurance	3.75%

Payroll Taxes				
Social Security	$1,714.29	1.5%	$25.71	
Idaho Unemployment	1,714.29	2.7%	46.29	
				$72.00
Liability Insurance	1,714.29	3.75%		64.29
				$136.29

The audit allows Payroll Taxes in the amount of $72.00 and Liability Insurance in the amount of $64.29.

Accounting services for one month at the rate of $50.00 were claimed and allowed. This covered the wages of Mrs. Irma Yost, bookkeeper, and were paid by check No. 77, October 12, 1952.

Lodging and meals at the work site were claimed in the amount of $1,118.00, based on the rate of $8.00 per man per day for 143 days. No adjustment was made between the amount claimed and the correct amount of $1,144.00. This item had been classified under Contingencies and was transferred to Miscellaneous and is allowed in the amount of $1,118.00.

IV CONCLUSIONS

The audit disclosed that the costs charged to this project, with the exception of the disallowances itemized under items (6) New Buildings,

Improvements, etc., and (7) Miscellaneous-Repairs to Equipment, of the preceding section of this report, are reasonable and proper under the terms of the contract.

The audit disclosed the status of the allowable maximums to be:

	Allowable Maximums	Accepted Costs		Balance
Bulldozing	$2,400.00	$2,400.00		-0-
Moving tractor to and from project	300.00	300.00		-0-
Engineer-Manager	360.00	360.00		-0-
Equipment-Depreciation	315.42	303.95		11.47
Sample concentrating plant and office	1,000.00	923.79	(a)	76.21
Equipment installation, power and water	500.00	5.47	(a)	494.53
Collection of equipment and materials	1,535.80	1,316.05	(a)	219.75
Lodging and meals of workmen	96.00	96.00	(a)	-0-
50% of (a) items allowable to project	1,565.90	1,170.66		395.24
Sample analysis and sample transportation	850.00	601.50		248.50
Lodging and meals at work site	1,168.00	1,118.00		50.00
Total Stage I	10,156.97	8,881.79		1,275.18

The adjustments between "Items of Cost" as shown on the November, 1952, Form MF-104, the disallowances, and the accepted costs, are summarized on Exhibit A attached.

	Totals MP-104 November 1952	Corrected Distribution	Transferred From Idm-E351	Costs Paid by Government	Disallowed By Audit	Reinstated By Audit	Allowed By Audit
	$2,700.00	$2,700.00	$ -0-	$ -0-	$ -0-	$ -0-	$2,700.00
(1) Bulldozer	1,354.29	1,354.29	-0-	-0-	-0-	-0-	1,354.89
(2) Labor	360.00	360.00	-0-	-0-	-0-	-0-	360.00
(3) Operating Materials & Supplies							
Gas and Oil	370.16	370.16	-0-	-0-	-0-	-0-	370.16
Miscellaneous supplies	51.20	51.20	-0-	-0-	-0-	-0-	51.20
Sample plant supplies	54.95	64.98	10.04	-0-	-0-	4.50	79.52
Repairs to equipment	586.26		-0-				
(4) Operating Equipment							
Depreciation	303.95	303.95	-0-	-0-	-0-	-0-	303.95
(5) New Buildings, Improvements, Etc.	1,476.06	1,466.03	44.63	-0-	340.00	-0-	1,170.66
(7) Miscellaneous							
Repairs to equipment	-0-	586.26	-0-	-0-	.04*	-0-	586.22
Sampling and analysis	550.80	550.80	-0-	50.70	-0-	-0-	601.50
Payroll Taxes	72.00	72.00	-0-	-0-	-0-	-0-	72.00
Accounting services	50.00	50.00	-0-	-0-	-0-	-0-	50.00
Lodging & meals at work site	-0-	1,118.00	-0-	-0-	-0-	-0-	1,118.00
Liability Insurance	64.29	64.29					64.29
(8) Contingencies							
Lodging & meals at work site	1,118.00	-0-	-0-	-0-	-0-	-0-	-0-
	$9,111.96	$9,111.96	$54.67	$50.70	$340.04	$4.50	$8,881.79

*Disallowed by Certifying Officer

The audit has been fully discussed with the Executive Officer of the DMEA Field Team.

Robert M. Hull
Auditor

March 8, 1954

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

RECEIVED
JAN 30 1956

January 27, 1956

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

Re: Idm-E350, DMEA-2264
Cosumnes Gold Dredging Co.
and
Idm-E351, DMEA-2265
Cosumnes Gold Dredging Co.

Dear Mr. Talbert:

This is in reference to your letter of January 17, 1956 relative to the payment status of the subject contracts. Thanks for taking the time to set up the payment data in such a way that I can clearly understand the situation.

I have made the transfer of expenditures in the amount of $257.82 from contract E350 to E351 as suggested by you. This closes out the account on E350, and leaves a balance due the operator of $221.38 under Idm-E351. We do not use journal vouchers.

We obtained the current address of Cosumnes Gold Dredging Co. last week and are sending them the balance due today.

Sincerely yours,

Myrtle Purdy

Myrtle Purdy

BW Cacmbers

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

JAN 17 1956

Mrs. Myrtle Purdy
Authorized Certifying Officer
Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Re: Idm-E350, DMEA-2264
Cosumnes Gold Dredging Co.
and
Idm-E351, DMEA-2265
Cosumnes Gold Dredging Co.

Dear Mrs. Purdy:

Receipt is acknowledged of your reply of January 12, 1956 to my letter of January 4, 1956, relative to the payment status of the referenced contracts.

If you will refer to the Audit Certificates covering these projects, I believe that you will agree that the amounts shown in your letter as "Certified by Auditor" are the net amounts valid for payment to the Operator rather than the total amounts valid for charge against the contract accounts. Restatement of the status of the accounts in the following manner may serve to clarify the situation:

	Payments to Date	Certified by Auditor	Balance Due Operator
Idm-E350:			
Cosumnes	$ 8,200.73	$ 7,942.91	$-257.82
J. F. Kolars	50.70	50.70	-
	$ 8,251.43	$ 7,993.61	$-257.82
Idm-E351:			
Cosumnes	$13,714.13	$14,193.33	$ 479.20
J. F. Kolars	70.98	70.98	-
	$13,785.11	$14,264.31	$ 479.20
Due Cosumnes			$ 221.38

We are not too concerned about payment to the Operator of the $221.38 net balance due (though we were questioning why payment had not been made), but we would like to clear the records of the indicated overpayment on Idn-E350. This can be accomplished by transferring expenditures in the amount of $257.62 from the contract account for Idn-E350 to the contract account for Idn-E351.

If you concur and make this adjustment, please forward a copy of your adjusting journal voucher, or advise by letter that the adjustment has been made, so that we may adjust our records accordingly and close our payment records on Idn-E350.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
January 17, 1956

Copy to: Docket - DMEA-2264
DMEA-2265
Admr. Reading File
Irene Smolder
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division Street
Spokane 2, Washington
January 12, 1956

RECEIVED
JAN 16 1956

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

Re: Idm-E350, DMEA-2264
Idm-E351, DMEA-2265
Cosumnes Gold Dredging Co.

Dear Mr. Talbert:

This refers to your letter of January 4, 1956 inquiring as to the payment status of the subject contracts.

Our records are in agreement as to the amounts paid on each contract but evidently they are not insofar as the amounts "Certified by Auditor" are concerned. Our records are as follows:

Contract No.	Paid	Cert. by Auditor	Balance
Idm-E350	$8,251.43	$7,942.91	-$308.52
Idm-E351	13,785.11	14,193.33	408.22

This would leave a balance owing the operator of $99.70. The difference seems to be those assay costs paid by the Government. This is $50.70 on Idm-E350 and $70.98 on Idm-E351. Both items are shown on the audit certificates.

Various things have held up payment to the operator, but there is no reason why the amount due should not be paid now except that we do not know where to have the money sent. We have heard that the company is defunct and have written to both the company and the company president (at his home address) for instructions. Payment will be made as soon as possible.

Sincerely,

Myrtle Purdy

Myrtle Purdy
Authorized Certifying Officer
Region I

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

JUL 11 1955

Mr. Clarence E. Fisher
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Reports of Royalty Review
Idm-E350, DMEA-2264
Cosumnes Gold Dredging Co.
and
Idm-F584, DMFA-2781
Verlon W. Vandeventer

Dear Mr. Fisher:

Receipt is acknowledged of your Reports of Royalty Review covering the above-cited Exploration Project Contracts.

The Reports are accepted and may be distributed in the usual manner.

Sincerely yours,

(Signed) E. D. Talbert

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

WBorovies/wb
July 11, 1955

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

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

Mrs. Myrtle Purdy
Authorized Certifying Officer
Bureau of Mines
1201 E. Division Street
Spokane 2, Washington

Re: Idm-2350, DMEA-2264
Cocumnes Gold Dredging Co.
and
Idm-2351, DMEA-2265
Cocumnes Gold Dredging Co.

Dear Mrs. Purdy:

Our records indicate the payment status of the above cited contracts to be as follows:

Contract No.	Paid	Cert. by Auditor	Balance
Idm-2350	$ 8,251.43	$ 7,993.61	$ - 257.82
Idm-2351	13,785.11	14,264.31	479.20

Information is requested as to whether the above figures are in agreement with your records and, if so, why an appropriate adjustment in the amount of $257.82 should not be made between the two contracts and the balance of $221.38 paid to the operator.

Sincerely yours,

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

EDTalbert/ama
January 4, 1956

Copy to: Docket - DMEA-2264
DMEA-2265
Admr. Reading File
Irene Smelder
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

May 12, 1954

Columbus Gold Dredging Company
Room 403
465 California Street
San Francisco, California

Re: Docket No. [illegible]A-2264 (monazite and columbium-tantalum)
White Bank Placer Claims
Valley Co., Idaho
Contract No. [illegible]-350

Gentlemen:

Transmitted for your information and files is your copy of an audit certificate and audit report for the period September 1, 1952, to November 30, 1952, by Robert F. Hull.

Sincerely yours,

A. [illegible] Weissenborn
Executive Officer, [illegible]
Field Team, Region [illegible]

Enclosures
cc: [illegible]-2
[illegible] 2
Chambers
Hull

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

APR 13 1954

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idm-E350, DMEA-2264
and
Idm-E351, DMEA-2265
Cosumnes Gold Dredging Co.

Dear Mr. Hull:

The final Audit Reports and Certificates, covering the referenced Exploration Project Contracts, as submitted under cover of your letter of April 1, 1954, are acceptable and normal distribution may be effected.

Our records, however, do not disclose the receipt of copies of the vouchers covering costs paid directly to assayers. Please request Mr. Hindman to forward copies of these vouchers for distribution in the same manner that is in effect for the Forms MF-104.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
April 13, 1954

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

February 12, 1954

Memorandum

To: Administrator

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMA-2264 (Monazite-Columbium-Tantalum)
Contract No. Ida-K350, Commanche Gold Dredging Company
The White Hawk Placer, Valley County, Idaho

I am returning to you a proposed letter to the Honorable Norman Welker, United States Senator of Idaho.

I believe that the proposed position taken in this letter that the land owner is not eligible to receive the results of the exploration project is untenable. If I were the land owner I certainly would like to know for my own protection, as well as for my satisfaction, the results obtained from an exploration project on my property.

I also believe that such information could be furnished the United States Senator with the explanation that it is not the policy to furnish such information outside of the Government, except to land owners and the project operators, and let him use his own discretion as to what disposition of the information he cares to make.

JLChambers/wb
February 12, 1954

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

Mr. Chambers

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

FEB - 1 1954

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

Re: Docket No. DMEA-2264 (Monazite)
Contract Idm-E350
and
Docket No. DMEA-2265 (Monazite)
Contract Idm-E351
Cosummes Gold Dredging Company
Valley County, Idaho

Dear Mr. Weissenborn:

In your letter to the Chairman of the Operating Committee dated January 15, you inquire as to whether it would be possible to transfer to the Bureau of Mines title to some personal property which has passed to DMEA in the winding-up of the subject exploration project contracts. We are also in receipt of a copy of your letter dated January 21 to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, providing him with a list of the property and inquiring as to whether the Bureau of Mines would wish to take it over or could aid in disposing of it.

If you cannot dispose of the property by sale, the following steps should be taken:

1. Secure a waiver from the operator in favor of the Government. Any kind of hand signed document by the operator listing the property will suffice.

2. Ask the Bureau of Mines if it will assist in disposing of the property.

3. In case the Bureau cannot assist in the disposal, you may offer to transfer the property to the Bureau without remuneration.

4. In transferring the property to the Bureau of Mines, you should include an inventory. This transfer should be justified by outlining your efforts to dispose of the property, and saying that the Bureau has agreed to take over the property in the interest of the Government.

5. Three copies of this transfer should be sent to the Washington office, attention, Contract Administration and Audit Division. The Washington Office will make the required report to the Bureau of the Budget.

6. The Field Team's final report should contain an inventory of the transferred property and recite the justifying circumstances resulting in the transfer.

The above procedure is in accordance with section 202 (c) of the Federal Property and Administrative Services Act of 1949, and has the approval of the Division of Property Management of the Department.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

s/ Philip W. Daniel

Member, Geological Survey

JLHofflund/emd
Rewritten: JLChambers/wb 1-29-54

Copy to: Docket (2)
Admr. Reading File
Operating Committee
J. H. Hedges
T. P. Thayer
J. L. Hofflund
J. L. Chambers
E. W. Ellis

JHoffland/emd
Rewritten: JChambers/wb 1-29-54

Copy to: Docket (2)
Admr. Heading File
Operating Committee
G. H. Hedges
T. P. Thayer
J. F. Hoffland
J. E. Chambers
E. T. Ellis

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 955

U. S. .....
(Department, bureau, or establishment)

Voucher prepared at Spokane, Wash. 11/4/53
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E350 and E351

To John F. Kolars
(Payee)

2010 Eastlake, Seattle 2, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	10/26/53	24 Samples at $5.07				$121.	68
		Charge Cosumnes Gold Dredging-E350					
		10 samples at $5.07 $50.70					
		Charge Cosumnes Gold Dredging-E351					
PAYMENT:		14 samples at $5.07 $70.98					
Complete ☐							
Partial ☐							
Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total $121. 68

(Payee must NOT use this space)

Differences .....

Account verified; correct for $121. 68

(Signature or initials) .....

Contract No. Date Req. No. Date Invoice Rec'd.

(initialed by R. J. Hindman
Authorized Certifying Officer)

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	$121.68	$121.68

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

☆ U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

AUG 1 4 1953

Mr. M. I. Volin
Acting Executive Officer
DMA Field Team, Region II
1201 North Division Street
Spokane 2, Washington

Re: Dockets No. [illegible]-2204 and 2265
Contracts No. Ida-1350 and 351
Commanche Gold Dredging Company
Valley County, Idaho (Consolidated)

Dear Mr. Volin:

Reference is made to your letter of July 24, 1953, in which you request a determination as to whether certain analytical and laboratory work in regard to samples of the above-cited contracts could be done by the Bureau of Mines or other laboratory and the cost for such work charged to the contract concerned, because the Operator has refused to contribute further toward the cost of the project.

If, in your opinion, the proposed analytical work is in the best interests of the Government the cost thereof may be charged to the projects concerned in accordance with Section 7 of the contract form. If the amount now withheld on Contract No. Ida-351 is not sufficient in your opinion to cover the analytical work on both projects and the purchased equipment on Contract No. Ida-351, the Operator should be billed for his part immediately upon determining the cost of such work. You may charge the cost of the analytical work to the projects and pay for same on a regular supply voucher or, in case the Government does the work, a transfer of funds voucher should be used.

I trust this has answered your questions but if not please write us again.

Sincerely yours,

Administrator

JIChambers/ema
August 13, 1953
Copy to: Mails and Files
Admr. Reading File
Mr. Ellis

Administrator
Mr. Chambers

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

JUL 31 1953

AIR MAIL

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Contracts No. Idm-E350 and 351
Dockets No. DMEA-2264 and 2265
Cosumnes Gold Dredging Company
Valley County, Idaho (Monazite)

Dear Mr. Hull:

Reference is made to your letter of July 28, 1953, in regard to the above-cited contracts.

Mr. Volin's explanation of the improvement of the barn in lieu of erecting a new building appears to be satisfactory, and the amount of $2,457.59 should be accepted as a cost to the project.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
July 31, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
July 28, 1953

RECEIVED
JUL 30 1953

AIR MAIL

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

Subject: Contract Idm-E350, Docket DMEA 2264, Contract Idm-E351, Docket DMEA 2265, Cosumnes Gold Dredging Co., Valley County, Idaho

Dear Mr. Chambers:

Thank you very much for your letter of July 16 in regard to the above cited contracts. There is enclosed a copy of a memorandum from the Acting Executive Officer, DMEA Field Team, Region II, concerning these contracts. In view of this memorandum, I propose to make a disallowance of the microscope, $417.50; one illuminator, Nichols, $40.00; one transformer, $16.00; and one extra lamp bulb, $0.96.

The item of one set weights 2,000 GM, 12720 set, $20.07, will be allowed and classified under Materials and Supplies.

In regard to the claim under New Buildings and Installations, I will allow the item in the amount of $2,457.59, providing the reasons why the operator could not dispose of the property, as set forth in the Field Team's memorandum, are considered adequate by the Contract Administration and Audit Division. I should appreciate your comments and advice in this matter.

Sincerely,

Robert M. Hull

Robert M. Hull
DMEA Auditor, Region II

Enclosure

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

Received
JUL 30 1953

1201 N. Division St.
Spokane 2, Washington
July 24, 1953

MEMORANDUM

To: Robert M. Hull, DMEA Auditor

From: Acting Executive Officer, DMEA Field Team, Region II

Subject: Contract Idm-E350, Docket No. DMEA 2264 (monazite)
Contract Idm-E351, Docket No. DMEA 2265 (monazite)
Cosumnes Gold Dredging Company
Valley County, Idaho

With reference to Mr. Jay L. Chambers' letter of July 16, 1953, in reply to your letter of July 10, 1953, on the above cited contracts the Field Team's position is:

The item of one microscope $417.50 should be disallowed and the other items - 1 illuminator, Nichols, $40.00, 1 transformer $16.00, 1 extra lamp bulb $0.96 - also disallowed as they are considered part of the microscope.

The item of 1 set weights 2000 GM, 12720 set, $20.07, may be considered as Materials and Supplies, and allowed.

The barn which the Operator improved with roof, interior partitions, additional windows, etc. is located on the outskirts of Cascade, Idaho. The building was selected because of its nearness to electric power and water facilities necessary for the screening-washing laboratory. It is our understanding that Mr. Frank Callender of Cascade is the owner of the building and he accepted the improvements in lieu of rent. The amount involved - $2,952.12 (50% on each of the contracts) was less than the total amount of $3,131.80 allowed in Exhibit A of the contracts. As the improvements were made on an existing building they reverted to the owner when the building was released by the Operator. Under these circumstances it is impossible for the Operator or the Government to dispose of the improvements made to the building.

The position of the Field Team is that neither the Operator nor the Government has an equity in the improvements and the charge of $2,457.59 should be allowed, along with the $20.07 for the set of weights.

M. E. Volin, Acting Exec.
Officer, DMEA Field Team, Reg. II

cc: USGS (2)

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

800

JUL 16 1953

Mr. Robert W. Hull
DMA Auditor
1201 North Division Street
Spokane 2, Washington

Subject: Contract Idm-F350, Docket No. DMA-2264
Contract Idm-F351, Docket No. DMA-2265
Cosumnes Gold Dredging Company
Valley County, Idaho

Dear Mr. Hull:

Reference is made to your letter of July 10, 1953, in regard to the above-cited contracts.

In regard to the $494.52 which the Operator claimed under the heading of New Buildings, Improvements and Installations, it would seem that a disallowance should be taken for the microscope in the amount of $417.50, and that the other items, 1 Illuminator, Nichols-$40.00, 1 Transformer-$16.00, 1 Extra lamp bulb-$.96, and 1 Set weights 2000 Gr, 12720 set-$20.07, should be considered as Materials and Supplies.

In regard to the claim under New Buildings, Improvements, and Installations, it appears to me that the work done on the old building cost approximately as much as the construction of the new building would have cost. The Operator practically rebuilt the barn. The Government therefore should accept this item as a new building for the reason that it might be difficult to determine whether or not we would have an equity in rehabilitating an item. Under the circumstances I think you should suspend payment on the new building item and that the Field Team should notify the Operator that if disposition of the building is not consummated by a certain date, the suspended item will become a disallowance, unless the Operator is able to furnish good reasons why he could not dispose of the property. The suspended amount for the building would be $2534.62, instead of $2457.59, on the basis that the microscope alone was disallowed.

I hope I have answered the points raised in your letter but if you have further questions, I shall be glad to hear from you again.

Sincerely yours,

(Signed) J. L. Chambers

JLChambers/wb 7-15-53

Jay L. Chambers, Chief
Contract Administration
and Audit Division

cc: Docket
Admr. Reading File
Mr. Chambers

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
JUL 10 1953

1201 N. Division St.
Spokane 2, Washington
July 10, 1953

VIA AIR MAIL

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

Subject: Contract Idm-E350, Docket No. DMEA 2264
Contract Idm-E351, Docket No. DMEA 2265
Cosumnes Gold Dredging Company
Valley County, Idaho

Dear Mr. Chambers:

In the course of the audits of the subject contracts, the following facts were developed.

In Exhibit "A" of both contracts, no Rehabilitation and Repairs are provided. New Buildings, Improvements and Installations are provided as follows:

Building 12' x 14' floor area, sample concentrating plant and office	$1,000.00*
Equipment installation for power and water at sample concentrating plant	500.00*
Collection of equipment and materials at Sloughhouse, California, and transporting to and installing at work sites	1,535.80*
Lodging and meals of workmen enroute to work sites	96.00*
	$3,131.80*

Only 50% of the estimated total of each item scheduled under this category is an allowable cost under this contract. The remaining 50% is scheduled in Exhibit "A" of Docket No. DMEA 2265 $1,565.90*

The Operator has claimed the sum of $2952.12 (50% on each of the contracts) under the heading of New Buildings, Improvements and Installations. However, Mr. John D. Bardill, U. S. Bureau of Mines engineer who has visited the project, stated that these funds were expended on improving a barn 44' x 32' already on the project site. A new roof, interior partitions, and additional windows were installed.

The following items make up the total sum of $2952.12.

Building material	$923.79	
Material for water system	150.80	charged to the
Plant and office equipment	494.53*	project as $500.00
Labor	1432.33	
Lodging and meals for workmen	96.00	
	2952.12	

*The Operator claimed under Equipment installation for power and water at sample plant these items:

1 BKW-5 microscope	$417.50
1 Illuminator, Nichols	40.00
1 Transformer	16.00
1 Extra lamp bulb	.96
1 Set weights 2000 GM, 12720 set	20.07
	$494.53

I do not consider these items as proper and allowable charges under the heading which the Operator has claimed them.

Contract Idm-E350 provides for no Operating Equipment to be purchased. Contract Idm-E351 provides for the purchase of equipment as follows:

1 Wilfey type table (sample plant) $3\frac{1}{2}$' x 7'	$ 600.00
1 20" diam. drill casing 40' long	2600.00
	$3200.00

The Operator has purchased, with the approval of the Field Team, drill casing and accessories amounting to $3151.50. He did not purchase the Wilfey type table. I propose to transfer the items claimed by the Operator under New Buildings, Improvements and Installations--Equipment installation for power and water at sample plant to Operating Equipment Purchased and make a deletion of the sum of $494.53.

According to the terms of the contract, no Initial Rehabilitation and Repairs are authorized. However, I consider from the information supplied by the engineer who visited the project that the Operator actually rehabilitated and repaired an existing building. The Field Team is of the opinion that the costs are allowable under the heading of New Buildings, Improvements and Installations. The Operator, at the completion of the work, vacated the building and left the property and there appears to be no way in which we may salvage any of the funds expended on it. Therefore, a disallowance should be made of this item of $2457.59, along with the items transferred to Operating Equipment Purchased.

The Field Team is awaiting the Operator's final technical report and an offer for the equipment that has been purchased. At such time as this is received a final audit report will be submitted.

I would appreciate your comments on these points so that I may take the proper steps in writing the final audit report.

Sincerely yours,

Robert M. Hull

R. M. Hull, Auditor

2457.
2952.12
4170.50
2534.62

The totals were carried forwar from the previous MF-104 incorrectly on the cys of the m-104 sent you yesterday, contract Idm-E350. The Operators figures do not require changing, but the figures in the column "Approved Totals Previously Reported" under "For Government Use Only" should be changed to the ones shown on these Corrected Copies.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
CORRECTED COPY
RECEIVED
JAN 12 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 2264 Contract No. 350
Operator's Name Cosumnes Gold Dredging Co. Minerals Monazite
Address P.O. Box 7, Redmountain California Columbium, Tantalum
Contract Amount, $20,004.00 Government Participation: 90 % Amount, $18,003.60

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Road Building						
Bulldozing & Cat Haul	None	2,700.00	2,700.00		2,700.00	2,700.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	None	1,354.29	1,354.29		1,354.29	1,354.29
Supervision	None	360.00	360.00		360.00	360.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber Gas and Oil	6.21	563.95	570.16	6.21	563.95	570.16
Explosives Repairs	37.68	548.58	586.26	37.64	548.58	586.22
Pipe Misc. Supplies	11.85	50.00	61.85	11.85	44.30	56.15
Track Sample Plant	None	59.45	59.45		50.00	50.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	None	303.95	303.95		303.95	303.95
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	None	1,476.06	1,476.06		1,476.06	1,476.06
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	20.80	530.00	550.80	20.80	530.00	550.80
Payroll Taxes	None	136.29	136.29	None	136.29	136.29
Liability Insurance						
Accounting		50.00	50.00		50.00	50.00
(8) Contingencies (specify):						
Lodging and Meals	None	1,118.00	1,118.00		1,118.00	1,118.00
TOTALS	76.54	9,235.42	9,311.96	76.50	9,235.42	9,311.92

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

Date Dec. 12, 52 *Payee Cosumnes Gold Dredging Co.

Per /s/ Merrill Yost Title Gen. Manager

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 68 85

Signature /s/ [illegible]
(Authorized Certifying Officer)

Date 1/6/53 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 350 in accordance with the terms of the contract.

/S/ Signature John D. Bardill Title Mining Engr. Date 1/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

/S/ Signature Thomas E. Howard Title Min. Engr. Date 1/5/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 60-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 1952 Docket No. DMEA 2264 Contract No. 350

Operator's Name Cosumnes Gold Dredging Co. Minerals Monazite, Columbium, Tantalum

Address P.O. Box 7, Nedmountain, California

Contract Amount, $20,000.00 Government Participation: 90 % Amount, $18,000.60

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Road building						
Bulldozing & Cat. Haul.	None	2,700.00	2,700.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	None	1,354.29	1,354.29			
Supervision	None	360.00	360.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber Gas and Oil	6.21	563.95	570.16	6.21		
Explosives Repairs	37.68	548.58	586.26	37.64		
Pipe Misc. Supplies	11.85	50.00	61.85	11.85		
Track Sample Plant	None	59.45	59.45			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	None	303.95	303.95			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	None	1,476.06	1,476.06			
(7) Miscellaneous:						
Repairs to Equipment	None	530.00	530.00			
Sampling and Analysis	20.80	530.00	550.80	20.80		
Payroll Taxes	None	136.29	136.29			
Liability Insurance						
Accounting	None	50.00	50.00			
(8) Contingencies (specify):						
Lodging and Meals	None	1,116.00	1,116.00			
TOTALS	76.54	9,235.42	9,311.96	76.50	8014.10	8090.60

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

Date December 12 52 *Payee Cosumnes Gold Dredging Co

Per Merrill Gray Title Gen. Manager.

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

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 68 85

Signature (Authorized Certifying Officer)

Date 1/6/53 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 38 in accordance with the terms of the contract.

Signature [illegible] Title Mutatlmyst Date 1/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

/s/ Signature Thomas E. Howard Title Mining Engr Date 1/5/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

White Rock Basin:

3. Gas and Oil
John Paton Check #112.....6.21

Repairs:
Cascade Auto Co...Check #103..... 37.68

Misc. Supplies
Zer Microscope Light Pole.....
Braun-Knecht-Heimann ...Check #117..... 10.00

Boise Payette Lumber Co Check #118..... 1.85

7. Shipping Samples:

Rail Road ..... By cash..... 7.70

Postage for Samples,..... Check 103 15.09
Boise Payette Lumber Co

70.94

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 6 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month December 2195 Docket No. DMEA 2264 Contract No. 350
Operator's Name Columbia Gold Dredging Co. Minerals Columbite, Tantalite
Address Box 7, Redmountain, California

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Shell	lft.		None	2,101.32	116	18.11		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs			75	2,101.32				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs			75	2,101.32				

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

Date December 12 Operator Columbia Gold Dredging Co.

Per Merrill Goss Title General Manager.

Remarks: Field work suspended on property

Merrill Goss

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

REDMOUNTAIN, CALIFORNIA

DECEMBER 20, 1952

PROGRESS REPORT: WHITE ROCK BASIN for NOVEMBER 1952

Phase 1

All samples were sacked and transported to Redmountain where the facilities of the Cosumnes Company were used to make closer studies of the concentration and separtion of the Sands.

It was decided not to make the analysis for Rare Earths, Uranium, Columbium and tantalum until it could be determined by the bureau of mines were of commercial nature and quantity.

Also the magnetic separtion has been held up until the above results are obtained.

Sincerely yours,

Merrill Yost

Merrill Yost

General Manager

Cosumnes Gold Dredging Co.

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 515

PAID BY

(For use of Paying Office)

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 11/17/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E350

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

To Cosumnes Gold Dredging Co. (Merrill Yost) C.G.D. Co.
(Payee)

P. O. Box 7 Red Mountain, California
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
Sept. 1952	Sept. 1952	As per attached certified form MF-104 dated 10/14/52				7,212.69	
	Oct. 1952	As per attached certified form MF-104 dated Nov. 4, 1952				919.19	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 8,131.88

(Payee must NOT use this space)

Differences .....

Account verified; correct for 8,131 88

(Signature or initials) .....

Contract No. Idm-E350 Date Req. No. Date Invoice Rec'd.

8,131.88

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	8,131.88	8,131.88

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-104 (Rev.)
(April 1953)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1038.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
NOV 21 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	[illegible]	[illegible]	[illegible]	120.00	2580.00	2700.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	[illegible]	[illegible]	[illegible]	710.66	643.63	1354.29
Supervision	[illegible]	[illegible]	[illegible]		360.00	360.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	[illegible]	[illegible]	[illegible]	26.61	537.34	563.95
Explosives	[illegible]	[illegible]	[illegible]	9.06	539.52	548.58
Pipe	[illegible]	[illegible]	[illegible]	4.95	39.35	44.30
Track	None	[illegible]	[illegible]		50.00	50.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	[illegible]	[illegible]	[illegible]	93.54	210.41	303.95
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	None	[illegible]	[illegible]		1476.06	1476.06
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	None	[illegible]	[illegible]		530.00	530.00
Payroll Taxes	[illegible]	[illegible]	[illegible]	56.50	79.79	136.29
Liability Insurance						
Accounting	None	[illegible]	[illegible]		50.00	50.00
(8) Contingencies (specify): Location [illegible]	None	1,118.00	1,118.00		1118.00	1118.00
[illegible]						
						Same
TOTALS	1,021.37	8,069.95	9,090.33	1021.32	8014.10	9035.42

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

Date 11/4/52 *Payee Cosumnes Gold Dredging Co

Per Merrill Yost Title Gen Mngr.

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

919 19

$ 919.19

Signature [illegible]
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-2
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 2 Docket No. DMEA 2264 Contract No. 320
Operator's Name Cosumnes Gold Dredging Co. Minerals Monazite
Address P.O. Box 572, Ketchum, Idaho Tantalum- Columbium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Chum Plan								
Auger Shell	ft.	470.06	75	2,101.32	116	18.11		
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		470.06	75	2,101.32				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Nov. 5, 1952 Operator Cosumnes Gold Dredging Co.

Per Merrill Yost Title Gen. Manager.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS: Due to shallow ground and moving equipment to White Lake summit the actual drilling costs are high. Washing plant and sample transportation not included.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

WHITE HAWK BASIN OCTOBER REPORT.

Hole No.	Depth in Feet
11y	14
10y	15
A-Y	18
4y	9
2y	13
16y	9
13y	10

TOTAL HOLES 7 Total Ft. 75

DRILLING COSTS:

W. T. Bennum.....	208.50	
Robert Patton.....	10166	
Ed. Zietlow.....	82.50	
	310.16	
Payroll Taxes @7.95	24.73	
		334.89
Gas and Oil.....	26.61	
Repairs.....	9.06	
Accounting.....	12.50	
	48.17	48.17

Depreciation:

Drill.....	9,000.00	
Pick Up.....	1,500.00	
	10,500.00	
½ on 5 year basis.....		87.00
		470.06

Feet of Holes Drilled 75

Cost per. Ft. 6.26

[illegible] BASIN

October Report:

(1) Indepent Contract:
Moving out from White Rock Basin.....$154.50 Allowable $120.00
Check # 97

(2) Payroll # 7

Labor.....	710.66	
Supervision (Not Allowable)	200.00	
	910.66	710.66

(3) Gas and Oil:

Lolman Inn (cash)....	3.50	
Standard Oil.....	23.11	

I sent in our report to you before the statement arrived from the taxes that we had saved. Hence the difference as the employee's lost some of our taxes. Here are the duplicate copies. Also showing you the difference. Disregard the 108.00 balance from last month. 26.61

Repairs:

Donnelly Auto Co.	9.06	
Power for washing plant Check #95	4.95	
	14.01	14.01

(4) DEPRECIATION:

Screen for sample plant	150.00	
Minor equipment, Units pumps tools etc.	350.00	
Geiger Counter	225.00	
Clam Shell Drill mounted on a 2 ton Dodge truck	9,000.00	
½ ton G. M. C. pick up	1,500.00	
½ month on a five year Basis	11,225.00	93.94

(7) PAYROLL TAXES:

State Comp @ 3.75	26.66	
State Unemp @ 2.7	19.21	
Fed. O.A.B @ 1.5	10.66	
	56.55	56.55
		1,021.37

Progress Report for Oct. 1952.

White Hawk Basin, Phase 1.

The first phase of the field work and drilling was completed on Oct. 7, 1952. All equipment except the drill was moved to Cascade, Idaho. The washing of the samples was completed Oct. 15, 1952.

The ground proved to be shallow. The peculiar thing about the gravel is that the upper half carried mostly monazite. The bottom half the monazite decreased and the Radio actives predominated.

The bedrock in every instance was a soft decomposed granite and flat and even over the whole area.

The monazite and radio actives are in White Hawk creek mainly. The large tributary to the North shows very little of either. In fact there is very little gravel.

I believe the values in the main White Hawk creek extend for probably 1½ miles above the property line as the surface inspection made by me showed good values both in the creek and the bench gravels.

The gravel is loose and easily dug and contains coarse cobbles up to 20 inches in size. It is well rounded for a creek of this size.

In concentrating the samples it was found that there was quite a fraction of radio active blacks in the plus 10 mesh and minus ¼ inch. All these fractions were saved except the first two as it was not found at first. This oversize concentrated to the heavy solution of actylene tetrabromide in a labratory way.

MF-104 (Rev.)
(pril 1952)

Unash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1639.3.
Approval Expires 6-30-53.

Defense Minerals Administration
RECEIVED
NOV 21 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 2264 Contract No. 350
Operator's Name
Minerals Monazite, columbium, tantalum
Address Cosumnes Gold Dredging Co
P.O. 532, Cascade, Idaho
Contract Amount, $ 20,004.00 Government Participation: 90 % Amount, $ 18,003.60

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road Building	2,580.00		2,580.00	2580.00		
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	643.63		643.63	643.63		
Supervision						
Technical Services	360.00		360.00	360.00		
(3) Operating Mat'ls. and Supplies:						
Timber				337.34		
Explosives Gas & Oil	343.12		343.12	539.52		
Pipe Repairs	539.52		539.52	39.35		
Track Misc Supplies	72.40		72.40	50.00		
Sample Plant	54.50		54.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	210.41		210.41	210.41		
(6) New Bldgs., Improvements, etc.	1,476.06		1,476.06	1476.06		
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	530.00		530.00	530.00		
Liability Insurance	90.82		90.82	79.79		
Accounting	50.00		50.00	50.00		
(8) Cost of Meals for Working Men	1,118.00		1,118.50	1118.00		
TOTALS	8,068.46		8,068.46	8014.10		8014.10

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

Date ..... *Payee .....

Per Merrill Gost Title Gen Mngr.

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 7212 69

Signature GPS
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm 350 in accordance with the terms of the contract.

Signature [illegible] Title Metallurgist Date October 16, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

Month of September 195 2 Docket No. DMEA 2254 Contract No. 350

Operator's Name Consumer Gold Dredging Co Minerals Monazite

Address P.O. Box 532, Cascade, Idaho Claim(s), Contact

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
~~Auger~~ Clam Shell	1 Pt.	1,631.28	41	1,631.28	41	39.78		
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1,631.28	41	1,631.28				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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

Date Oct 14, 52 Operator Consumer Gold Dredge.

Per Merrill Goodt Title Gen Mngr

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

To supplement Form mf-104A

Hole No.....Depth in ft.

14Y.....15'

6Y.....13'

12Y.....13'

Total of Holes 3 .....41 ft.

DRILLING COSTS:

F. E. Dennun	84.75	
Robert Patton.....	79.40	
Ed. Zietlow.....	63.00	
	227.15	
Supervision.....	125.00	
	352.15	
Payroll Taxes Etc. 47.95	29.99	
		382.14
Gas and Oil.....	293.12	
Repairs.....	339.52	
~~[illegible]~~	~~[illegible]~~	
Cat. Moving.....	180.00	
Accounting.....	12.50	
	1,075.14	1,075.14
DEPRECIATION:		
Drill.....	9,000.00	
Pick up 1/2 of 1,500.00	750.00	
Auto 1/2 of 1,500.00	750.00	
One month on 5 year basis	10,500.00	175.00
		1,631.28

Feet of Holes Drilled 41

Drilling Cost per ft. 39.76

(I) Independent Contracts:

Road const. H.D.& Cat. 4.7 miles of road building:

211 hours operating time @$12.00 per hour.....		$2,532.00	
(Allowable).....Check NO.79		2,400.00	$2,400.00
Moving Cat with dozer from Cascade to W.H.B. Ckeck#78		180.00	180.00
			2,580.00

(2) Labor	643.63		
Supervision.....	500.00	$360.00(allowable)	1,003.63
	1,143.63		

(3) Operating Material and Supplies:

Gas and Oil			
Standard Oil Co.....Check # 95.....	11.20		
Standard Oil Co.....	279.30		
General Pet. Co.....Check #88	50.87		
Lohman Inn.....Cash.....	1.75		
	343.12		343.12
REPAIRS:			
Southern Idaho Equipt.....Check.#87	305.30		
Cascade Auto.....Check #84	228.74		
Olsen Mfg. Co.....Cash	5.48		
	539.52		539.52
Misc. Supplies:			
Cascade Mert. Co.....Check #85	30.30		
Whitson Drug Store .....Check #83	3.00		
CharlesR. Hadley.....Check #82	16.10		
Jensen-Graves Co..... Check #49	6.10		
Capitol Lithograph & Col.Check #50	1690		
	72.40		72.40
SAMPLE CONC. PLANT SUPPLIES:			
Morris & Crutcher.....Cash.....	.90		
Shaver's Gen. Merchandise.Cashl.....	1.22		
Braun-Knecht-Heimann.....Check # 81.....	26.40		
Basche-Sage Hardware Co..Cash.....	3.85		
Union Pacific R.R.....Cash.....	7175		
American Tractor Co.....Cash.....	8.14		
Ed's transfer .....Check 363.....	1.03		
Mrs. Charles Cofer.....Cash.....	5.21		
	54.50		54.50

(4) DEPRECIATION:

Screen for sample plant	150.00		
Minor equipt. units pump, tools, etc.	350.00		
Geiger Counter	225.00		
Clam shell drill mounted on a 2-ton Dodge truck, including portable compressor power	9,000.00		
1/2 ton G.M.C. 1950 Model pickup truck	1,500.00		
Chhysler 1945 model Automobile.....	1,500.00		
(One month depreciation) on five year	12,725.00		210.41

(6) NEW BUILDINGS:

Building Material Boise Payette Lumber.	491.81		
Building Material Frank Callendar	405.92		
	897.73	897.73	
Equipt. Inst. for power & water at sample plant, Material water system.... H.J.Wood	150.80		
Plant and Office Equipt. Brawn Knecht.	494.83		(Allowable)
	645.63	500.00	
Collection of equipt. & Material at Sloughthouse, Calif. and installing same at work sites.			
Labor..... ...	104.00		
Labor.....	1,028.33		
Supervision ½ Mo....	300.00		
Lodging & meals of workman	96.00		
	1,528.33	1,528.33	
1/2 of the above for Contract 2265.....		2,926.06	
Stibureks Plumbing Co.....		26.05	
1/2 of the above for Contract 2265			1,476.06

All invoices for new buildings and tags were turned into you for Stage I Paddy Flat Contract 2265 ...IDM 351

(7) Sampling andAnalysis:

Transportation of samples from White Hawk Basin.Check#80.			$530.00
Payroll Taxes.			
State Comp @3.75.....		42.89.....	
State Unep. @2.711111....		30.88	
F d. OA.B.. @1.5.....		17.15	
		90.82	90.82
Accounting:	Check # 77	50.00	50.00
Lodging and meals at work sites @8100 per day per man 143 days.....			1,118.00
			8,068.4[illegible]

White Hawk Basin, Phase 1.

Progress report for September, 1952, Cascade, Idaho.

The equipment was readied and the crew moved to White Hawk Basin the fore part of September. In putting in the pioneer road it was found that there was a mistake in estimating the length of the road. This was due to having to make the estimates from aerial photos as the White Hawk Basin was added in the dead of winter to this project and the route of the road could not be gone over at that time. There was 4.7 Mi. instead of 3 Mi. as estimated. Due to the inaccuracy of any available maps there was a drop of over 3000 Ft. instead of 2000 Ft. as was shown on the maps. The Forest Service specifications for a pioneer road for a temporary operation of this nature are left up to the district ranger. In this case we proceeded with the road and the district ranger went over the first part. He was notified when the road was finished in the basin. It was several days before he went over this road and it was due to a fire they had in the vacinity of the basin. They used the road to put out the fire and at that time we had finished the drilling and had moved the camp and all equipment out to Cascade and were hauling the samples out. The Caterpillar was left near The Bear Valley road while a trucker was found to move it out. The district ranger put a not on the cat not to be moved until he had gone over the road and it was constructed to his own ideas. The caterpillar was moved out later as soon as it was found the district ranger had no right to hold the equipment. It is his insistance that the road will have to be put in according to his specifications. The road was meant to be only a pioneer road to take out the samples. We hauled out several yards of samples as well as a 2½, ton truck with a drill weighing over 6 tons. I do not think it is necessary to make any better road and do not propose to go back there at great expense just for the whims of some district ranger of the forest service. If a 2½ ton truck overloded and too heavy as the

drill we used in drilling White Hawk Basin is can be driven into the basin and out under its own power it seems a little absurd to make a better road for the use of the Forest Service.

By the first of October three holes had been completed, Nos. WH-14-Y, WH-12-Y and WH-6-Y. The depth of the ground was rather disappointing. From surface examination it was thought to be about 30 Ft. in depth but the drilling proved to be only about 15 Ft. The gravel was well washed and typical dredging ground with a soft decomposed granite bedrock.

The concentrates will run about 16 Lbs per Cu. Yd. In the concentrates the Monazite will run between 7 and 10 % by estimation. There is very little magnetite and Ilmenite. Garnet predominates with considerable heavy black radio actives I believe are Samarskite and Euxenite which was later confirmed at Albany.

In screening out at the concentrating plant it was found that there was as much or more of the radio actives in the plus 10 mesh up to ½ In as there was in the minus 10 mesh. The oversize was saved for further work. In my opinion these samples can be run direct for Rare Earths Uranium and columbium without the samples having to be separated magnetically first. I do not think there are any other minerals of a commercial quantity. The drill work on the first Phase was finished about Oct. 10 and the drilling equipment moved to Cascade.
It will be necessary to work out the separation of the Monazite and Radio actives. This could be accomplished at the Laboratory we have at Red Mountain Calif. where we have all the necessary facilities except the assaying of the products. We also have a 200 Lb. per hr. heavy media separation plant that will be necessary for the plus 10 mesh. Due to the cold winters at Cascade I believe this work could be done more easily at the California operations.

Sincerely yours,
C.G.R.Co
Merrill Yost
Gen. Mgr.

NOV 16 1962

Mr. John Eaton
Main at Pine
Cascade, Idaho

Re: IDEA-2264 (Monazite-Columbium-Tantalum)
Consumers Gold Dredging Company
White Hawk Placer
Valley County, Idaho
Contract Ida-2150

Dear Mr. Eaton:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated August 19, 1954, all minerals mined or produced from June 23, 1952, to June 23, 1962, were subject to the Government's royalty as set forth in the said contract.

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

The above relates to the Owner's Consent to Lien, which you signed for yourself and also as attorney-in-fact for the other owners of the property subordinated under the terms of the subject contract.

Sincerely yours,

Director

FMMurphy/mm
11-13-62
cc: Director's Reading File
✓CAAA Division/cy Form 63 dated 10/31/62
Region I (2)
Docket
Code 500

Contract Division

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Consumnes Gold Dredging Company
465 California Street, Room 403
San Francisco, California

Pursuant to the provisions of Exploration Project Contract No. Idm-5350, dated June 23, 1952, (Docket No. DMRA-2264), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Ten holes were drilled to an average depth of approximately 13 feet from the surface of the White Hawk Nos. 2, 3, and 4 claims and penetrated gravel containing monazite and columbium-tantalum minerals.

Dated: AUG 1 0 1954

Copies to: Operator (original)
Contract Adm. and Audit Division
Field Team (2 copies)
Finance Office
Rare & Misc. Metals Division
Mails & Files docket
Mr. Irving Gumbel, Acting Dir., Materials Div., EPS
Admr. Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm. 4207, GSA
F. E. Johnson
Mr. Knouse

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

Government Copy

(Amendment to Change Starting and Completion Dates)

AMENDMENT NO. 1

It is agreed this 20th day of Oct. 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Cosumnes Gold Dredging Company, a corporation, 465 California Street, San Francisco, California (Docket No. 2264 - monazite, columbium, tantalum) each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E350 of June 23 1952 between the parties hereto be modified and amended to change ~~the starting date from xxxxxxxxxx to within xxxxxxxxxxxx No. of day No. of days of the date of the contract and~~ the completion period from 4 No. of months to 14 No. of months from the date of the contract. The effective date of this amendment shall be October 20 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

COSUMNES GOLD DREDGING COMPANY
(Operator)
By [signature]

The United States of America
By [signature]
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

COSUMNES GOLD DREDGING COMPANY
Docket No. DMEA 2264 (monazite-columbium-tantalum)
Contract Idm-E350

Justification for Amendment No. 1

The drilling, access road, and procurement of samples of Stage I of the contract have been completed. Sample treatment and analysis will require several months longer, necessitating an extension of time to complete the prospect.

The results of Stage I will dictate whether Stage II will be undertaken next summer when weather conditions will permit resumption of test drilling. An extension of 10 months is justified to satisfactorily complete this project.

John D. Bardill
Chief, DMPA Section
Bureau of Mines, Region II

Docket No. 2264

Commodity Tungsten, Columbium, Tantalum

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 150

Date of Contract ~~or Amendment~~: June 23, 1952

Name and Address of Operator:
Consumer Gold Dredging Co.
465 California St., Room 403
San Francisco, California

Amount of Government participation $ 18,033.60

Percent of Government participation 90 %

Region: 11 State: Idaho

Note: Please release $ 10,009.99; Advise Contract Administration and Audit Division

(Name)
J. A. Chandler
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

4/21/54

54458

Docket No. 2264

Commodity Monazite, Columbium, Tantalum

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 350

Date of Contract or Amendment: June 23, 1952

Name and Address of Operator:

Consumnes Gold Dredging Co.
465 California Street, Room 403
San Francisco, Calif.

Amount of Government participation $ 18,003.60

Percent of Government participation 90 %

Region: II State: Idaho

Ama
(Name)
for J.L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. June 23, 1952 13908

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. [redacted]A 2264

COMMODITY Monazite, Columbium-Tantalum

Idm-E350
Government Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

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 [2] Cosumnes Gold Dredging Company, a corporation
465 California Street, Room 403
San Francisco, California

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Idaho, County of Valley, described as follows: [3] The White Hawk Placer Claims Nos. 1, 2, 3 and 4, located in the Paddy Flat Mining District, along the drainage area of White Hawk Creek in White Hawk Basin as indicated on the attached map identified as Annex I and made a part hereof. The locations of the claims are further described in Book 5, pages 344, 345, 346 and 347, and amended descriptions are contained in Book 6, pages 501, 502, 504 and 505.

the Operator represents and undertakes: [4]

~~(a) That the Operator is the owner [illegible] is subject only to the following [illegible]~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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.

ARTICLE 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] Monazite and Columbium-Tantalum

in or upon the described land; and shall bring the project to completion within a period of four months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, 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.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *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. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $ 18,003.60, which is 90 percent of $ 20,004.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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 worth while 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 dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ----------

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mitteudorf
Acting Administrator
Defense Minerals Exploration Administration

COSUMNES GOLD DREDGING CO.
(Operator)

By G M Standifer President

I, M. B. Standifer, certify that I am the Assistant secretary of the corporation named as Operator herein; that G. M. Standifer President, who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

M. B. Standifer

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

EXPLORATION PROJECT CONTRACT
COSUMNES GOLD DREDGING CO.
DOCKET NO. DMEA-2264

EXHIBIT "A"

Description of the Work

The work to be done is for the purpose of exploring the described property for monazite and columbium-tantalum in the placer gravel along the drainage area of the creeks as is indicated on the attached map Annex I.

The work consists of preliminary work, described below, followed by work in two stages. If, in the opinion of the Government, the results obtained from the work done in Stage 1 warrant it, so much of the additional work specified in Stage 2 which is authorized by the Government, shall be done.

Prior to beginning the work described under Stage I, the equipment and the materials required for the work shall be collected at Sloughhouse, California, and transported to the work site. This equipment includes a clam shell drill, a sample concentrating plant, a tractor and trucks which are to be used for exploring the property described in this contract and also the Paddy Flat Placer Property, described in Contract Docket No. DMEA-2265, both operated by Cosumnes Gold Dredging Company. The sample concentrating plant is to be erected on the Paddy Flat Placer property. Samples from both projects are to be processed by this plant. The cost of collecting and transporting the equipment and materials to the work site, and of erecting the sample concentrating plant is allocated equally between each of these projects.

Stage I

a. Construct 3 miles of road to work site with a tractor w/dozer.

b. Drill ten (10) 20" diameter cased holes with a clam shell drill at locations No. 1 through No. 10, indicated on Annex I attached, to an approximate depth of 35 feet each; concentrate and sample the material obtained from the holes; and have samples analyzed.

Stage II

Drill eighteen (18) 20" diameter cased holes with a clam shell drill at the locations indicated on Annex I attached, as approved by the Government, to an approximate depth of 35 feet each; concentrate and sample the material obtained from the holes; and have samples analyzed.

Estimated Costs of Project
(*Indicates allowable maximum)

(1) Independent Contracts

Stage I

D-7 Tractor w/dozer, including operator, supplies and all costs, except the cost of moving tractor w/dozer to and from the project, 200 hrs.* @ $12/hr.* while working	$2,400.00*	
Moving tractor w/dozer to and from project	300.00*	$2,700.00*

Stage II

None

(2) Labor, Supervision, Consultants

Stage I

(The estimated costs under this stage are based upon drilling 10 holes at the rate of two holes every three days, plus the allowance of one day for shutdowns)

					Total (Including Overtime)
1 Driller	16	shifts,	8 hrs.	$1.75 per hr.	$238.00
1 Driller helper	"	"	" "	1.38 " "	187.88
2 Utility men	32	"	" "	1.27 " "	350.52
1 Truck driver	16	"	" "	1.50 " "	204.00
1 Sample plant Operator	16	"	" "	1.75 " "	238.00
1 Sample plant Operator-Helper	16	"	" "	1.38 " "	187.88

			Total (Including Overtime)
1 Engineer-Manager	18 days*	$20.00 per day*	$360.00*

Total Stage I $1,766.28

Stage II

(The estimated costs under this stage are based upon drilling 18 holes at the rate of two holes every three days, plus the allowance of two days for shutdowns)

1 Driller	29 shifts, 8 hrs.	$1.75 per hr.	$448.00
1 Driller-helper	29 " " "	1.38 " "	353.28
2 Utility men	58 " " "	1.27 " "	325.12
1 Truck Driver	29 " " "	1.50 " "	384.00
1 Sample plant Operator-Helper	29 " " "	1.38 " "	353.28
1 Sample plant Operator	29 " " "	1.75 " "	448.00
1 Engineer-Manager	38 days*	20.00 per day*	760.00*

Total Stage II $3,071.68

Note: The work week is defined as 48 hours. The rates fixed for labor under both stages are based upon a 40 hour week, and the estimated total amount for each item of labor includes an allowance for time and one-half after 40 hours.

(3) Operating Materials and Supplies

Stage I

Gasoline and oil	$700.00
Repair parts for equipment, tires, tubes, etc.	700.00
Miscellaneous supplies	100.00

Power for sample concentrating plant	$ 50.00	
Sample concentrating plant supplies	50.00	
Total Stage I		$1,600.00

Stage II

Same materials and supplies detailed under Stage I		2,135.00

(4) Operating Equipment

To be purchased

Stage I and Stage II

None

To be rented

Stage I

Transit, rod and tape @ $40/mo.	40.00

Stage II

Transit, rod and tape @ $40/mo., 2 mos.	80.00

To be furnished by Operator

Stage I

	Fair market value
Screen for sample plant	$ 150.00
Jig	200.00
Minor equipment units, pump tools, etc.	350.00
Geiger counter	225.00

	Fair market value	
Clam shell drill mounted on Dodge 2 ton truck, including portable compressor power unit	$9,000.00	
½ ton G.M.C. 1950 model pickup truck	1,500.00	
1½ ton Dodge truck	1,500.00	
Chrysler 1945 model automobile	1,500.00	
D4-Caterpillar tractor w/dozer	4,500.00	
Total value of equipment	$18,925.00	
One month depreciation (on 5 year basis)		$ 315.42*

Stage II

Equipment depreciation (detailed in Stage I) @ $315.42 per month for 1½ months	473.13*

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

Stage I

Building 12' x 14' floor area, sample concentrating plant and office	$1,000.00*
Equipment installation for power and water at sample concentrating plant	500.00*
Collection of equipment and materials at Sloughhouse, California, and transporting to and installing at work sites	1,535.80*

Lodging and meals of workmen enroute to work sites	$ 96.00*	
	$3,131.80*	
Only 50% of the estimated total of each item scheduled under this category is an allowable cost under this contract. The remaining 50% is scheduled in Exhibit "A" of Docket No. DMEA-2265		$ 1,565.90*

Stage II

None

(7) Miscellaneous

Stage I

Sample analysis and sample transportation	850.00*	
Payroll compensation insurance @ 4% of payroll	101.37	
Accounting @ $50/mo. one month	50.00	
Lodging and meals at work sites @ $8.00 per day per man,* 146 days	1,168.00*	
Total Stage I		$ 2,169.37

Stage II

Sample analysis and sample transportation	1,600.00*	
Accounting @ $50/mo., two months	100.00	
Payroll compensation insurance @ 4% of payroll	122.87	
Lodging and meals at work sites @ $8.00 per day per man,* 283 days	2,264.00*	
Total Stage II		$ 4,086.87

Total Stage I	$10,156.97*
Total Stage II	9,846.68*
Total Estimated Cost of Contract	$20,004.00*
Government participation @ 90%	$18,003.60*

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Valley, described as follows:1/ The mining claims White Hawk Nos. 1, 2, 3, & 4, in White Hawk Basin, described in the mining lease dated November 17, 1951, between John Eaton and Gertrude M. Eaton, et al, lessors, and Guy M. Standifer and Merrill Yost, lessees, which lease has been assigned to Cosumnes Gold Dredging Co. by Standifer and Yost.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Cosumnes Gold Dredging Co.,
Room 403, #465 California St.,
San Francisco, Calif.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 18,003.60, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 7th day of June, 195 2.

John Eaton [Seal]

Gertrude M. Eaton [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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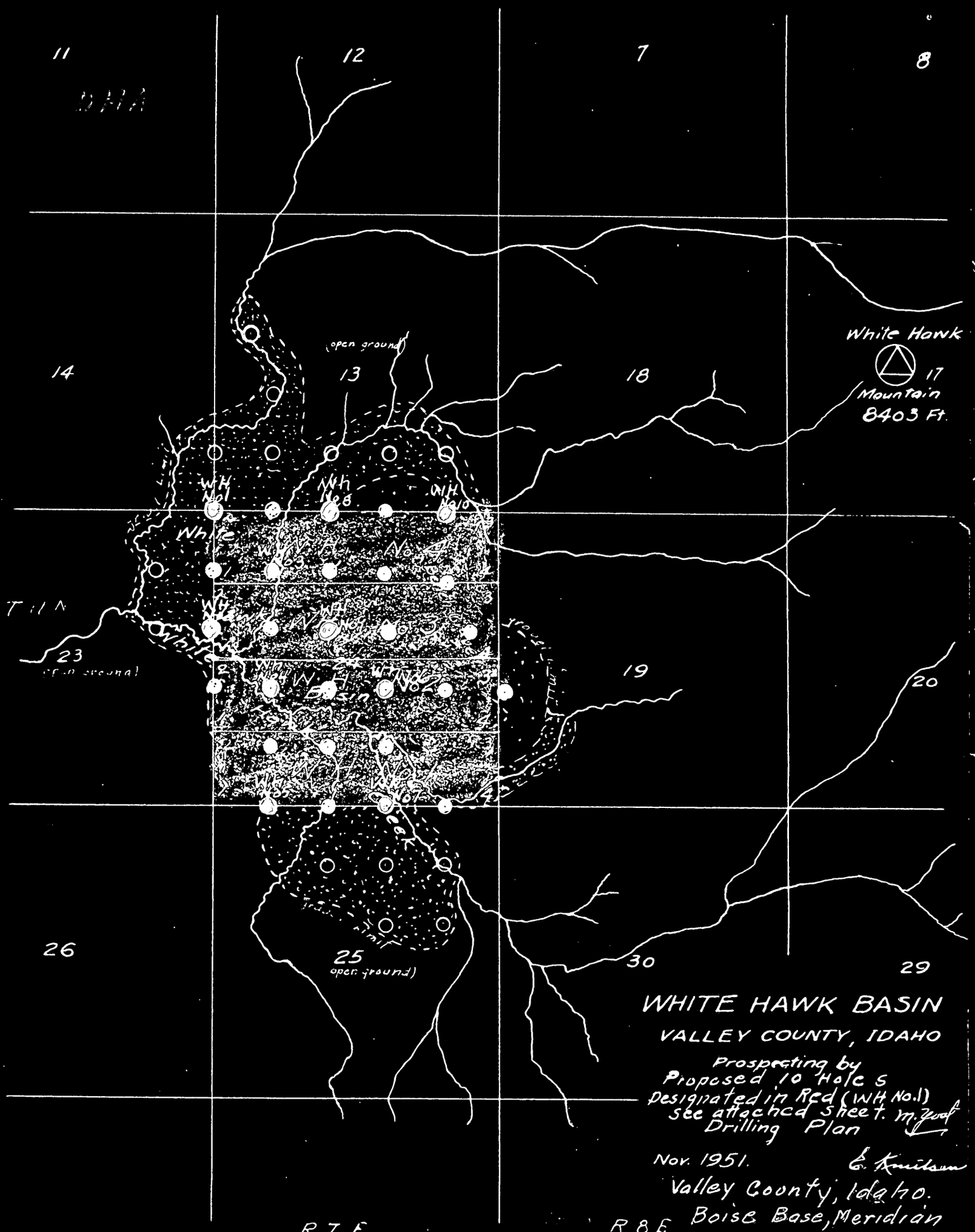

WHITE HAWK BASIN

VALLEY COUNTY, IDAHO

Prospecting by
Proposed 10 Holes
Designated in Red (WH No.1)
See attached sheet.
Drilling Plan

Nov. 1951.

Valley County, Idaho.
Boise Base, Meridian
Claims Under option by
Cosumnes Co [redacted]

ANNEX. I.

Gordon Squires)
Doris Squires)
D. B. Patterson)
Pauline Patterson)
Joe Slifka)
Margaret Slifka)
Wm. M. Darling)
Everett Johnson)
B. A. Parks)
C. N. Parks)

By [signature]
Attorney in Fact

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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