DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~EMA~~ Docket No. 2355

DO NOT DETACH THIS SLIP

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This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip
(ONE COPY TO USGS & ONE TO USBM)

To:	CODE 600 Rm. 4637	Date	1-30-52
To:	~~Robinson~~	Date	~~2/11/52~~
To:	Lawrence Hoyk	Date	3-10-52
To:	J.E. ~~Hoffland~~ Room 4639	Date	5-8-52
To:	Op. Com.	Date	6-13-52
To:	Oper. Com.	Date	7-25-52
To:	Oper Com	Date	2-4-53
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

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

DOCKET N[redacted]A 2355

COMMODITY Fluorspar

Idm-E375

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 29th day of July, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

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: 7 unpatented lode mining claims known as Pungo Creek, Pungo Creek Nos. 1, 2, 3, 4, 5, and 6. located within and nearby sec. 36, T. 17 N., R. 11 E., Boise principal meridian; further described in Quartz Mining Location Notice No. 34396 recorded in Quartz Mining Claims Book 11, page 405, and amended Quartz Mining Location Notice No. 37730, recorded in Quartz Mining Claim Book 12, page 531.

the Operator represents and undertakes: [3]

(a) That the Operator is the owner, in possession and entitled to possession, and the property is free of the following claims, liens, or encumbrances, a statement of which the subordination agreement is attached: [redacted]

under an agreement for sale

(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 ____ days from the date of this contract shall commence work on a project of exploration for [5] Fluorspar

in or upon the described land; and shall bring the project to completion within a period of six (6) 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[illegible]l cases will be based on actual, necess[illegible]ts (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 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $24,750.00, which is 50 percent of $49,500.00, 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

FLUORSPAR CORPORATION
(Operator)

By _____ President

By _____ Secretary

By Acting Administrator
Defense Minerals Exploration
Administration

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, 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.

_____

[CORPORATE SEAL]

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

FLUORSPAR CORPORATION
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2355

EXHIBIT "A"

Description of the Work

The purpose of this project is to explore the veins exposed in outcrops and indicated by the float on the Pungo Creek mining claims, one of which is shown on the attached map. The exploration shall be done in two stages.

The first stage of the project shall consist of both hand and bulldozer trenching and additional reconnaissance (sampling and geologic mapping) along the known outcrops and favorable float areas to determine the width, lateral extent and grade of the veins. This work shall be divided between the area indicated on the attached map, at locations shown thereon, and another area east of Pungo Creek where additional float areas are known. Hand trenching shall be limited to 42 man shifts. The total amount of mechanical trenching shall be limited to 180 hours of bulldozer time. It is estimated that 5400 lineal feet of mechanical trenching will be accomplished.

With the prior written approval of the DMEA Field Team, Stage II of the project shall be undertaken. The purpose of this phase of the program is to explore the vein or veins at depth. The work to be performed in Stage II shall consist of drifting on the vein a distance of not to exceed 500 feet. The location of the drift is indicated on the map attached hereto.

An undetermined amount of road clearance and road work will be required in connection with both stages of work.

The location, direction, extent and method of performing all work under the contract shall be subject to the approval of the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

Stage I

Time Schedule: 2 months

(1) Independent Contracts

Dozer - 180 hrs. @ $18.00/working hour $ 3, 240.00*
Including operator, fuel, oil, repairs, maintenance, and all other costs.

(2)	**Labor, Supervision, Consultants**		
	Hand trenching and other labor	$1,140.00	
	Supervision, engineering, bookkeeping	1,250.00*	
	(Rates: laborer - $12.00/8 hrs., miner - $16.00/8 hrs., Supervision $625.00/mo.*)		$ 2,390.00
(3)	**Operating Material and Supplies**		
	Miscellaneous - including transportation		3,000.00
(4)	**Operating Equipment**		
	To be purchased		
	Small tools		300.00*
	To be Furnished by Operator		
	Depreciation jeep and trailer		70.00*
(5)	**Rehabilitation and Repairs**		
	None		
(6)	**New Buildings, Improvements, Installation**		
	Road clearance and road work, including labor, materials, supplies, equipment and all other costs 1/		2,000.00*
(7)	**Miscellaneous**		
	Assaying	1,200.00	
	Air transportation	300.00	1,500.00
	Stage I, total estimated cost		$12,500.00*
	Government participation @ 50%		$ 6,250.00*

1/ The Government will contribute to the costs of as much of this work as is approved by the Executive Officer of the Regional Office Field Team.

Stage II

Time Schedule: 4 months

UNIT COST

500 feet of drifting @ $42.40 per ft., including all costs except those scheduled below	$21,200.00*

The Government will contribute to the cost of drifting on the basis of this agreed, estimated unit cost in lieu of actual costs. The Government will contribute to the costs scheduled below, which are excluded from the cost of drifting, on the basis of actual costs.

(4) Operating Equipment

To be purchased

1 IR cfm compressor	$3,680.00	
1 Atlas Rock Drill and leg	525.00	
1 Tool dresser	180.00	
1 Chain saw	425.00	
1 Mine car	250.00	
1 Water tank	140.00	$ 5,200.00*

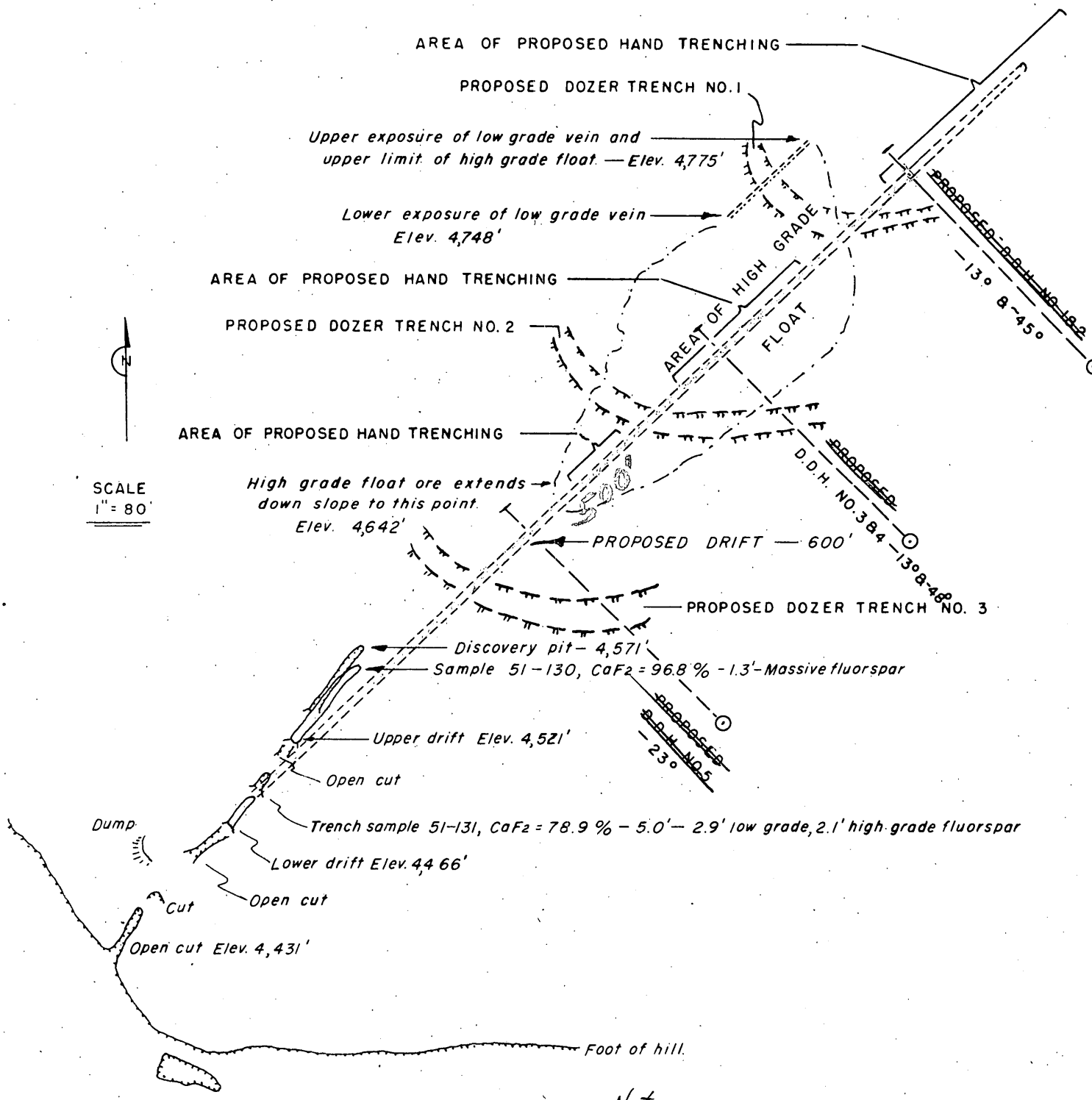
(6) New Buildings, Improvements, Installations

14' x 20' compressor and tool house	600.00*	
Road clearance and road work, including labor, materials, equipment, supplies and all other costs 2/	10,000.00*	16,000.00*
Estimated total cost Stage II		$37,000.00*
Government's participation @ 50%		$18,500.00*
Total Estimated cost Stage I and Stage II		$49,500.00*
Government's participation in Stage I and Stage II at 50%		$24,750.00*

2/ The Government will contribute to the costs of as much of this work as is approved by the Executive Officer of the Regional Office Field Team.

Region II

D.M.E.A. Docket No. 2355



Note:
Proposed diamond drill holes are not included.

Pungo Prospect (fluorspar), showing proposed drift, Valley County, Idaho.

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

Mr. Andrew D. Orrick
Regional Administrator
U. S. Securities & Exchange Comm.
630 Sansome Street
San Francisco 11, California

Re: George McKaig
SF-701
Docket No. DMEA 2355

Dear Mr. Orrick:

This will acknowledge receipt of your letter of February 1, your file SFRO:WST:hms, inquiring about an application filed by the Fluorspar Corporation for DMEA assistance to explore a property in Valley County, Idaho.

The application for a DMEA contract for exploration of the Pungo Creek fluorspar prospect was received in this office on January 21, 1952 and forwarded to the Washington, D.C. office of the Defense Minerals Exploration Administration on January 23. The project was approved and a contract was mailed to Mr. McKaig for signature on behalf of the Fluorspar Corporation on August 7, 1952. Mr. McKaig indicated that the Corporation did not wish to proceed with the work, and the unexecuted contract was voided February 5, 1953 by a letter to Mr. McKaig from C. O. Mittendorf, DMEA Administrator.

If I can be of further assistance, please let me know.

Sincerely yours,

Wing G. Agnew, Member
DMEA Field Team, Region I
Northwest District

cc: DMEA, Wash. (2)
USGS (2)

FILE COPY
SURNAME:

Robertson
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

April 14, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A closing review - Docket No. DMEA-2355 - Fluorspar
Contract No. Idm-E375
(Unexecuted and withdrawn.)
Commodity: Fluorspar
Property: Seven unpatented mining locations.
Pungo Creek and Pungo Creek No. 1
to No. 6, inclusive.
Recorded Book 12, pg. 531,
Valley County, Idaho
Applicant: Fluorspar Corporation
(Geo. N. McKaig, Pres.)
P.O. Box 1211, Reno, Nevada

Contract Canceled: The Government's offer of assistance was withdrawn in accordance with Administrator's letter dated February 5, 1953.

Docket Summary:

1/29/52	Received application, MF-103 and 100, dated 1/8/52 through Mr. Weissenborn, Region II, 1/23/52
1/30/52	Application acknowledged. Referred to Nonmetallic Minerals Divn.
2/20/52	Received copies of GSA correspondence, 7 letters on access road, the mine, etc., by Maul, Shelton, Walsh, Baring.
2/21/52	Comprehensive report on the property, written by Peter H. Toepfer, Mining Engineer, Bureau of Mines. The report in the form of a memorandum from Toepfer to M. E. Volin, Region II, recommends a project in the amount of $37,179.
3/5/52	Memo. R. E. Van Alstine to L. G. Houk.
3/10/52	Memo. H. W. Davis to L. G. Houk.
3/28/52	Houk advised McKaig that Region II has been requested to submit a new proposal.
4/1/52	Letter - Mittendorf to Hon. Walter S. Baring advising of progress of case.
4/14/52	Request for copy of purchase agreement Houk to McKaig.

4/16/52	McKaig sends estimate of cost of access road by contract.
4/17/52	Letter from Mr. McKaig advising that copies of purchase agreement and subordination agreements were delivered to Spokane office of the Bureau of Mines.
5/2/52	Received from Region II proposed project and contract, also six subordination agreements.
5/3/52	Memo. Nonmetallic Division to Legal Division submitting draft of contract.
5/29/52	Memo. Chief Counsel to Acting Administrator submitting contract in satisfactory legal form, subject to four items on title, forest service permit.
6/4/52	McKaig advised by letter that a contract was ready.
7/22/52	Contract sent to Operating Committee for approval in amount of $49,500.
7/30/52	Contract sent to Regional Office for signatures.
8/7/52	Original and five copies of Idm-E375 sent to Mr. McKaig for signatures.
9/11/52	McKaig informed Mr. Houk in Reno that he was not prepared to go ahead with the project.
10/29/52	McKaig requested by Mr. Houk to return the unexecuted exploration contracts.
2/5/53	Date of letter written to George H. McKaig, President, Fluorspar Corporation by Administrator withdrawing offer of exploration assistance and again requesting return of copies of unexecuted contract.

<u>Resume</u>:

The Pungo Creek fluorspar deposit is located in a primative mountainous area within the Boise National Forest, Idaho. The mine lies on Pungo Creek, a small branch of the Middle Fork of Salmon River. It consists of seven unpatented mining locations and the only workings are a couple of short adits and several surface cuts and trenches.

The ore occurs in a narrow steep-dipping vein that is exposed on the surface for a horizontal distance of 260 ft. and judging from samples of fluorspar float to be found on the ground above, the strike length of the vein may be five or six hundred feet. The average width of the fluorspar vein is about 1½ feet. The vein is narrow but the quality of the ore is good; 137 tons mined, cobbed and sorted produced 77 tons of acid-grade lump fluorite. A representative sample taken from one of the ore piles assayed CaF_2 - 97.5%, SiO_2 - 0.05%

The mine is an undeveloped prospect and the ore reserve is about 3,000 tons of shipping grade with a potential of three or four times that amount with favorable future development.

For more detailed data, reference is made to the comprehensive report and map prepared by Peter H. Toepfer, Mining Engineer, Bureau of Mines, Region II.

After several projects were considered for this mine, a project in the amount of $49,500 was decided upon:

Stage I - Trenches and access road	$12,500
Stage II - Drifting on vein 500'	37,000
	$49,500

However, the contract project was never consumated because the Operator gave up the venture and stated that he did not intend to proceed with the work.

Despite several requests for the return of the unsigned copies of the contract which Mr. McKaig holds, none have been returned. The Administrator, in a letter dated February 5, 1953, advised the Company that the Government withdrew its offer of exploration project assistance and again requested the return of the unexecuted documents.

The case is, therefore, now closed. Copy of the letter of withdrawal of February 5, 1953, is attached hereto.

Jasper T. Robertson
Nonmetallic Minerals Division

Attached

JTRobertson:gad 4/14/53

Copy to: Admr. R. File
Docket File
Mr. Houk

FILE COPY
SURNAME:

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

600

FEB 5 1953

Mr. George H. McKaig, President
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Subject: Docket No. DMEA-2355 - Fluorspar
Fluorspar Corporation
Pungo Creek Claims
Valley County, Idaho
Contract No. Idm-E375

Dear Mr. McKaig:

Reference is made to our letter of October 29, 1952, requesting that you return all copies of the proposed contract to this office for cancellation.

Inasmuch as a reasonable length of time has expired since you received the contract, and you have verbally indicated to Mr. Laurence G. Houk of this Administration that you did not wish to proceed with the work outlined in the contract, the Government offer of exploration assistance is withdrawn.

The unexecuted contract is voided as of this date, and our records are being closed. We again request you to return the unexecuted papers on this case.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 2/2/53

Copy to: Admr. R. File
Docket File
Field Team, Region II
Mr. Davis, 3519
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Operating Committee (2)

FILE COPY
SURNAME:

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

600

FEB 5 1953

Houk
O'Keane
Selfridge

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

Subject: Docket No. DMEA-2355 - Fluorspar
Fluorspar Corporation
Pungo Creek Claims
Valley County, Idaho
Contract No. Idm-E375

Dear Mr. Weissenborn:

Reference is made to our letter of October 29, 1952, to Mr. George H. McKaig on the subject of the unexecuted contract and requesting that he return the copies of the contract to this office for cancellation.

Mr. McKaig advised Mr. Houk on September 11, 1952, in Reno, that he did not wish to execute the contract for exploration on the Pungo Creek Claims. The enclosed letter, signed by the Administrator, is transmitted herewith for forwarding to Mr. McKaig, if you agree with this action.

J.C. 2/5/53

Sincerely yours,

George C. Selfridge

(JHB)

Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)

Member, Geological Survey

Enclosure

LGHouk:gad 2/2/53

Copy to: Admr. R. File
Docket File
Mr. Davis, 3519
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Operating Committee (2)

FILE COPY
SURNAME:

Robertson
Mitt

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

OCT 29 1952

Mr. George H. McKaig, President
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Subject: Docket No. DMEA-2355 - Fluorspar
Fluorspar Corporation
Pungo Creek Claims
Valley County, Idaho
Contract No. Idm-E375

Dear Mr. McKaig:

Reference is made to my conversation with you on September 11, 1952, in Reno, on the subject contract for exploration for fluorspar on Pungo Creek, Idaho.

Our records show that six copies of Contract No. Idm-E375 were forwarded to you from Region II, Executive Officer, on August 7, 1952, for your signature. You have indicated that you do not wish to proceed with the work authorized in the contract. This office is, therefore, desirous that you return the contract for cancellation.

We thank you for your interest in the Defense Minerals Exploration Administration program and request that you return the contracts for cancellation to this office without delay.

Sincerely yours,

Signed

10-29-52

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 10/28/52

Copy to: Adm. R. File
Docket File
Field Team, Region II
Mr. Davis, 3519
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

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

So. 157 Howard Street
Spokane 4, Washington

August 7, 1952

Mr. George H. McKaig, President
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Docket No. DMEA 2355
Fluorspar Corporation
Pungo Creek Claims,
Valley Co., Idaho
Contract Idm-E375 - Fluorspar

Dear Mr. McKaig:

Enclosed are 6 copies of an approved contract for exploration work on the designated property.

Will you kindly review the contract and if you find it acceptable please sign all copies. Your attention is called to Article 3 where you are requested to insert the number of days from the date of the contract within which actual exploration work will be started. Retain the "Operator's Copy" and return all the others to us. The bottom of page 2 should also be executed.

The delay in receiving the contract may mean that the work cannot be completed this season. Furthermore, the drifting as set up in Stage II may be too inflexible to permit complete exploration. However, both of these possible objections can be removed by contract amendments made at any time after work is started.

Sincerely yours,

S. Warren Hobbs
Member, DMEA Field Team
Region II

Enclosures

cc: DMEA (2)
USBM (2)

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

JUL 30 1952

Robertson
Van Ness
Selfridge.

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

Subject: Docket No. DMEA - 2355
Flourspar
Pungo Creek Group
Valley County, Idaho

Dear Mr. Weissenborn:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by this office for the Government with register number and effective date.

If the contract meets with your approval, present it to the Operator for his approval and signature. If any provisions are unsatisfactory to the Operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the Operator, one copy retained for your files, and the remaining copies, including the original, are to be returned to this office as soon as possible.

A copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

7/30/52

George C. Selfridge
(JHB)

ACTING
Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

T. P. Thayer (JHB)
Member, Geological Survey

Enclosures - 6

JTRobertson:mp 7/22/52
cc: Docket File
Adm. Reading File
Operating Committee
Mr. Davis, 3519
Mr. Van Alstine, G-232, GSA Bldg.
Mr. Houk

UNITED STAT

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON

July 29, 1952

Memorandum

To: Executive Officer, Region II

From: DMEA Operating Committee

Subject: DMEA-2355, Fluorspar Corporation contract

Upon execution of the attached contract, the Field Team will make distribution in accordance with instructions contained in Memorandum No. 10, dated July 24, 1952.

FILE COPY
SURNAME:

Robertson
Dave
Houk
Hedges

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

July 22, 1952

~~JUL 8 0 1952~~

Memorandum

To: Chairman, Operating Committee, DMEA

From: Non-Metallic Minerals Division, DMEA

Subject: Docket No. DMEA-2355 - Fluorspar
Pungo Creek Group
Valley County, Idaho

cc 7/30/52

This application was received by DMEA January 8, 1952, and was followed February 27, 1952, by a Field Report by Peter H. Toepfer, Mining Engineer, Bureau of Mines, Region II. The report outlined and recommended a program in the sum of $37,179. A draft of contract in this amount was prepared but after much discussion it was dropped for a new review by the field.

Mr. Weissenborn and Mr. Volin, Region II, on May 2, 1952, submitted a new three stage program in the amount of $53,868. The diamond drilling stage in this program was dropped and after much correspondence and discussion a two stage program totaling $49,500 was settled upon.

Stage I -	Trenching and road work	$12,500
Stage II-	Drift on vein and equipment	37,000
	Stages I and II	$49,500

Some delay resulted because of the need for securing a permit to build an access trail to the mine. The property is in a primative area within the Boise National Forest and the question of accessibility was for a time considered a major problem. However, after much correspondence and discussion between interested agencies, the contract here submitted was finally settled upon.

The various documents requested by Chief Counsel in his memorandum dated May 29, 1952, have been complied with by the Operator. The contract is now in satisfactory order for signatures.

Jasper T. Robertson
Non-Metallic Minerals Division

Attachments

JTRobertson:mp
cc: Docket File
Adm. Reading File Mr. Houk

LAW OFFICES
KENNETH P. DILLON
204-205 PROFESSIONAL BUILDING
RENO, NEVADA

MAIL ADDRESS
P. O. BOX 1192

TELEPHONE
RENO 2-6941

July 19, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 21 1952

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Your reference: Docket No. DMEA-2355
Fluorspar
Pungo Creek Group
Valley County, Idaho

Dear Mr. Houk:

We have finally been able to comply with the various matters raised by your letter of June 4, 1952, addressed to Mr. George H. McKaig, President of Fluorspar Corporation.

Enclosed herewith you will find the following:

1. Executed copy of Assignment of Agreement for Sale of Mining Property, dated December 21, 1951, between George H. McKaig and J. R. Dodd, as assignors, and Fluorspar Corporation as assignee, covering the request conveyed by paragraph 1 of your letter. In that connection, moreover, you will find enclosed Statement by Assignor, dated July 18, 1952, covering the matter raised by the first unnumbered paragraph on the second page of your letter.

2. Six (6) reexecuted copies of Onwer's Consent to Lien (Form MF-203), with correct amount of Government's contribution inserted therein, which have been signed by V. H. Budell, as Attorney in fact for M. Edward Budell, the owner, together with photostatic copy of certified copy of Power of Attorney covering V. H. Budell's authorization as Attorney in fact. These enclosures refer to paragraph 2 of your letter.

3. Inasmuch as the assignment of the agreement of sale creates no claim in the assignor, per the above-mentioned Statement of Assignor, no

assignor's Owner's Consent to Lien has been obtained. There is enclosed herewith copy of the map referred to in the description of work. These matters are covered by paragraph 3 of your letter.

4. Enclosed please find photostatic copy of Special Use Permit from the U. S. Forest Service to do the roadwork provided for in the contract.

I believe that the foregoing adequately covers all matters referred to in your letter of June 4, 1952, and that, accordingly, you should be in a position to effect execution and delivery of the contract. If this should not be the case, will you kindly advise the undersigned or Mr. McKaig at your earliest convenience.

Yours very truly,

Kenneth P. Dillon

KPD:ll
Enclosures

STATEMENT BY ASSIGNOR

Reference is made to that certain Agreement for Sale of Mining Property, dated November 10, 1951, by and between M. EDWARD BUDELL, of Valley County, Idaho, Party of the First Part, and GEORGE H. McKAIG and J. R. DODD, of Washoe County, Nevada, Parties of the Second Part, and to that certain Assignment of Agreement for Sale of Mining Property, dated December 21, 1951, by and between said GEORGE H. McKAIG and J. R. DODD, First Parties, and FLUORSPAR CORPORATION, a Nevada corporation, Second Party, executed copies of which instruments are attached hereto and submitted herewith.

The undersigned hereby states that the Assignors above-named, being himself and J. R. DODD, have no liens or claims against the property described in said Assignment, by reason thereof, or for any other cause whatsoever, except the right therein expressed to revoke the Assignment in the event that the Assignee fails in its performance of obligations assumed under the underlying Agreement for Sale of Mining Property, which said right may be deemed hereafter to be held subject to any rights created in the United States of America by reason of the proposed Defense Minerals Exploration loan, Docket No. DMEA-2355.

DATED: July 18, 1952

George H. McKaig

George H. McKaig

Use Designation:

16

SPECIAL USE PERMIT

[illegible] National Forest.

Permission is hereby granted to [illegible] Corporation, [illegible], [illegible]

[illegible], [illegible], [illegible],

hereinafter called the permittee, to use, subject to the conditions set out below, the following-described lands or improvements:

[illegible] proposed road will start at the forest [illegible] road [illegible] part of [illegible] – 19 [illegible] – [illegible], [illegible] – [illegible], [illegible] – [illegible], [illegible] – Sec. [illegible] – [illegible] 17 [illegible] road will be within the [illegible] or [illegible].

This permit covers [illegible] acres and/or 22½ miles for the purpose of:

[illegible] subject to change when [illegible] or [illegible].

The exercise of any of the privileges granted in this permit constitutes acceptance of all the conditions of this permit.

1. In consideration for this use, the permittee shall deposit with the Regional Fiscal Agent, Forest Service, [illegible], [illegible] 4-14 [illegible], a check, draft, or money order made payable to the Treasurer of the United States in the sum of [illegible] dollars ($ [illegible]) for the period from [illegible], 19[illegible], to [illegible], 19[illegible], and thereafter annually on [illegible], [illegible] dollars ($ [illegible]). The charges for this use may be readjusted from time to time to place this permit on a basis consistent with the charge to other permittees for like privileges.

Form FS-632
(Revised 12 1 49)

16 88077-8

[illegible] and use under this permit shall begin within [illegible] months, and [illegible] shall be completed within [illegible] months, from the date of the permit. This [illegible] actually exercised at least [illegible] days each year, unless otherwise authorized in [illegible] plans; lay-out plans; construction, reconstruction, or alteration of improvements; or [illegible] plans for this area must be approved in advance and in writing by the [illegible] Trees or timber on the permitted area may be removed or destroyed only after [illegible] has approved, and has marked or otherwise designated that which may be [illegible] Merchantable timber cut must be paid for by the permittee. Trees, shrubs, and [illegible] may be planted in such manner and in such places about the premises as may be approved [illegible] in charge.

[illegible] maintain the improvements and premises to standards of repair, orderliness, [illegible] acceptable to the forest officer in charge.

[illegible] subject to all valid claims.

[illegible] the privileges granted by this permit, shall comply with the regula- [illegible] and all Federal, State, county, and municipal laws, ordinances, [illegible] to the area or operations covered by this permit.

[illegible] all reasonable precautions to prevent and suppress forest fires. No ma- [illegible] open fires during the closed season established by law or regula- [illegible] forest officer in charge or his authorized agent.

[illegible] in protecting from damage the land and property of the [illegible] permit, and shall pay the United States for any [illegible] or from the violation of the terms of this permit or of any law or regu- [illegible] by the permittee, or by any agents or employees of the permittee [illegible] of their agency or employment.

[illegible] repair all damage, other than ordinary wear and tear, to national forest [illegible] of the permittee in the exercise of the privilege granted by this permit.

[illegible] Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share [illegible] agreement or to any benefit that may arise therefrom unless it is made with a corporation [illegible] benefit.

11. Upon abandonment, termination, revocation, or cancellation of this permit, the permittee shall [illegible] within a reasonable time all structures and improvements except those owned by the United States, and shall restore the site, unless otherwise agreed upon in writing or in this permit. If the per- [illegible] to remove all such structures or improvements within a reasonable period, they shall become the property of the United States, but that will not relieve the permittee of liability for the cost of their removal and restoration of the site.

12. This permit is not transferable. If the permittee through voluntary sale or transfer, or through enforcement of contract, foreclosure, tax sale, or other valid legal proceeding shall cease to be the owner of the physical improvements situated on the land described in this permit and is unable to furnish ade- quate proof of ability to redeem or otherwise reestablish title to said improvements, this permit shall be subject to cancellation. But if the person to whom title to said improvements shall have been trans- ferred in either manner above provided is qualified as a permittee, and is willing that his future occu- pancy of the premises shall be subject to such new conditions and stipulations as existing or prospective circumstances may warrant, his continued occupancy of the premises may be authorized by permit to him if, in the opinion of the forest supervisor, issuance of a permit is desirable and in the public interest.

13. In case of change of address, the permittee shall immediately notify the forest supervisor.

14. The temporary use and occupancy of the premises and improvements herein described may not be sublet by the permittee to third parties without the prior written approval of the forest supervisor and the permittee shall continue to be responsible for compliance with all conditions of this permit by persons to whom such premises may be sublet.

15. This permit may be terminated upon breach of any of the conditions herein or at the discretion of the regional forester or the Chief, Forest Service.

16. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the preceding printed clauses will control.

17. This permit is subject to the conditions set forth above and to conditions [illegible]

to [illegible] attached hereto and made a part of this permit.

Date

(Signature of issuing officer)

(Title)

U. S. GOVERNMENT PRINTING OFFICE 16 38077 3

18. This road will extend into the Lake Primitive Area for a distance of approximately 22½ miles. It is understood that this permit is strictly temporary, and that future decisions as to the allowable use within the Primitive Area may require a change in standards, locations, and use under this permit.

19. The location of the road must be approved by the Forest Officer in charge prior to construction.

20. The permittee shall place signs at the entrance of this road and on the Artillery Dome Road No. 822 of a type and size approved by the Forest Officer in charge, informing the public that this is a special use road. Such signs will adequately explain the exclusive character of the road and its authorization by permit by the United States.

21. The permittee will allow no travel over the road except by employees of the Fluorspar Corporation on official business of the company and officers of the U. S. Forest Service on regular business of the Forest Service. Gates or chains locked and properly signed, a check station, or other suitable device may be employed to obtain strict compliance under this clause.

22. Upon abandonment or termination of use the road will be obliterated from the terminal of No. 822 Artillery Dome to such an extent and to as required distance as to make it impossible to move any type of vehicle over the road. Cross ditches, outsloping, reseeding to suitable grasses and other work necessary to prevent erosion, to restore the area disturbed by building the road will be accomplished as required by the Forest Officer in charge. Measures must be taken to protect the investment the Forest Service has in the M-1 Class horse trail and ground telephone line, which run on about the same grade and location as the proposed road. The permittee must agree to leave the road site in such condition that it will provide at least a M-1 Class horse trail. Horse bridges at 38 Creek, Little Pistol Creek and Indian Creek must be left intact or replaced by bridges of equal or better standards and durability.

23. In places where the proposed road follows the location of the Pistol Creek trail the proper back sloping and the proper drainage must be provided for by the Permittee.

24. Prior to starting construction of this road the permittee shall flag or stake the proposed route, showing the exact location of where the road is to be placed. Further, the Forest Officer in charge will go over the proposed route prior to construction and make final approval of location.

25. During construction the permittee will be held responsible for keeping the ground telephone line in operating condition and reconstructing it to a suitable standard wherever road construction makes it necessary to change the present alignment.

William F. [illegible]

INSTRUMENT NO. 198154
Book 3 Page 227
Power of Attorney
Canyon County, Idaho.

KNOW ALL MEN BY THESE PRESENTS, That M. E. Budell or Marcellus Edward Budell, one and the same person have made, constituted and appointed, and by these presents do make, constitute and appoint V. H. Budell true and lawful attorney for him and in his name, place and stead, and for his use and benenfit, to ask, demand, sue for, recover, collect and receive all such sums of money, debts, dues, accounts, legacies, bequests, interests, dividends, annuities and demands whatsoever as are now or shall hereafter become due, owing, payable or belonging to him, and have, use and take all lawful ways and means in his name or otherwise for the recovery thereof, by attachments, arrests, distress or otherwise, and to compromise and agree for the same, and acquittances or other sufficient discharges for the same, for him and in his name, to make, seal and deliver, to bargain, contract, agree for, purchase, receive and take lands, tenements, hereditaments, and accept the seizing and possession of all lands, and all deeds and other assurances, in the law therefor, and to lease, let, demise, bargain, sell, remise, release, convey, mortgage and hypothecate lands, tenements and hereditaments upon such terms and conditions, and under such covenants, as he shall think fit. Also, to bargain and agree for, buy, sell, mortgage, hypothecate, and in any and every way and manner deal in and with goods, wares and merchandise, choses in action, and other property in possession or in action, to make, do and transact all and every kind of business of what nature or kind soever, and also for him and in his name, and as his act and deed, to sign, seal, execute, deliver and acknowledge such deeds, leases and assignments of leases, covenants, indentures, agreements, mortgages, hypothecations, bottomries, charter parties, bills of lading, bills, bonds, notes, receipts, evidences of debt, releases and satisfaction of mortgage, judgment and other debts, and such other instrument in writing of whatever kind and nature as may be necessary or proper in the premises.

June 20, 1972

Lavona Sayer

Giving and granting unto his said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do if personally present, hereby ratifying and confirming all that his said attorney,, shall lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of May, 1933

Signed, Sealed and Delivered in the Presence of)
)
)

M. E. Budell or (SEAL)

Marcellus Edward Budell (SEAL)
One and the same person

(SEAL)

(SEAL)

STATE OF IDAHO,)
)SS.
County of CANYON)

On this 13th day of May in the year 1933 before me Madeline Hovey, a Notary Public in and for said County, personally appeared M. E. Budell or Marcellus Edward Budell, one and the same person known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

Madeline Hovey
Notary Public Residing at Nampa, Idaho
My Commission Expires September 22, 1934.
My Commission expires Sept. 22, 1934

STATE OF IDAHO)
)SS.
County of CANYON)

I hereby certify that this instrument was filed for record at the request of FIRST SECURITY BANK OF NAMPA, IDAHO, at 58 minutes past 8 o'clock A. M., this 16 day of May 1933

Fees, $1.20 COMPARED

J. C. SMITH Ex-Officio Recorder.
By B. L. Newell Deputy.

ASSIGNMENT OF AGREEMENT
FOR
SALE OF MINING PROPERTY

KENNETH P. DILLON
ATTORNEY AT LAW
PROFESSIONAL BUILDING
RENO, NEVADA

ASSIGNMENT OF AGREEMENT FOR SALE OF MINING PROPERTY

THIS ASSIGNMENT, made and executed on this 21st day of December, 1951, by and between GEORGE H. McKAIG and J. R. DODD, both of Washoe County, Nevada, hereinafter called ASSIGNORS, as first parties, and FLUORSPAR CORPORATION, a Nevada corporation, hereinafter called FLUORSPAR, as second party,

W I T N E S S E T H:

That ASSIGNORS, for and in consideration of Ten Dollars ($10.00), lawful money of the United States, and for other good and sufficient consideration, the receipt whereof is hereby acknowledged, hereby sell, grant, assign, transfer and set over to FLUORSPAR all of the rights, titles, privileges and options of ASSIGNORS in and under that certain AGREEMENT FOR SALE OF MINING PROPERTY executed under date of November 10, 1951, by M. EDWARD BUDELL of Valley County, Idaho, as first party, and by ASSIGNORS as second parties, and recorded in the office of the County Recorder of Valley County, Idaho, on November 27, 1951, Book 9 of MISCELLANEOUS, at page 134, a true copy of which said agreement is attached hereto as Exhibit "A", and is by reference incorporated in and expressly made a part hereof.

INCLUDING all the rights of ASSIGNORS in and under said agreement, as purchasers, optionees, or otherwise, to have possession of, and to develop, explore, mine, operate, mill, ship and remove ores of any description, with the right to retain any and all proceeds therefrom, in and about the following described land, mining claim and mineral rights, including mill site, situated in the County of Valley, State of Idaho, commonly known as the Fungo Claim, and described as follows:

A/ Quartz Mining Location Notice No. 34396, recorded in name of M. EDWARD BUDELL under date of April 8, 1946, in Book 11, page 405, QUARTZ MINING CLAIMS, Cascade Station, U.S.F.S., Records of Valley County, Idaho.

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

Together with "Amended" Quartz Location Notice No. 37730, recorded in the name of M. EDWARD BUDELL under date of June 19, 1948, in Book 12, page 531, QUARTZ MINING CLAIMS, Records of Valley County, Idaho, amending the aforesaid Notice No. 34396. /A

And together with all rights, privileges, franchises, tenements, hereditaments and appurtenances thereunto belonging or appertaining, all dips, spurs and angles, and all metals, ores and mineral substances therein, and the reversion and reversions, remainders and remainders, rents, issues and profits thereof.

WITH WARRANTY that ASSIGNORS have not released, assigned or transferred any interest in said agreement or any right in or to said mining property to any person, legal or natural.

PROVIDED, however, that as and for a further consideration for this assignment, FLUORSPAR, by acceptance thereof, does specifically assume and agree to pay any and all moneys due under the aforesaid agreement annexed hereto as Exhibit "A", at the times and in the manner therein provided for, and to assume any and all liabilities arising from its acts or failures to act of its agents, officers or employees, from whatever cause, and to indemnify and save ASSIGNORS harmless by reason thereof. FLUORSPAR further agrees by its acceptance hereof that if the moneys provided in said agreement to be paid are not paid at the times and in the manner provided therefor, ASSIGNORS may, at their option, revoke this assignment upon ten days' written notice to FLUORSPAR, directed to its offices at 150 North Center Street, Reno, Nevada, or may, at their option, advance said moneys for the account of FLUORSPAR to be repaid by FLUORSPAR upon demand, with interest at the rate of six per cent (6%) per annum until paid.

IN WITNESS WHEREOF, on the day and year hereinabove first wirtten, ASSIGNORS have hereunto set their hands, and FLUORSPAR has caused this assignment to be accepted and executed and its corporate seal to be affixed by its officers thereunto

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

duly authorized by regulation of its Board of Directors.

GEORGE H. McKAIG

J. R. DODD

ASSIGNORS

FLUORSPAR CORPORATION, a Nevada Corporation

(CORPORATE SEAL)

By _____ PRESIDENT

By _____ SECRETARY

STATE OF NEVADA)
) SS:
COUNTY OF WASHOE)

On this 21st day of December, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared GEORGE H. McKAIG and J. R. DODD, known to me to be the persons described in and who executed the annexed instrument, who acknowledged to me that they, and each of them, executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public in and for the County of Washoe, State of Nevada

(SEAL)

My Commission Expires: My Commission Expires August 20, 1955

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

On this 21st day of December, 1951, before me, the undersigned Notary Public, personally appeared GEORGE H. McKAIG and KENNETH P. DILLON, known to me to be the persons whose names are subscribed to and who executed the foregoing instrument as the President and Secretary, respectively, of FLUORSPAR CORPORATION, a Nevada Corporation, and acknowledged to me that said corporation executed the same.

Elizabeth V. Doughty
Notary Public in and for the
County of Washoe, State of Nevada

(SEAL)

My Commission Expires: My Commission Expires August 20, 1955

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

CONSENT AND RATIFICATION

IN CONSIDERATION OF ONE DOLLAR ($1.00), the receipt of which is expressly acknowledged, I, MARY WELLS McKAIG, wife of GEORGE H. McKAIG, one of the ASSIGNORS named in and who executed the foregoing Assignment, hereby consent to join in and ratify said assignment for the purpose of binding hereby any community interest I now have or may hereafter acquire in the subject matter of said assignment, whether by operation of law, inheritance, or in any other manner.

DATED: December 21, 1951.

Mary Wells McKaig
MARY WELLS McKAIG

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

On this 21st day of December, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared MARY WELLS McKAIG, known to me to be the person described in and who executed the annexed instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Elizabeth V. Dougherty
(SEAL) Notary Public in and for the County of Washoe, State of Nevada

My Commission Expires: My Commission Expires August 20, 1955

CONSENT AND RATIFICATION

IN CONSIDERATION OF ONE DOLLAR ($1.00), the receipt of which is expressly acknowledged, I, MURIEL L. DODD, wife of J. R. DODD, one of the ASSIGNORS named in and who executed the foregoing Assignment, hereby consent to join in and ratify said Assignment for the purpose of binding hereby any community

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

interest I now have or may hereafter acquire in the subject matter of said assignment, whether by operation of law, inheritance, or in any other manner.

DATED: December 21, 1951.

Muriel L. Dodd
MURIEL L. DODD

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

On this 21st day of December, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared MURIEL L. DODD, known to me to be the person described in and who executed the annexed instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Elizabeth V. Doughty
Notary Public in and for the
County of Washoe, State of Nevada

(SEAL)

My Commission Expires: My Commission Expires ~~August 20,~~ 1955

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

EXHIBIT "A"

AGREEMENT FOR SALE OF MINING PROPERTY

THIS AGREEMENT, made and entered into this 19th day of November, 1951, by and between M. EDWARD BUDELL of Valley County, Idaho, party of the first part, and GEORGE H. McKAIG and J. R. DODD, both of Washoe County, Nevada, parties of the second part.

W I T N E S S E T H :

That for and in consideration of the terms, covenants and conditions hereinafter set forth, the party of the first part agrees to sell to parties of the second part, as tenants in common, and parties of the second part agree to purchase from the party of the first part, all of the following described land, mining claim and mineral rights, including mill site, situated in the County of Valley, State of Idaho, commonly known as the Pungo Claim, and described as follows:

> Quartz Mining Location Notice No. 34396, recorded inname of party of the first part under date of April 8, 1946, in Book 11, page 405, QUARTZ MINING CLAIMS, Cascade Station, U.S.F.S., Records of Valley County, Idaho.
>
> Together with "Amended" Quartz Location Notice No. 37730, recorded in the name of party of the first part under date of June 19, 1948, in Book 12, page 531, QUARTZ MINING CLAIMS, Records of Valley County, Idaho, amending the aforesaid Notice No. 34396.
>
> And together with all rights, privileges, franchises, tenements, hereditaments and appurtenances thereunto belonging or appertaining, all dips, spurs and angles, and all metals, ores and mineral substances therein, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

The consideration for said sale shall be the sum of TEN THOUSAND DOLLARS ($10,000.00), to be paid $2,500.00 upon execution hereof, the receipt of which is hereby expressly acknowledged by party of the first part, $5,000.00 on or before July 1, 1952, and $2,500.00 on or before November 1, 1952.

It is understood and agreed that at all times during the

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

period hereof, namely, to and including November 1, 1952, and thereafter, provided only that the above-stipulated payments be made at the times provided therefor, parties of the second part shall have the right to enter upon and be in exclusive possession of the aforesaid property, and to conduct any and all proper mining operations and/or development work, including mining, milling, shipping and removal of ores of any description with the right to retain any and all proceeds therefrom.

It is further understood and agreed that party of the first part shall immediately execute and deposit with a suitable escrow holder a good and sufficient Quitclaim Deed to parties of the second part, as tenants in common, evidencing the release of all his right, title and interest in and to all of the mining property aforesaid, subject to suitable instructions for the delivery of said deed to parties of the second part upon payment of the aggregate purchase price hereinabove set forth. In the event of failure or neglect by parties of the second part to complete payment of the aforesaid purchase price in the manner, at the times and in the amounts hereinabove set forth, it is further understood and agreed that all right, title and interest of the parties of the second part herein shall cease, any installment payments theretofore made being treated and constituting liquidated damages and compensation to party of the first part for this agreement to sell.

Time is of the essence of this Agreement, and the same shall be binding upon all the heirs, administrators, executors and assigns of all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year in this Agreement first written.

S/-- M. EDWARD BUDELL
M. EDWARD BUDELL

Party of the First Part

S/ GEORGE H. McKAIG
GEORGE H. McKAIG

S/ J. R. DODD
J. R. DODD

Parties of the Second Part

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

STATE OF IDAHO)
) SS:
COUNTY OF CANYON)

On this 26th day of November, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared M. EDWARD BUDELL, known to me to be the person described in and who executed the annexed instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

S/ KATHRYN FOGLEMAN
Notary Public

(SEAL)

My Commission Expires: 4-26-53

STATE OF NEVADA)
) SS:
COUNTY OF WASHOE)

On this 19th day of November, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared GEORGE H. McKAIG and J. R. DODD, known to me to be the persons described in and who executed the annexed instrument, who acknowledged to me that they, and each of them, executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

S/ KENNETH P. DILLON
Notary Public in and for the
County of Washoe, State of Nevada

(SEAL)

My Commission Expires: Sept. 15, 1954

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

FILE COPY
SURNAME:

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

600

JUN 1 6 1952

Houk

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

Subject: Docket No. DMEA-2355 - Fluorspar
Pungo Creek Mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to your letter of June 2, 1952, on the subject docket in regard to the permit from the Forest Service for construction of a trail in the Idaho primitive area.

Mr. Robertson in a recent telephone conversation with Mr. G. T. Guernsey, Supervisor of the Boise National Forest, was informed that you have been supplied with the application blanks for obtaining the permit, and he has indicated that the permit can be granted without too much delay. The Washington Office informs us that the Supervisor has the authority to grant the permit. It was explained to Mr. Guernsey the nature of the contract, and the amounts allocated to trail and road clearance, and he should now have a complete understanding of the undertaking.

The contract may be completed and signed by this office next week, pending arrival of assignments and Owner's Consent to Lien from Mr. McKaig.

We believe that time will be saved by forwarding the signed contract to you and having you add the permit before it is presented to the Operator for his signature.

Sincerely yours,

(signed) FRANK E. JOHNSON

ce 6/16

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

Charles N. Merrill
Member, Bureau of Mines

D. M. Lemmon
Member, Geological Survey

LGHouk:gad 6/12/52
Copy to: Admin. Reading File
Docket File
Operating Committee
Mr. Davis, 3519
Mr. Van Alstine, G-232 GSA Bldg.

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

No. 197 Howard Street
Spokane 4, Washington

Phone 2-6991 Reno, Nev.

June 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 17 1952

Mr. George H. Mehaffy
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Dear Mr. Mehaffy:

I have been informed by our Washington office that contract for the exploration of the Pango Creek mine, docket DMA-25, Valley County, Idaho, is ready, but cannot be put into effect until certain legal difficulties have been cleared up, including the matter of obtaining permission from the Forest Service for a special use permit within the National Forest. I have been requested to contact the Forest Supervisor of the Boise National Forest to determine what procedures were involved in obtaining such special use permits. Accordingly, I contacted Mr. W. G. Guernsey, Supervisor of the Boise National Forest, and I am enclosing a copy of his reply.

You will note that you should apply directly to the Boise National Forest, Box 1857, Boise, Idaho, using the attached application blanks which should be submitted in duplicate. Mr. Guernsey also points out that it would be desirable to accompany the special use application with a letter explaining the objectives in mining, the intended improvements and the future plans for development of the area such as the cost of roads, buildings, etc.

Sincerely yours,

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

Enclosures
cc: DMA
W. G. Guernsey
Operating Committee

COPY for Op. Com. 6-12-52

UNITED STATES DEPARTMENT OF AGRICULTURE

FOREST SERVICE

Boise National Forest

Address Reply to
Forest Supervisor
and refer to

Boise, Idaho

U
USES
General

June 6, 1952

A. E. Weissenborn
Regional Geologist
South 157 Howard Street
Spokane 8, Washington

Dear Mr. Weissenborn:

Reference is made to your telephone conversation with Supervisor W. G. Guernsey of the Boise National Forest relative to planned improvements for a mining operation on Pungo Creek within the forest primitive area.

Attached are forms for making application for special use within the national forest.

It would be desirable to accompany the Special Use Application with a letter explaining your objective in making the intended improvements and the future plans for development of the area such as the cost of roads, building, etc.

We would appreciate any additional information you might have which would help in the consideration of the application.

The application should be made by the individual or company responsible for the contemplated mining and improvements and should be submitted in duplicate to the Boise National Forest, Box 1839, Boise, Idaho.

Very truly yours,

W. G. GUERNSEY, Forest Supervisor

By /s/ Leonard Berg
Acting

Attachment

FILE COPY
SURNAME:

Robertson
Smith
Smith

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

JUN 4 1952

Mr. George H. McKaig, President
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Subject: Docket No. DMMA-2355
Fluorspar
Pungo Creek Group
Valley County, Idaho

Dear Mr. McKaig:

The following are the four points relative to the exploration contract for the Pongo Creek Mine which Mr. Robertson discussed with you on long distance telephone.

1. As the contract for sale of the land is in the names of McKaig and Todd, and as the applicant is Fluorspar Corporation, the contract must be assigned to the Corporation and a copy of the assignment furnished to us.

2. The Owner's Consent to Lien must be reexecuted with the correct amount of the Government's contribution inserted therein, and copies thereof attached to the contract.

3. If the assignment of the contract of sale creates some claim in the assignor (see paragraph 3, DMMA Circular 20, Supplement 1) the assignor's Owner's Consent to Lien must be obtained and copies attached to the contract. The map referred to in the description of the work must be attached to the contract.

4. It appears from the file that a permit from the Forest Service is necessary in order to do the roadwork provided in the contract, but there is no evidence in the file that such permit has been obtained. It is necessary, therefore, that a copy of the required permit be furnished to us.

The four points set forth have to be satisfied before the final execution of the contract can be made. The documents asked for are requested by our Legal Division.

You may send us the copy of the assignment from McKaig-Dodd to Fluorspar Corporation and also a statement that in making the assignment there are no liens or claims by the assignors.

We are returning to you the old Owner's Consent to Lien made out in the sum of $18,589.50. Please change the amount to $24,750, the amount of the Government's contribution in our present draft of contract.

In regards the U. S. Forest Service permit, we would like you to do what you can to clarify this point. We suggest that you review this matter with the Supervisor, Boise National Forest, Boise, Idaho.

The contract is ready but awaiting receipt of the documents requested.

In case you may have use for them, we are sending you a number of blank forms MF-203, Owner's Consent to Lien.

May we hear from you at your earliest convenience?

Sincerely yours,

Signed S.H. 6-6-52

Lawrence G. Houk, Chief
Nonmetallic Minerals Division
Defense Minerals Exploration
Administration

Enclosures - 20
JTRobertson:mp 6/3/52
cc: Docket File
Field Team, Region II (2)
Mr. Van Alstine, G-232, GSA Bldg.
Mr. Davis, 3519
Adm. Reading File
Mr. Houk

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

May 29, 1952

Memorandum

To: Acting Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Fluorspar Corporation - Docket No. DMEA-2355

There is attached, in satisfactory legal form for execution, a contract covering the subject project. However, prior to executing the contract, the following must be done:

1. As the contract for sale of the land is in the names of McKaig and Dodd, and as the applicant is Fluorspar Corporation, the contract must be assigned to the Corporation and a copy of the assignment furnished to us.

2. The Owner's Consent to Lien must be reexecuted with the correct amount of the Government's contribution inserted therein, and copies thereof attached to the contract.

3. If the assignment of the contract of sale creates some claim in the assignor (see paragraph 3, DMEA Circular 20, Supplement 1) the assignor's Owner's Consent to Lien must be obtained and copies attached to the contract. The map referred to in the description of the work must be attached to the contract.

4. It appears from the file that a permit from the Forest Service is necessary in order to do the roadwork provided in the contract, but there is no evidence in the file that such permit has been obtained. It is necessary, therefore, that a copy of the required permit be furnished to us.

J. L. Hofflund
Chief Counsel

Attachment

140

FILE COPY
SURNAME:

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

May 29, 1952

Memorandum

To: Acting Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Fluorspar Corporation - Docket No. DMEA-2355

There is attached, in satisfactory legal form for execution, a contract covering the subject project. However, prior to executing the contract, the following must be done:

1. As the contract for sale of the land is in the names of McKaig and Dodd, and as the applicant is Fluorspar Corporation, the contract must be assigned to the Corporation and a copy of the assignment furnished to us.

2. The Owner's Consent to Lien must be reexecuted with the correct amount of the Government's contribution inserted therein, and copies thereof attached to the contract.

3. If the assignment of the contract of sale creates some claim in the assignor (see paragraph 3, DMEA Circular 20, Supplement 1) the assignor's Owner's Consent to Lien must be obtained and copies attached to the contract. The map referred to in the description of the work must be attached to the contract.

4. It appears from the file that a permit from the Forest Service is necessary in order to do the roadwork provided in the contract, but there is no evidence in the file that such permit has been obtained. It is necessary, therefore, that a copy of the required permit be furnished to us.

HCRubin/ema
cc: Mails & Files
J. L. Hofflund
H. C. Rubin
L. G. Houk
Chron.

J. L. Hofflund
J. L. Hofflund
Chief Counsel

Attachment

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 North Division Street
Spokane 2, Washington
April 24, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY - 2 1952

Memorandum

To: Chairman, Operating Committee, DMEA, Washington 25, D. C.

From: Field Team, Region II

Subject: DMEA 2355, Pungo Creek fluorspar deposit, Valley County, Idaho.

A proposed contract for exploration of the captioned property, revised from the original application according to a telephone discussion with Mr. Lawrence G. Houk and Mr. Robertson, of the Non-Metallic Minerals Division, is forwarded herewith for consideration. Enclosed also are 6 copies of Owner's Consent to Lien, requested in Mr. Hauk's letter of April 14, 1952. Copy of the purchase agreement also requested by Mr. Houk, is being forwarded directly to Washington, D. C. from the Fluorspar Corporation office at Reno, Nevada.

The enclosed contract differs from the initial draft previously submitted primarily in that the work is divided into two successive stages. The proposed first stage is to consist of both hand and mechanical trenching supplemented by sampling and geologic mapping. The cost of initial access and the transportation of equipment required under Stage I is limited to $3,000. This first stage does not obligate considerable funds at this early state in the development of the isolated prospect. On the other hand, significant results from the first stage will be the basis of justification of Stage II.

There are alternate plans for the proposed second stage to be decided by the Field Team on the available data. Alternate Plan A consists of 1,000 feet of diamond drilling to probe the vein structures at depth. This plan will require improvement of the bulldozer trail for transportation of operating equipment and supplies. The cost of this improvement is estimated at $2,000.

Stage II, Alternate Plan B, consisting of 500 feet of drifting on the vein structure will be done in lieu of diamond drilling at the discretion of the Field Team. Alternate Plan B will require additional tractor road improvement at an estimated cost of $12,000.

The contract has been prepared in this manner to provide both flexibility and adequate checks at all stages of the work. Inasmuch as the program is of a pioneering nature, it is impossible to foresee all eventualities and bind them in a firm contract.

If the results of Stage I are not sufficiently encouraging the project can be terminated. However, if the Field Team considers further investigation desirable, work will proceed along the lines of either Alternative Plan A or B.

The proposed contract has been discussed with representatives of the Fluorspar Corporation.

By Field Team, Region II

A. E. Weissenborn

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

M. E. Volin

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

cc: USGS, Spokane

MF-200
(June 1951)

Docket No. DMA 2355
Commodity fluorspar

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form draft from [illegible]

EXPLORATION PROJECT CONTRACT[1]

Revised

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Valley described as follows:[3] 7 unpatented lode mining claims - Pungo Creek, Pungo Creek Nos. 1, 2, 3, 4, 5, and 6 - within and nearby sec. 36, T. 17 N., R. 11 E., Boise principal meridian

with respect to which the Operator represents and undertakes:[4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Property is under purchase contract dated November 19, 195[illegible] from Edward Budell of Boise, Idaho; ~~subordination agreement attached~~

~~(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.~~

3. *Exploration project.* The Operator, within ~~July following~~ See [illegible] days from the date of this contract shall commence work on a project of exploration for[5] fluorspar; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] six months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

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

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ ~~26,934.00~~ $24,750.00, which is 50 percent of the agreed estimated total cost of this project, $ ~~53,868.00~~ $49,500.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

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

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

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Fluorspar Corporation

(Operator)

By President

By Secretary

THE UNITED STATES OF AMERICA

By

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

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar
Exploration Project Contract

EXHIBIT "A"

Revised

Statement of the Work

The purpose of this project shall be to explore the veins exposed in outcrops and indicated by float on the Pungo Creek mining claims, one of which is shown on the attached map. The exploration shall be done in two stages, with the commencement of the second stage contingent upon the successful completion of the first.

The first stage of the project shall consist of both hand and bulldozer trenching and additional reconnaissance (sampling and geologic mapping) along the known outcrops and favorable float areas to determine the width, lateral extent and grade of the veins. This work shall be divided equally between the area indicated on the attached map and at locations shown thereon, together with another area east of Pungo Creek where additional float areas are known. Hand trenching shall be limited to 42 man shifts. The total amount of mechanical trenching shall be limited to 180 hours of bulldozer time. It is estimated that 5400 lineal feet of mechanical trenching will be accomplished.

At the discretion of the Operator and with the prior written approval of the DMEA Field Team, Stage II of the project shall be started. The purpose of this phase of the program shall be to explore the vein or veins at depth. This may be accomplished by 1800 feet of diamond drilling from the surface. Five holes aggregating 900 feet shall be drilled from locations and with bearings and inclinations shown on the attached map. The remaining holes shall be drilled subject to Field Team approval from locations indicated most favorable by the reconnaissance and trenching of Stage I.

If, in the opinion of the DMEA Field Team, the results of Stage I indicate that diamond drilling is not feasible, drifting on the vein as shown on the attached map and in such other locations as indicated most favorable by the trenching of Stage I may be performed in lieu thereof, subject to Field Team approval. Total drifting shall not exceed 500 feet.

Final draft of Exhibit "A" derived from data & figures here submitted by Fred [illegible] but modified & rewritten to eliminate diamond drilling.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Program Remarks

Fixtures and Improvements

Stage I - none

Stage II - Alternative "A" - diamond drilling - none

Stage II - Alternative "B" - drifting

Build one 14'x20' compressor house and tool shed. Estimated cost to include all labor and materials. Total $600.00

Operating Equipment

Stage I

To be purchased

Miscellaneous small tools - total $300.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	2 mo.	$70.00

To be rented

None

Stage II - Alternative "A" - diamond drilling

To be purchased

None

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	4 mo.	$140.00

To be rented

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Operating Equipment - cont.

Stage II - Alternative "B" - drifting

To be purchased

Item	Estimated cost
1 - IR 160 cfm compressor	$3,674.00
1 - Atlas rock drill with pusher	525.00
1 - tool dresser	180.00
1 - chain saw	425.00
1 - mine car	250.00
1 - water tank	60.00
1 - blower	250.00
Total	$5,364.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep and trailer	$2100	$35.00	4 mo.	$140.00
1 Portable generator	600	10.00	4 mo.	40.00
Total				$180.00

To be rented

Item	Estimated monthly rental	Period	Total
1 4x4 dump truck	$20/day	21 days	$420.00

Labor and Supervision

Stage I

Classification	Rate
2 laborers	$ 12.00/8-hr. shift
1 supervisor*	625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage I of the project.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Labor and Supervision - continued

Revised

Stage II - Alternative "A" - diamond drilling

Classification	Rate
1 supervisor*	$625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Stage II - Alternative "B" - drifting

Classification	Rate
4 miners	$ 16.00/8-hr. shift*
1 truck driver and surface laborer	14.00/8-hr. shift*
1 cook	160.00/month
1 supervisor**	625.00/month

*These rates shall be subject to change for legal overtime and changes made to make the wage scale conform to that being paid for like work in the region in which the project is located, subject to Government approval.

**The amount shown shall include all the maximum expense allowable for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Rehabilitation and Repairs

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of the Project

Stage I

Time schedule		Estimated cost
	1. Transportation of dozer and supplies to property (includes trucking dozer to end of road at Pistol Creek Summit, walking dozer 22 miles over Forest Service trail, widening it as necessary to make it adequate for transporting fuel and other necessary supplies with tractor and stoneboat to the property. To be done by contract at $18.00 per hour for a fully operated dozer.) Maximum allowable	$3,000.00
	2. 180 hours bulldozer trenching - to be done by contract at a maximum rate of $18.00 per hour for a fully operated dozer	3,240.00
	3. Hand trenching, 42 man shifts	504.00
2 months	4. Extra labor for clearing and misc. work	600.00
	5. Supervision, engineering and geologic mapping, accounting and office expense - $625/mo. for 2 months	1,250.00
	6. Operating equipment to be purchased	300.00
	7. Equipment to be furnished	70.00
	8. Air transportation of personnel and miscellaneous supplies	300.00
	9. Assaying	1,200.00
	Total - Stage I	$10,464.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Revised

Estimated Cost of Project - continued

Stage II - Alternative "A" - diamond drilling

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of drilling equipment and supplies. To be done by contract subject to Government approval	$2,000.00
	2. 1800 feet of diamond drilling. To be done by contract at an estimated cost of $10.00 per foot; contract price to include all expenses for equipment, labor and supplies. To be done on a 2-shift working schedule at an estimated rate of 500 feet of hole per month.	18,000.00
4 months	3. Miscellaneous drilling expense, cementing, reaming, core boxes, etc.	2,500.00
	4. Sampling and assaying	2,400.00
	5. Supervision, engineering, accounting and office expense, $625/mo. for 4 months	2,500.00
	6. Transportation of drilling equipment	1,000.00
	7. Equipment furnished - $35/mo. for 4 mos.	140.00
	Total - Stage II - Alternative "A"	$28,540.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "B" - drifting

Time schedule			Estimated cost
	1.	Improving tractor road to make it adequate for transportation of equipment and supplies. To be done by contract and subject to Government approval.	$12,000.00
	2.	600 feet of drifting at $42.40/ft.* To be driven on a 2-shift working schedule at an estimated rate of 150 feet per month	25,440.00
4 months	3.	Equipment to be purchased	5,364.00
	4.	Fixtures and improvements	600.00
		Total - Stage II - Alternative "B"	$43,404.00
		Maximum Total Cost of Project	$53,868.00

*The estimated per foot cost includes all costs for all labor, supervision, supplies, equipment rental, allowance for depreciation of Operator's equipment, sampling, assaying and all other costs not specified separately above.

IN REPLY REFER TO:
G-MD-REVA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 7 1952

May 7, 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2355 (fluorspar)

To: Non-Metallic Minerals Division, DMEA - Lawrence G. Houk
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Fluorspar Corporation, Box 1211, Reno, Nevada.
Name of property: Pungo Creek.
Location of property: Sec. 36, T. 17 N., R. 11 E., Valley County, Idaho.
Field team's recommendation:

Stage 1: Trenching (about 5,400 feet) by bulldozer and hand, and geologic mapping - $10,464 (includes $3,000 transportation and $1,200 assaying).

Stage 2: Either 1,800 feet of diamond drilling ($28,540 including $2,000 road improvement) or 600-foot adit ($43,404 including $12,000 road improvement), at discretion of operator and prior written approval of field team.

Comments:

The evidence submitted does not indicate the likelihood that this high-grade but narrow deposit in such a remote locality will be able to compete for markets. Cost data have not been presented showing what is required in terms of size and grade before a deposit here could be regarded as commercial. If these objections are not valid, the proposal probably is suitable.

Specific comments on proposed Exhibit A follow:

1) Page 1, lines 10-12: Half of the trenching program, about $3,500 worth ($10,000 minus $3,000 divided by 2), is not shown on any map.
2) Page 1, last line: "Total drifting shall not exceed 500 feet." Page 7 and map show 600 feet of drifting.

Map - Three areas of proposed hand trenching are shown along the line of the proposed drift, rather than along the outcrop.

ACTION SUGGESTED:

Follow field team's recommendation, with any modification necessary in accordance with comments made above.

R. E. Van Alstine

R. E. Van Alstine

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 10 1952

June 2, 1952

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

Re: Docket No. DMEA-2355, Fluorspar
Pungo Creek Mine, Valley County,
Idaho.

Dear Mr. Johnson:

This letter is in response to a telephone inquiry from Mr. Robertson regarding the subject docket. According to Mr. Robertson the docket has come back from Legal with several queries, all of which have been cleared up with the applicant with the exception of one concerning the matter of the permit from the Forest Service to allow the construction of an access road or trail. The property is in section 36, T. 17 N., R. 11 E. in the Idaho Primitive Area. At Mr. Robertson's suggestion I contacted Mr. G. T. Guernsey, Supervisor of the Boise National Forest in Boise, to inquire as to what was required in order to obtain an access road permit. Mr. Guernsey informed me that access roads are not permitted in the Primitive Area, except that where deposits of strategic minerals are involved exceptions can be made. I infer from talking with Mr. Guernsey that these permits are not easily obtained. In fact, he suggested that the best way to obtain such a permit would be for the DMEA to take it up with the Forest Service at the Washington level.

However, Mr. Guernsey stated that he would look up the location of the property and would write me a letter explaining the Forest Service position. The location of the property with respect to the boundaries of the Primitive Area conceivably would have some bearing on the Forest Service's attitude. I will forward Mr. Guernsey's reply to you as soon as it arrives.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM

FILE COPY
SURNAME:

Robertson

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

600

May 8, 1952

Memorandum

To: Chief Counsel

From: Chief, Non-Metallic Minerals Division, DMEA

Subject: Docket No. DMEA-2355 - Fluorspar
Pungo Creek Mine, Valley County, Idaho

The material for preparation of contract for the above reference is submitted herewith together with the docket file. The draft of Exhibit "A" is a modified version of the last proposed contract submitted by the Field Team, Region II, under memorandum dated April 24, 1952. The cost data and the two stage program submitted by them is utilized but their program is modified to eliminate the diamond drilling and some other slight changes.

Because the expense for road clearance for transportation of equipment is such an unpredictable thing, we have set up the amounts considered necessary as a contingent expense and its use is subject to the discretion and approval of the Regional Office Field Team.

Several attempts have been made to write up a satisfactory project. This last draft meets the approval of commodity men here and closely approaches that submitted by the Field Team.

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

Attachments - 4
GRobertson:mp
cc: Docket File
Mr. Houk
Mr. Robertson

FLUORSPAR CORPORATION

Producers of High Grade Fluorspar

P. O. Box 1211
TELEPHONE: 2-6991

150 N. CENTER ST.
RENO, NEVADA

May 2, 1952

Mr. Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Administration
Washington 25, D.C.

SUBJECT: Docket No. DMEA-2355, Fluorspar, Pungo Creek Mine
Valley County, Idaho

Dear Mr. Houk:

Reference is made to your letter of April 28th with regard to the Pungo Creek Mine, as above.

You are correct in your assumption, in the second paragraph of your letter, that when Pungo Creek Claim is mentioned in the Agreement it covers Pungo Creek No. 1, No, 2, No. 3, No. 4, No. 5 and No.6 and that they are all included in the county record references.

We are, of course, pleased to learn that you are making progress with the process of our application and hope to hear from you about this matter in the very near future.

Sincerely yours,

FLUORSPAR CORPORATION

Geo. H. McKaig
President

ghm
hp
via airmail

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1952

FILE COPY
SURNAME:

Robertson
Mitt

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

500

APR 28 1952

Mr. George H. McKaig, President
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Subject: Docket No. DMA-2355
Fluorspar
Pungo Creek Mine
Valley County, Idaho

Dear Mr. McKaig:

We acknowledge with thanks the receipt of the photostat copy of the Agreement for Sale of Mining Property covering the Pungo Creek Group and which Mr. Volin requested be sent to this office.

In reading the description in the Agreement we note that only the Pungo Creek Claim is mentioned. We wonder if the other claims, Pungo Creek No. 1, No. 2, No. 3, No. 4, No. 5 and No. 6 are all included in the county record references. Perhaps you can enlighten us on this point.

In the meantime, we are proceeding with the processing of the application and with the assistance of the Regional Office hope to arrive at a satisfactory basis for a program of assistance.

Sincerely yours,

C. O. Mittendorf (for) J.N. 4-28-52
Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

JTRobertson:mp 4/28/52
cc: Docket File
Adm. Reading File
Field Team, Region II (2)
Mr. Volin, Region II - B/M
Mr. Davis, 3519
Mr. Van Alstine, G-232, GSA Bldg.
Mr. Houk

MF-200
(June 1951)

Docket No. DMA 2355
Commodity fluorspar

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Valley described as follows: [3] 7 unpatented lode mining claims - Pungo Creek, Pungo Creek Nos. 1, 2, 3, 4, 5, and 6 - within and nearby sec. 36, T. 17 N., R. 11 E., Boise principal meridian

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Property is under purchase contract from Edward Budell of Boise, Idaho; subordination agreement attached

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within July following ~~days from~~ the date of this contract shall commence work on a project of exploration for [5] fluorspar; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] six months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

Und

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

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

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of ---50-- percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $-26,934.00----, which is ----50------ percent of the agreed estimated total cost of this project, $---53,868.00-------.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

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

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

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

[illegible]
used [illegible]
[illegible] contract
to sink a diamond drill

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar
Exploration Project Contract

EXHIBIT "A"

Statement of the Work

The purpose of this project shall be to explore the veins exposed in outcrops and indicated by float on the Pungo Creek mining claims, one of which is shown on the attached map. The exploration shall be done in two stages, with the commencement of the second stage contingent upon the successful completion of the first.

The first stage of the project shall consist of both hand and bulldozer trenching and additional reconnaissance (sampling and geologic mapping) along the known outcrops and favorable float areas to determine the width, lateral extent and grade of the veins. This work shall be divided equally between the area indicated on the attached map and at locations shown thereon, together with another area east of Pungo Creek where additional float areas are known. Hand trenching shall be limited to 42 man shifts. The total amount of mechanical trenching shall be limited to 180 hours of bulldozer time. It is estimated that 5400 lineal feet of mechanical trenching will be accomplished.

∴ half of trenching, about $3500 worth ($\frac{\$10,000 - \$3,000}{2}$) not shown on only map.

At the discretion of the Operator and with the prior written approval of the DMEA Field Team, Stage II of the project shall be started. The purpose of this phase of the program shall be to explore the vein or veins at depth. This may be accomplished by 1800 feet of diamond drilling from the surface. Five holes aggregating 900 feet shall be drilled from locations and with bearings and inclinations shown on the attached map. The remaining holes shall be drilled subject to Field Team approval from locations indicated most favorable by the reconnaissance and trenching of Stage I.

If, in the opinion of the DMEA Field Team, the results of Stage I indicate that diamond drilling is not feasible, drifting on the vein as shown on the attached map and in such other locations as indicated most favorable by the trenching of Stage I may be performed in lieu thereof, subject to Field Team approval. Total drifting shall not exceed 500 feet.

600 ft, Stage II, item 2, p

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Fixtures and Improvements

Stage I - none

Stage II - Alternative "A" - diamond drilling - none

Stage II - Alternative "B" - drifting

Build one 14'x20' compressor house and tool shed. Estimated cost to include all labor and materials. Total $600.00

Operating Equipment

Stage I

To be purchased

Miscellaneous small tools - total $300.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
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To be rented

None

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None

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
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To be rented

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FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Operating Equipment - cont.

Stage II - Alternative "B" - drifting

To be purchased

Item	Estimated cost
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1 - mine car	250.00
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To be furnished

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Labor and Supervision

Stage I

Classification	Rate
2 laborers	$ 12.00/8-hr. shift
1 supervisor*	625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage I of the project.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Labor and Supervision - continued

Stage II - Alternative "A" - diamond drilling

Classification	Rate
1 supervisor*	$625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Stage II - Alternative "B" - drifting

Classification	Rate
4 miners	$ 16.00/8-hr. shift*
1 truck driver and surface laborer	14.00/8-hr. shift*
1 cook	160.00/month
1 supervisor**	625.00/month

*These rates shall be subject to change for legal overtime and changes made to make the wage scale conform to that being paid for like work in the region in which the project is located, subject to Government approval.

**The amount shown shall include all the maximum expense allowable for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Rehabilitation and Repairs

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of the Project

Stage I

Time schedule		Estimated cost
	1. Transportation of dozer and supplies to property (includes trucking dozer to end of road at Pistol Creek Summit, walking dozer 22 miles over Forest Service trail, widening it as necessary to make it adequate for transporting fuel and other necessary supplies with tractor and stoneboat to the property. To be done by contract at $18.00 per hour for a fully operated dozer.) Maximum allowable	$3,000.00
	2. 180 hours bulldozer trenching - to be done by contract at a maximum rate of $18.00 per hour for a fully operated dozer	3,240.00
	3. Hand trenching, 42 man shifts	504.00
2 months	4. Extra labor for clearing and misc. work	600.00
	5. Supervision, engineering and geologic mapping, accounting and office expense - $625/mo. for 2 months	1,250.00
	6. Operating equipment to be purchased	300.00
	7. Equipment to be furnished	70.00
	8. Air transportation of personnel and miscellaneous supplies	300.00
	9. Assaying	1,200.00
	Total - Stage I	$10,464.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "A" - diamond drilling

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of drilling equipment and supplies. To be done by contract subject to Government approval	$2,000.00
	2. 1800 feet of diamond drilling. To be done by contract at an estimated cost of $10.00 per foot; contract price to include all expenses for equipment, labor and supplies. To be done on a 2-shift working schedule at an estimated rate of 500 feet of hole per month.	18,000.00
4 months	3. Miscellaneous drilling expense, cementing, reaming, core boxes, etc.	2,500.00
	4. Sampling and assaying	2,400.00
	5. Supervision, engineering, accounting and office expense, $625/mo. for 4 months	2,500.00
	6. Transportation of drilling equipment	1,000.00
	7. Equipment furnished - $35/mo. for 4 mos.	140.00
	Total - Stage II - Alternative "A"	$28,540.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "B" - drifting

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of equipment and supplies. To be done by contract and subject to Government approval.	$12,000.00
	2. 600 feet of drifting at $42.40/ft.* To be driven on a 2-shift working schedule at an estimated rate of 150 feet per month	25,440.00
4 months	3. Equipment to be purchased	5,364.00
	4. Fixtures and improvements	600.00
	Total - Stage II - Alternative "B"	$43,404.00
	Maximum Total Cost of Project	$53,868.00

*The estimated per foot cost includes all costs for all labor, supervision, supplies, equipment rental, allowance for depreciation of Operator's equipment, sampling, assaying and all other costs not specified separately above.

MF-200
(June 1951)

Docket No. DMA 2355
Commodity fluorspar

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Revised
"Not Approved"

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Valley described as follows: [3] 7 unpatented lode mining claims - Pungo Creek, Pungo Creek Nos. 1, 2, 3, 4, 5, and 6 - within and nearby sec. 36, T. 17 N., R. 11 E., Boise principal meridian

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Property is under purchase contract from Edward Budell of Boise, Idaho; subordination agreement attached

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within July following ~~days from~~ the date of this contract shall commence work on a project of exploration for [5] fluorspar; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] six months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

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

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 26,934.00, which is 50 percent of the agreed estimated total cost of this project, $ 53,868.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

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

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

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ---

By ---

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

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar
Exploration Project Contract

EXHIBIT "A"

Statement of the Work

The purpose of this project shall be to explore the veins exposed in outcrops and indicated by float on the Pungo Creek mining claims, one of which is shown on the attached map. The exploration shall be done in two stages, with the commencement of the second stage contingent upon the successful completion of the first.

The first stage of the project shall consist of both hand and bulldozer trenching and additional reconnaissance (sampling and geologic mapping) along the known outcrops and favorable float areas to determine the width, lateral extent and grade of the veins. This work shall be divided equally between the area indicated on the attached map and at locations shown thereon, together with another area east of Pungo Creek where additional float areas are known. Hand trenching shall be limited to 42 man shifts. The total amount of mechanical trenching shall be limited to 180 hours of bulldozer time. It is estimated that 5400 lineal feet of mechanical trenching will be accomplished.

At the discretion of the Operator and with the prior written approval of the DMEA Field Team, Stage II of the project shall be started. The purpose of this phase of the program shall be to explore the vein or veins at depth. This may be accomplished by 1800 feet of diamond drilling from the surface. Five holes aggregating 900 feet shall be drilled from locations and with bearings and inclinations shown on the attached map. The remaining holes shall be drilled subject to Field Team approval from locations indicated most favorable by the reconnaissance and trenching of Stage I.

If, in the opinion of the DMEA Field Team, the results of Stage I indicate that diamond drilling is not feasible, drifting on the vein as shown on the attached map and in such other locations as indicated most favorable by the trenching of Stage I may be performed in lieu thereof, subject to Field Team approval. Total drifting shall not exceed 500 feet.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Fixtures and Improvements

Stage I - none

Stage II - Alternative "A" - diamond drilling - none

Stage II - Alternative "B" - drifting

Build one 14'x20' compressor house and tool shed. Estimated cost to include all labor and materials. Total $600.00

Operating Equipment

Stage I

To be purchased

Miscellaneous small tools - total $300.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	2 mo.	$70.00

To be rented

None

Stage II - Alternative "A" - diamond drilling

To be purchased

None

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	4 mo.	$140.00

To be rented

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Operating Equipment - cont.

Stage II - Alternative "B" - drifting

To be purchased

Item	Estimated cost
1 - IR 160 cfm compressor	$3,674.00
1 - Atlas rock drill with pusher	525.00
1 - tool dresser	180.00
1 - chain saw	425.00
1 - mine car	250.00
1 - water tank	60.00
1 - blower	250.00
Total	$5,364.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep and trailer	$2100	$35.00	4 mo.	$140.00
1 Portable generator	600	10.00	4 mo.	40.00
Total				$180.00

To be rented

Item	Estimated monthly rental	Period	Total
1 4x4 dump truck	$20/day	21 days	$420.00

Labor and Supervision

Stage I

Classification	Rate
2 laborers	$ 12.00/8-hr. shift
1 supervisor*	625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage I of the project.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Labor and Supervision - continued

Stage II - Alternative "A" - diamond drilling

Classification	Rate
1 supervisor*	$625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Stage II - Alternative "B" - drifting

Classification	Rate
4 miners	$ 16.00/8-hr. shift*
1 truck driver and surface laborer	14.00/8-hr. shift*
1 cook	160.00/month
1 supervisor**	625.00/month

*These rates shall be subject to change for legal overtime and changes made to make the wage scale conform to that being paid for like work in the region in which the project is located, subject to Government approval.

**The amount shown shall include all the maximum expense allowable for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Rehabilitation and Repairs

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of the Project

Stage I

Time schedule		Estimated cost
	1. Transportation of dozer and supplies to property (includes trucking dozer to end of road at Pistol Creek Summit, walking dozer 22 miles over Forest Service trail, widening it as necessary to make it adequate for transporting fuel and other necessary supplies with tractor and stoneboat to the property. To be done by contract at $18.00 per hour for a fully operated dozer.) Maximum allowable	$3,000.00
	2. 180 hours bulldozer trenching - to be done by contract at a maximum rate of $18.00 per hour for a fully operated dozer	3,240.00
	3. Hand trenching, 42 man shifts	504.00
2 months	4. Extra labor for clearing and misc. work	600.00
	5. Supervision, engineering and geologic mapping, accounting and office expense - $625/mo. for 2 months	1,250.00
	6. Operating equipment to be purchased	300.00
	7. Equipment to be furnished	70.00
	8. Air transportation of personnel and miscellaneous supplies	300.00
	9. Assaying	1,200.00
	Total - Stage I	$10,464.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "A" - diamond drilling

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of drilling equipment and supplies. To be done by contract subject to Government approval	$2,000.00
	2. 1800 feet of diamond drilling. To be done by contract at an estimated cost of $10.00 per foot; contract price to include all expenses for equipment, labor and supplies. To be done on a 2-shift working schedule at an estimated rate of 500 feet of hole per month.	18,000.00
4 months	3. Miscellaneous drilling expense, cementing, reaming, core boxes, etc.	2,500.00
	4. Sampling and assaying	2,400.00
	5. Supervision, engineering, accounting and office expense, $625/mo. for 4 months	2,500.00
	6. Transportation of drilling equipment	1,000.00
	7. Equipment furnished - $35/mo. for 4 mos.	140.00
	Total - Stage II - Alternative "A"	$28,540.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "B" - drifting

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of equipment and supplies. To be done by contract and subject to Government approval.	$12,000.00
	2. 600 feet of drifting at $42.40/ft.* To be driven on a 2-shift working schedule at an estimated rate of 150 feet per month	25,440.00
4 months	3. Equipment to be purchased	5,364.00
	4. Fixtures and improvements	600.00
	Total - Stage II - Alternative "B"	$43,404.00
	Maximum Total Cost of Project	$53,868.00

*The estimated per foot cost includes all costs for all labor, supervision, supplies, equipment rental, allowance for depreciation of Operator's equipment, sampling, assaying and all other costs not specified separately above.

MF-200
(June 1951)

Docket No. DMA 2355
Commodity fluorspar

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Valley described as follows: [3] 7 unpatented lode mining claims - Pungo Creek, Pungo Creek Nos. 1, 2, 3, 4, 5, and 6 - within and nearby sec. 36, T. 17 N., R. 11 E., Boise principal meridian

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Property is under purchase contract from Edward Budell of Boise, Idaho; subordination agreement attached

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within July following ////////// days from the date of this contract shall commence work on a project of exploration for [5] fluorspar; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] six months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

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

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $26,934.00, which is 50 percent of the agreed estimated total cost of this project, $53,868.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

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

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

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar
Exploration Project Contract

EXHIBIT "A"

Statement of the Work

The purpose of this project shall be to explore the veins exposed in outcrops and indicated by float on the Pungo Creek mining claims, one of which is shown on the attached map. The exploration shall be done in two stages, with the commencement of the second stage contingent upon the successful completion of the first.

The first stage of the project shall consist of both hand and bulldozer trenching and additional reconnaissance (sampling and geologic mapping) along the known outcrops and favorable float areas to determine the width, lateral extent and grade of the veins. This work shall be divided equally between the area indicated on the attached map and at locations shown thereon, together with another area east of Pungo Creek where additional float areas are known. Hand trenching shall be limited to 42 man shifts. The total amount of mechanical trenching shall be limited to 180 hours of bulldozer time. It is estimated that 5400 lineal feet of mechanical trenching will be accomplished.

At the discretion of the Operator and with the prior written approval of the DMEA Field Team, Stage II of the project shall be started. The purpose of this phase of the program shall be to explore the vein or veins at depth. This may be accomplished by 1800 feet of diamond drilling from the surface. Five holes aggregating 900 feet shall be drilled from locations and with bearings and inclinations shown on the attached map. The remaining holes shall be drilled subject to Field Team approval from locations indicated most favorable by the reconnaissance and trenching of Stage I.

If, in the opinion of the DMEA Field Team, the results of Stage I indicate that diamond drilling is not feasible, drifting on the vein as shown on the attached map and in such other locations as indicated most favorable by the trenching of Stage I may be performed in lieu thereof, subject to Field Team approval. Total drifting shall not exceed 500 feet.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Fixtures and Improvements

Stage I - none

Stage II - Alternative "A" - diamond drilling - none

Stage II - Alternative "B" - drifting

Build one 14'x20' compressor house and tool shed. Estimated cost to include all labor and materials. Total $600.00

Operating Equipment

Stage I

To be purchased

Miscellaneous small tools - total $300.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	2 mo.	$70.00

To be rented

None

Stage II - Alternative "A" - diamond drilling

To be purchased

None

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	4 mo.	$140.00

To be rented

None

FLUORSPAR CORPORATION
Docket No. DFRA 2355 - Fluorspar

EXHIBIT "A" (continued)

Operating Equipment - cont.

Stage II - Alternative "B" - drifting

To be purchased

Item	Estimated cost
1 - IR 160 cfm compressor	$3,674.00
1 - Atlas rock drill with pusher	525.00
1 - tool dresser	180.00
1 - chain saw	425.00
1 - mine car	250.00
1 - water tank	60.00
1 - blower	250.00
Total	$5,364.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep and trailer	$2100	$35.00	4 mo.	$140.00
1 Portable generator	600	10.00	4 mo.	40.00
Total				$180.00

To be rented

Item	Estimated monthly rental	Period	Total
1 4x4 dump truck	$20/day	21 days	$420.00

Labor and Supervision

Stage I

Classification	Rate
2 laborers	$ 12.00/8-hr. shift
1 supervisor*	625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage I of the project.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Labor and Supervision - continued

Stage II - Alternative "A" - diamond drilling

Classification	Rate
1 supervisor*	$625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Stage II - Alternative "B" - drifting

Classification	Rate
4 miners	$ 16.00/8-hr. shift*
1 truck driver and surface laborer	14.00/8-hr. shift*
1 cook	160.00/month
1 supervisor**	625.00/month

*These rates shall be subject to change for legal overtime and changes made to make the wage scale conform to that being paid for like work in the region in which the project is located, subject to Government approval.

**The amount shown shall include all the maximum expense allowable for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Rehabilitation and Repairs

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of the Project

Stage I

Time schedule		Estimated cost
	1. Transportation of dozer and supplies to property (includes trucking dozer to end of road at Pistol Creek Summit, walking dozer 22 miles over Forest Service trail, widening it as necessary to make it adequate for transporting fuel and other necessary supplies with tractor and stemsboat to the property. To be done by contract at $18.00 per hour for a fully operated dozer.) Maximum allowable	$3,000.00
	2. 180 hours bulldozer trenching - to be done by contract at a maximum rate of $18.00 per hour for a fully operated dozer	3,240.00
	3. Hand trenching, 42 man shifts	504.00
2 months	4. Extra labor for clearing and misc. work	600.00
	5. Supervision, engineering and geologic mapping, accounting and office expense - $625/mo. for 2 months	1,250.00
	6. Operating equipment to be purchased	300.00
	7. Equipment to be furnished	70.00
	8. Air transportation of personnel and miscellaneous supplies	300.00
	9. Assaying	1,200.00
	Total - Stage I	$10,464.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "A" - diamond drilling

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of drilling equipment and supplies. To be done by contract subject to Government approval	$2,000.00
	2. 1800 feet of diamond drilling. To be done by contract at an estimated cost of $10.00 per foot; contract price to include all expenses for equipment, labor and supplies. To be done on a 2-shift working schedule at an estimated rate of 500 feet of hole per month.	18,000.00
4 months	3. Miscellaneous drilling expense, cementing, reaming, core boxes, etc.	2,500.00
	4. Sampling and assaying	2,400.00
	5. Supervision, engineering, accounting and office expense, $625/mo. for 4 months	2,500.00
	6. Transportation of drilling equipment	1,000.00
	7. Equipment furnished - $35/mo. for 4 mos.	140.00
	Total - Stage II - Alternative "A"	$28,540.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "B" - drifting

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of equipment and supplies. To be done by contract and subject to Government approval.	$12,000.00
	2. 600 feet of drifting at $42.40/ft.* To be driven on a 2-shift working schedule at an estimated rate of 150 feet per month	25,440.00
4 months	3. Equipment to be purchased	5,364.00
	4. Fixtures and improvements	600.00
	Total - Stage II - Alternative "B"	$43,404.00
	Maximum Total Cost of Project	$53,868.00

*The estimated per foot cost includes all costs for all labor, supervision, supplies, equipment rental, allowance for depreciation of Operator's equipment, sampling, assaying and all other costs not specified separately above.

MF-200
(June 1951)

Docket No. DMA 2355
Commodity fluorspar

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

Fluorspar

It is agreed this _____ day of _____, 195___, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Valley described as follows: [3] 7 unpatented lode mining claims - Pungo Creek, Pungo Creek Nos. 1, 2, 3, 4, 5, and 6 - within and nearby sec. 36, T. 17 N., R. 11 E., Boise principal meridian

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Property is under purchase contract from Edward Dudell of Boise, Idaho; subordination agreement attached

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within July following ~~days from~~ the date of this contract shall commence work on a project of exploration for [5] fluorspar; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] six months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

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

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $26,934.00, which is 50 percent of the agreed estimated total cost of this project, $53,868.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

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

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

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar
Exploration Project Contract

EXHIBIT "A"

Statement of the Work

The purpose of this project shall be to explore the veins exposed in outcrops and indicated by float on the Pungo Creek mining claims, one of which is shown on the attached map. The exploration shall be done in two stages, with the commencement of the second stage contingent upon the successful completion of the first.

The first stage of the project shall consist of both hand and bulldozer trenching and additional reconnaissance (sampling and geologic mapping) along the known outcrops and favorable float areas to determine the width, lateral extent and grade of the veins. This work shall be divided equally between the area indicated on the attached map and at locations shown thereon, together with another area east of Pungo Creek where additional float areas are known. Hand trenching shall be limited to 42 man shifts. The total amount of mechanical trenching shall be limited to 180 hours of bulldozer time. It is estimated that 5400 lineal feet of mechanical trenching will be accomplished.

At the discretion of the Operator and with the prior written approval of the DMEA Field Team, Stage II of the project shall be started. The purpose of this phase of the program shall be to explore the vein or veins at depth. This may be accomplished by 1800 feet of diamond drilling from the surface. Five holes aggregating 900 feet shall be drilled from locations and with bearings and inclinations shown on the attached map. The remaining holes shall be drilled subject to Field Team approval from locations indicated most favorable by the reconnaissance and trenching of Stage I.

If, in the opinion of the DMEA Field Team, the results of Stage I indicate that diamond drilling is not feasible, drifting on the vein as shown on the attached map and in such other locations as indicated most favorable by the trenching of Stage I may be performed in lieu thereof, subject to Field Team approval. Total drifting shall not exceed 500 feet.

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Fixtures and Improvements

Stage I - None

Stage II - Alternative "A" - diamond drilling - none

Stage II - Alternative "B" - drifting

Build one 14'x20' compressor house and tool shed. Estimated cost to include all labor and materials. Total $600.00

Operating Equipment

Stage I

To be purchased

Miscellaneous small tools - total $300.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	2 mo.	$70.00

To be rented

None

Stage II - Alternative "A" - diamond drilling

To be purchased

None

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep with trailer	$2100	$35.00	4 mo.	$140.00

To be rented

None

FLUORSPAR CORPORATION
Docket No. DMRA 2355 - Fluorspar

EXHIBIT "A" (continued)

Operating Equipment - cont.

Stage II - Alternative "B" - drifting

To be purchased

Item	Estimated cost
1 - IR 160 cfm compressor	$3,674.00
1 - Atlas rock drill with pusher	525.00
1 - tool dresser	180.00
1 - chain saw	425.00
1 - mine car	250.00
1 - water tank	60.00
1 - blower	250.00
Total	$5,364.00

To be furnished

Item	Value	Monthly allowance for depreciation	Period	Total
1 Jeep and trailer	$2100	$35.00	4 mo.	$140.00
1 Portable generator	600	10.00	4 mo.	40.00
Total				$180.00

To be rented

Item	Estimated monthly rental	Period	Total
1 4x4 dump truck	$20/day	21 days	$420.00

Labor and Supervision

Stage 1

Classification	Rate
2 laborers	$ 12.00/8-hr. shift
1 supervisor*	625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage I of the project.

FLUORSPAR CORPORATION
Docket No. DMSA 2355 - Fluorspar

EXHIBIT "A" (continued)

Labor and Supervision - continued

Stage II - Alternative "A" - diamond drilling

Classification	Rate
1 supervisor*	$625.00/mo.

*The amount shown shall include all the expense allowable per month for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Stage II - Alternative "B" - drifting

Classification	Rate
4 miners	$ 16.00/8-hr. shift*
1 truck driver and surface laborer	14.00/8-hr. shift*
1 cook	160.00/month
1 supervisor**	625.00/month

*These rates shall be subject to change for legal overtime and changes made to make the wage scale conform to that being paid for like work in the region in which the project is located, subject to Government approval.

**The amount shown shall include all the maximum expense allowable for supervision, engineering and geologic mapping, accounting, and office expense for Stage II of the project.

Rehabilitation and Repairs

None

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of the Project

Stage I

Time schedule		Estimated cost
	1. Transportation of dozer and supplies to property (includes trucking dozer to end of road at Pistol Creek Summit, walking dozer 22 miles over Forest Service trail, widening it as necessary to make it adequate for transporting fuel and other necessary supplies with tractor and stonebeat to the property. To be done by contract at $18.00 per hour for a fully operated dozer.) Maximum allowable	$3,000.00
	2. 180 hours bulldozer trenching - to be done by contract at a maximum rate of $18.00 per hour for a fully operated dozer	3,240.00
	3. Hand trenching, 42 man shifts	504.00
2 months	4. Extra labor for clearing and misc. work	600.00
	5. Supervision, engineering and geologic mapping, accounting and office expense - $625/mo. for 2 months	1,250.00
	6. Operating equipment to be purchased	300.00
	7. Equipment to be furnished	70.00
	8. Air transportation of personnel and miscellaneous supplies	300.00
	9. Assaying	1,200.00
	Total - Stage I	$10,464.00

FLUORSPAR CORPORATION
Docket No. DMEA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "A" - diamond drilling

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of drilling equipment and supplies. To be done by contract subject to Government approval	$2,000.00
	2. 1800 feet of diamond drilling. To be done by contract at an estimated cost of $10.00 per foot; contract price to include all expenses for equipment, labor and supplies. To be done on a 2-shift working schedule at an estimated rate of 500 feet of hole per month.	18,000.00
4 months	3. Miscellaneous drilling expense, cementing, reaming, core boxes, etc.	2,500.00
	4. Sampling and assaying	2,400.00
	5. Supervision, engineering, accounting and office expense, $625/mo. for 4 months	2,500.00
	6. Transportation of drilling equipment	1,000.00
	7. Equipment furnished - $35/mo. for 4 mos.	140.00
	Total - Stage II - Alternative "A"	$28,540.00

FLUORSPAR CORPORATION
Docket No. DRBA 2355 - Fluorspar

EXHIBIT "A" (continued)

Estimated Cost of Project - continued

Stage II - Alternative "B" - drifting

Time schedule		Estimated cost
	1. Improving tractor road to make it adequate for transportation of equipment and supplies. To be done by contract and subject to Government approval.	$12,000.00
	2. 600 feet of drifting at $42.40/ft.* To be driven on a 2-shift working schedule at an estimated rate of 150 feet per month	25,440.00
4 months	3. Equipment to be purchased	5,364.00
	4. Fixtures and improvements	600.00
	Total - Stage II - Alternative "B"	$43,404.00
	Maximum Total Cost of Project	$53,868.00

*The estimated per foot cost includes all costs for all labor, supervision, supplies, equipment rental, allowance for depreciation of Operator's equipment, sampling, assaying and all other costs not specified separately above.

DMEA - 2355

FLUORSPAR CORPORATION

Producers of High Grade Fluorspar

P. O. Box 1211
TELEPHONE: 2-6991

150 N. CENTER ST.
RENO, NEVADA

April 22, 1952

Mr. Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Adm.
Washington 25, DC

RE: Docket No. DMEA-2355. Fluorspar, Pungo Creek Group.
Valley County, Idaho

Dear Mr. Houk:

Enclosed you will find a photostat of the "AGREEMENT FOR SALE OF MINING PROPERTY" entered into by and between M. Edward Budell, the seller, and George H. McKaig and J. R. Dodd, the buyers, for the Pungo Creek Mine property.

This is being sent to you at the suggestion of M. E. Volin of the Bureau of Mines in Spokane, with whom we talked about the matter yesterday.

Very truly yours,

FLUORSPAR CORPORATION

By Helen Presby

Secretary to Mr. McKaig

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 24 1952

DMEA-2355

FLUORSPAR CORPORATION

Producers of High Grade Fluorspar

Mr Robertson

P. O. Box 1211 — 150 N. Center St.
Telephone: 2-6991 — Reno, Nevada

April 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1952

Mr. Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Adm.
Washington 25, D.C.

RE: Docket No. DMEA-2355. Fluorspar, Pungo Creek Group
Valley County, Idaho

Dear Mr. Houk:

According to our records, we have sent to Mr. M. E. Volin of the Spokane office of the Bureau of Mines, copy of our purchase agreement on the Pungo Creek Mine and also of the subordination agreement. I assume it was MF-201.

Mr. Budell, from whom we purchased the mine, came out by plane expressly to sign the subordination agreement. That is the only way to get in and out from the mine at this time of year and it takes two or three weeks notice in advance to get out even in that manner.

I am advising Mr. Volin of your request and sending him a copy of your letter to me.

If you are not able to locate the copy of our purchase agreement and forms MF-201 please let me know.

Very truly yours,

FLUORSPAR CORPORATION

By Geo. H. McKaig
President

ghm hp
via airmail

Volin-Spokane
Broadway
1023

Phoned Volin about letter 4/22/52

FLUORSPAR CORPORATION

Producers of High Grade Fluorspar

P. O. Box 1211
TELEPHONE: 2-6991

150 N. CENTER ST.
RENO, NEVADA

April 14, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 16 1952

Defense Minerals Exploration Administration
Washington 25, D.C.

Attention: Lawrence G. Houk, Chief

Subject: Docket No. DMEA-2355 - Fluorspar
Pungo Creek Mine
Valley County, Idaho

Gentlemen:

Pursuant to your letter to me of March 28th, I enclose a photostatic copy of an estimate of the cost of building a road to haul machinery into the Pungo Creek mine.

If there is any additional information you desire in support of this application please do not hesitate to call upon us.

Sincerely yours,

FLUORSPAR CORPORATION

By Geo. H. McKaig

Geo. H. McKaig
President

Cascade, Idaho,

April 10, 1952.

Bluewater Corporation,
148 N. Center St.,
Reno, Nevada.

Gentlemen:

Referring to your letter of April 4, 1952, wherein you ask that I give you an estimate of what it will take to put out a road for the purpose of moving mining machinery into your property.

From what I know of the country and from what I have been able to find out from others familiar with the country a conservative estimate would be $15,000.00.

I hope this figure will be of use to you.

The snow is going away pretty fast here now so spring should be here soon.

Very truly yours,

Ray Nicula
Contractor

FILE COPY
SURNAME:

Robertson
Houk

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

600

APR 1 4 1952

Mr. George H. McKaig, President
Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

Subject: Docket No. DMEA-2355
Fluorspar
Pungo Creek Group
Valley County, Idaho

Dear Mr. McKaig:

We are endeavoring to prepare an exploration assistance project for the Pungo Creek Group and in going over the application we find that the company holds title to the property under a purchase agreement. We do not know if it is a lease, with option to purchase, or some other form of purchase agreement. Irrespective of the form, we would like to receive a copy of the agreement.

Enclosed find seven blank subordination agreements, Form MF-201 for your use in obtaining subordinations from the original owners if they are the holders of claims or liens against the property.

Please send a copy of the purchase agreement and six signed copies of the subordinations at your earliest convenience.

Sincerely yours,

Signed

L.H.
4-14-52

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

Enclosures - 1
Copy to: Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II (2)
JTRobertson:mp 4/10/52
cc: Docket File
Adm. Reading File
Mr. Davis, 3519
Mr. Van Alstine, G-232, GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

APR 1 1952

Hon. Walter S. Baring

House of Representatives

Subject: Docket No. DMEA-2355 - Fluorspar
Fluorspar Corporation
Valley County, Idaho

My dear Mr. Baring:

Reference is made to your letter of March 27, 1952, requesting information on the status of application DMEA-2355 on exploration assistance for fluorspar in Idaho.

On March 25th this office discussed with Mr. McKaig his application for exploration assistance. Mr. McKaig is to supply this office with an estimate of the costs of moving a bulldozer and other equipment into the property.

The Spokane office of the Defense Minerals Exploration Administration is submitting a revised proposal to explore this deposit by surface trenching, as the first stage of a two stage project.

When this office receives the information from Mr. McKaig, and from the Region II, DMEA Field Team, the application will be processed as rapidly as possible. The information should be received in this office sometime this week.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

LGHouk:gad 3/31/52

Copy to: Admin. Reading File
Mr. Davis, 3519
Mr. Van Alstine, G-232 GSA Bldg.
Mr. Houk
Docket File

WALTER S. BARING
CONGRESSMAN
NEVADA (A. L.)

OFFICE ADDRESS:
SUITE 1509
HOUSE OFFICE BUILDING

Congress of the United States
House of Representatives
Washington, D. C.

INTERIOR AND INSULAR AFFAIRS COMMITTEE

SUBCOMMITTEES:
PUBLIC LANDS
MINES AND MINING
IRRIGATION-RECLAMATION

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

SUBCOMMITTEES:
PUBLIC ACCOUNTS
GOVERNMENT OPERATIONS

March 27, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

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

Dear Mr. Mittendorf:

I am today in receipt of a letter from my constituent, Mr. George H. McKaig of Reno, Nevada, who owns mining property in the State of Idaho.

Mr. McKaig has made an application for financial assistance in the development of his fluorspar mine in that State; File No. DMEA 2-2355. Up to the present time, approval has been withheld on this application and, inasmuch as Mr. McKaig's Corporation is exceedingly anxious to get everything cleared by the first of June, so that they can start making plans to gather their equipment together and to engineer a road into the property, I shall appreciate hearing just what action has been taken on this application.

Awaiting your reply, I am

Sincerely yours,

Walter S. Baring

WALTER S. BARING
Congressman from Nevada

WSB/md

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1201 North Division Street
Spokane 2, Washington
March 18, 1952

Reviewed by
DMEA OPERATING COMMITTEE
3-28-52
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 21 1952

MEMORANDUM

To: Chairman, Operating Committee, DMEA, Washington 25, D. C.

From: M. E. Volin, Member, DMEA Field Team, Region II

Subject: DMEA-2355, Application by Fluorspar Corporation to explore Pungo Creek fluorspar deposit, Valley County, Idaho.

This is in reference to a memorandum dated March 5, 1952, from Ralph E. Van Alstine, U. S. G. S., to Lawrence G. Houk, Nonmetallic Minerals Division, DMEA, on the above subject. Mr. Peter H. Toepfer, Bureau of Mines engineer who examined the Pungo Creek deposit, helped to prepare this reply.

Mr. Van Alstine's criticism that it is not demonstrated that the Pungo Creek deposit probably will add significantly to the Nation's fluorspar supply calls for some discussion as to the basic purpose of the DMEA program. As I see it, the program is essentially one for exploration, that is, for the finding of new ore sources, and as such is not necessarily predicated on the prior demonstration of a significant ore showing such as Mr. Van Alstine infers is necessary. Under his criterion, few exploratory projects would qualify for DMEA assistance. Demonstration of the significance of the deposit will result from the further work proposed by the applicants.

It is true that the property is in a very inaccessible location in an area designated "primitive" by the Forest Service, and for this reason development of it has been inhibited. It is my information from talking to officials of the Forest Service, however, that that agency will not stand in the way of mineral developments in primitive areas.

In connection with inaccessible locations and what Mr. Van Alstine infers is a mediocre ore showing, I am wondering whether if these criteria had been used we would now have the Meyers Cove fluorspar deposits at their present stage of development.

These promising deposits are in the same general area as the Pungo Creek deposit. Before development the outcrops were generally characterized by narrow siliceous veins carrying pods and lenses of massive fluorite, also ribbons and low grade disseminations. There are many such veins, it is true, but in a much larger area than that in which the Pungo Creek prospecting has been localized to date. Recurring reports of other fluorspar discoveries in this part of Idaho, suggest that the proposed work on the Pungo Creek deposit may lead to wider prospecting and area development.

With respect to Mr. Van Alstine's criticism of meager sampling, a detailed map made by Mr. Toepfer is enclosed (4 cc, one for each copy of application). This map apparently was not available to Mr. Van Alstine. It shows that numerous exposures of the fluorspar vein were cleaned and measured. Sample #51-130 is representative of the massive fluorspar shown in these exposures. No further sampling of the massive fluorspar in place was considered necessary, as the remainder could be checked by sampling the stockpile of ore broken from the vein. The vein sample assayed 96.8 percent CaF, and the stock pile sample assayed 97.5 percent. Both were slightly diluted with dirt which could be washed off before shipment. The stock pile was measured and found to contain 77 tons. This ore came from the trenching and from drifting; 137 tons were extracted, a 57 percent recovery. Careful, selective cut-and-fill mining should produce a greater recovery of acid-grade lump, say on the order of 67 percent.

The applicants are responsible men with previous mining experience. They have made an intensive study of western markets for fluorspar, and are convinced that, with the limited western supply and the premium for acid lump fluorspar, they will receive more than $60.00 per ton at railhead. The examining engineer emphasized that the problems of mining this narrow vein, the difficult access and the long truck haul would make the exploitation at best a marginal proposition. The applicants, however, believe that the known deposit will be significantly extended by the proposed work and that other deposits will be uncovered. They believe that rising prices will permit profitable operations even under the existing handicaps and high costs. They are willing to put up the funds for their share of the proposal under these conditions and it does not seem consistent with DMEA policy to discourage them. The amount requested for the proposal, $36,391, is not excessive, but in comparison with other applications might be classed as modest.

Mr. Van Alstine concedes that a small quantity of high-cost acid-grade fluorspar can be produced by selective mining, followed by hand-sorting, but states that a larger commercial operation would be questionable.

Actually, the applicants have in mind, at least for the present, only selective mining and sorting. If a large enough stock pile of rejects and other low-grade ore collects, they contemplate milling at that time. The examining engineer sees the possibility for about 10,000 tons of ore, from which by selective mining and sorting, 6,700 tons of acid-grade fluorspar can be recovered. At a market price of $60 per ton, the royalty return to the Government will be over $20,000. This admittedly will not altogether cover the $27,294 to be furnished by the Government for the exploratory project. Fortunate developments, however, may bring total recovery of the Government funds.

The proposed trenching is to be done in the float area shown on the map north of the present workings, and in other favorable float areas in the vicinity. The float areas could not be mapped at the time of examination because a snowfall prevented observation of the ground surface. The examining engineer did confirm the presence of float east of the cabin, and a man living there is reported to have since uncovered a new vein. It will not be possible to show exact trenching sites until another examination, but the general areas are known and the approximate amount of bulldozing needed. The exact location of trenches can best be determined as the work progresses. The trenching seems justified inasmuch as the dozer would come to the property in bringing in the equipment.

Mr. Van Alstine draws a comparison with the Mitchem mine near Keller, Washington. The Bureau of Mines War Minerals report on this mine shows the deposit less attractive than the Pungo both with respect to vein width and grade of ore, yet the property is reported to have had a production, at much lower prices, of 10 cars of ore, 5 cars being jig concentrates containing 96.8 percent CaF_2. The War Minerals report was written in 1943, and it may be that the unsuccessful sink-float milling mentioned by Mr. Van Alstine was conducted on tailings which already had been jig milled.

The applicants are well able to put up funds for the project; failure to answer this question must have been an oversight.

In regard to a breakdown of their mining, milling, and transportation costs, estimates at this stage of development would be only guesses. The applicants' overall cost of $30 per ton probably is low. Cut-and-fill mining and sorting might cost about $15, but the out-haul probably will cost more. Milling of the fill from drawing cut-and-fill stopes is expected to be done by crushing and tabling, the method to be determined later when milling tests can be made of this material.

With above statements, we believe that the applicants deserve DMEA assistance, and while we cannot back this conclusion with demonstration of assured exploration possibilities, we believe that the program has as good a chance of success as many others recommended wholly on geologic evidence and now in progress.

M. E. Volin, Member,
DMEA Field Team, Region II.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

MAR 28 1952

Mr. George H. McKaig
President, Fluorspar Corporation
150 North Center Street
Reno, Nevada

Subject: Docket No. DMEA-2355 - Fluorspar
Pungo Creek Mine
Valley County, Idaho

Dear Mr. McKaig:

Pursuant to our telephone conversation of March 25, 1952 on the subject application, the Spokane office of the Defense Minerals Exploration Administration advised me by telephone that they will submit a new proposal to explore your fluorspar deposit in the very near future.

This office will endeavor to process this proposal as rapidly as possible.

If it is feasible to get a letter from a contractor giving you an estimate of the cost of moving a bulldozer and equipment into the property, this office will be pleased to receive such an estimate.

Sincerely yours,

3/28

Lawrence G. Houk, Chief
Defense Minerals Exploration
Administration

LGHouk:gad 3/27/52

Copy to: Admin. Reading File
Mr. H. W. Davis, 3519
Mr. Van Alstine, G-232, GSA Bldg.
Mr. Houk
Docket File

FILE COPY
Surname:

Davis
Josephson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

March 10, 1952

Memorandum

To: Lawrence Houk, Defense Minerals Exploration Administration

From: Hubert W. Davis, Bureau of Mines

Subject: Docket DMEA - 2355, Fluorspar Corporation, Valley County, Idaho

Development work at the subject property includes two short drifts on the vein. An estimated 1,370 cu. ft. (137 tons) of massive vein material has been mined by drifting and trenching. By hand-cobbing, 77 tons of acid-grade lump fluorspar suitable for shipment was obtained from the 137 tons. According to Peter H. Toepfer, Mining Engineer, Bureau of Mines, who examined the property, the average width of the massive, almost pure fluorspar vein is 1.47 feet, varying between 0.6 and 2.3 feet. Further, he states that the brecciated wall rock containing fluorspar may be expected to contribute milling grade ore for later operations, but that the width and grade of the breccia ore has not been completely determined.

The average width of the vein exposed thus far is substantially less than is being mined elsewhere. However, despite the narrow vein, the Field Team, in agreement with the examining engineer's recommendation, considers the estimated expenditure commensurate with probable returns from exploration. Nevertheless, from the information available it does not appear that sufficient reserves could be developed to justify a mill. It does appear, however, that a small quantity of acid-grade fluorspar could be produced by hand cobbing but because of the narrow vein the quantity would not be sufficient to make the operation profitable. Despite the recommendation of the Field Team and the report of Toepfer, there is some question in my mind as to the merit of the application for an expenditure of $37,179 for exploration.

H. W. Davis

HWDavis:cb

Copy to: G. W. Josephson
Ralph E. Van Alstine
H. W. Davis
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

March 10, 1952

Memorandum

To: Lawrence Houk, Defense Minerals Exploration Administration

From: Hubert W. Davis, Bureau of Mines

Subject: Docket DMEA - 2355, Fluorspar Corporation, Valley County, Idaho

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The average width of the vein exposed thus far is substantially less than is being mined elsewhere. However, despite the narrow vein, the Field Team, in agreement with the examining engineer's recommendation, considers the estimated expenditure commensurate with probable returns from exploration. Nevertheless, from the information available it does not appear that sufficient reserves could be developed to justify a mill. It does appear, however, that a small quantity of acid-grade fluorspar could be produced by hand cobbing but because of the narrow vein the quantity would not be sufficient to make the operation profitable. Despite the recommendation of the Field Team and the report of Toepfer, there is some question in my mind as to the merit of the application for an expenditure of $37,179 for exploration.

H. W. Davis

H. W. Davis

IN REPLY REFER TO:

G-MD-REVA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 5, 1952

Memorandum

To: Lawrence G. Houk, Non-Metallic Minerals Division, DMEA

From: Ralph E. Van Alstine, U. S. Geological Survey

Subject: DMEA-2355, application by Fluorspar Corporation for assistance, total $36,391, to explore for fluorspar at the Pungo Creek deposit, Valley County, Idaho.

As the probability of making significant contributions toward the Nation's fluorspar supply from this deposit has not been demonstrated, the proposal, in my opinion, is not justified. According to the information supplied by the applicant and the report based on the preliminary examination of this almost inaccessible deposit by the Bureau of Mines engineer, the vein is very narrow but high grade. The sampling data are meagre, however, as assays of only one sample underground and one sample from the pile of hand-cobbed ore are presented. It is likely that a small quantity of high-cost acid-grade fluorspar could be obtained by selective mining followed by hand-sorting, but it is questionable that a larger commercial operation would be possible here. Therefore, the estimated expenditure does not seem commensurate with probable returns from exploration.

As mining of this narrow vein (0.6 to 2.3 feet, averaging 1.47 feet) results in dilution by silica-rich rock, it is doubtful that the yield of acid-grade fluorspar would be very large. No data are presented in the application or in the accompanying field report that suggest that the vein will widen in depth or beyond present exposures.

Unsuccessful attempts have been made to work a similar narrow high-grade fluorspar vein at the Mitchem property near Keller, Washington (See DMA-1681X), at times of high prices (1918 and 1940-45). Sink-float methods, mentioned by the Bureau engineer as a possible means of treating lower-grade ore and some of the massive ore lost during selective mining at the Pungo Creek deposit, did not result in substantial tonnages of even metallurgical-grade fluorspar from this analogous deposit.

Specific comments follow:

MF-103, Items 3 and 4 -- The proposed 1,500 feet of bulldozer trenching, said to be shown on the Bureau map, is not shown there. The applicant states that "some further trenching will be done on nearby fluorspar float areas" within his mining claims. The justification, extent, cost, and location on the map are not shown.

MF-103, Item 10-- This question, concerning the applicant's ability to invest his share in the project, is not answered.

MF-100, Item 18 -- The applicant states that "this can be proven to be a commercial deposit of a strategic material," but has not clearly presented evidence that it is commercial. His cost estimates are not broken down; a total estimate of $30 a ton is presented (Item 12), covering mining, sorting, milling (type?), and truck haul.

Ralph E. Van Alstine

Ralph E. Van Alstine

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES
1201 North Division Street
Spokane 2, Washington
January 30, 1952

Defense Minerals Administration

FEB 2 1952
Reviewed by
DMEA OPERATING COMMITTEE
2-27-52
(date) (AHB)

MEMORANDUM

To: M. E. Volin, Member, DMEA Field Team, Region II

From: Peter H. Toepfer, Mining Engineer, U. S. Bureau of Mines

Subject: Fluorspar Corporation, Pungo Creek Deposit, Valley County, Idaho
Docket DMEA
Commodity: Fluorite

RECOMMENDATIONS

The Pungo Creek deposit is a recent discovery. It is 22 miles by pack trail from the nearest road and its isolated location has retarded exploration and prevented the shipment of ore. Present development indicates that 3,300 tons of fluorspar can be mined and hand-cobbed to acid-grade material ($60.00 per ton), and that 3,300 tons of further production can be had by gravity milling.

The proposed exploration program is for the purpose of increasing the ore reserves sufficiently to warrant access road construction. The applicants are considered reliable and competent, and the property merits further exploration. The proposed program is recommended for favorable action.

APPLICANT

The applicant is the Fluorspar Corp., P. O. Box 1211, Reno, Nevada. George H. McKaig, Reno, Nev., is President, John R. Dodd of Wellington, Nev., is Vice-President, and Kenneth L. Dillon, Reno, Nev., is Secretary and Treasurer. The controlling interest is owned by Mr. McKaig and Mr. Dodd. Mining operations will be under the supervision of Mr. Dodd.

OWNERSHIP

The property consists of seven unpatented lode mining claims (Pungo Creek, Pungo Creek No. 1, No. 2, No. 3, No. 4, No. 5, & No. 6) located within and nearby section 36, T. 17 N., R. 11 E., Valley County, Idaho. It is being purchased by contract from Edward Budell, Boise, Idaho, by the Fluorspar Corp.

HISTORY AND PAST PRODUCTION

The Pungo Creek fluorspar deposit was located in 1945 by Edward Budell. Abundant float fluorite was mistaken for quartz and the wein was prospected for gold and silver. Not until 1948 was it learned that the vein consisted of massive, high-grade fluorite. Since that time, Budell has driven two short drifts on the vein, hand-cobbed and piled about 77 tons of acid-grade lump fluorspar, and has fully exposed the vein outcrop in the lower part of the original claim.

In 1951, the property was optioned for sale to John R. Dodd. The option was transferred to the Fluorspar Corp. which has made the first payment for purchase and intends to exploit the property as soon as an access road can be built.

DESCRIPTION OF PROPOSAL

It is proposed to bring a bulldozer from Landmark via the Pistol Creek trail to the property. The trail, for the most part, is said to be cleared to suitable width. Some temporary road will be built so that a compressor, fuel, mining equipment, and supplies can be towed to the property. Three weeks of bulldozer trenching is to be done on the fluorspar outcrops and favorable float areas. It is expected that 1,500 feet of trenching will be accomplished.

A drift is to be driven 600 feet, beginning at the face of the lower adit. The face of the proposed drift will be 300 feet below the uppermost point of the favorable float area. This drift will thus explore and develop a triangular block showing 260 feet of exposed vein and 270 feet of favorable float fluorspar.

TECHNICAL FEASIBILITY

Geologic Setting

The country rock of the area is a porphyritic diorite locally intruded by irregular basic dikes. The deposit is a fissure filling vein striking N. 41 W. and dipping about 80° SE. The wall rock, presumably fractured by pre-ore faulting and silicified, was again reopened and brecciated by further stresses and healed with fluorspar deposited from ascending solutions. The silicified wall rock has resisted erosion.

The area is unglaciated and any float fluorspar should be easily traced to its source.

Description of Mine Workings

The mine workings consist of two short drifts and two open cuts on the vein. The massive fluorspar vein is well exposed for a horizontal distance of 223 feet beginning at the base of this hill. Further low-grade breccia ore is present in the walls but has not been fully exposed. The vein is nearly vertical and its strike follows the crest of the ridge rising at a 30° slope from the junction of Pungo Creek with the Middle Fork of the Salmon River.

The uppermost vein trenching shows no sign of the vein pinching out, but as surface float is lacking for a horizontal distance of 131 feet

beyond the suppermost trenching, the presence of ore in this distance is questionable.

Still further on the continuation of the strike, abundant high-grade float fluorspar is again found for a horizontal distance of 242 feet. No work has been done in this area. In the last 62 feet of this distance, low-grade breccia ore is exposed on the surface and is probably closely parallel to the source of the high-grade float.

Little further float is found beyond this float area. It may be possible that the vein is unexposed and present in depth below this higher area of the ridge.

Other smaller areas of float fluorspar are known east of the mouth of Pungo Creek. As yet, no work has been done on these areas.

Reserves

The average width of the massive, almost pure fluorspar vein is 1.47 feet, varying between 0.6 and 2.3 feet. Brecciated wall rock containing fluorspar may be expected to contribute a milling grade ore for later operations. The width and grade of this breccia ore has not been completely determined. The proposed operations consider selective mining of the massive ore by cut-and-fill stoping, the fill being composed of unrecovered fluorspar and breccia ore which is later to be drawn and milled.

Since identification of the fluorspar, an estimated 1,370 cu. ft. (137 tons) of massive vein material has been mined by drifting and trenching. This was reduced by hand-cobbing to 77 tons of acid-grade lump fluorspar suitable for shipment. It is assumed that recovery can be increased to 67 percent by well-planned stoping operations. A representative sample from one ore pile assayed: CaF_2 - 97.5 percent, SiO_2 - 0.05 percent,

Fe_2O_3 - 0.314 percent Zn - neg., Pb - neg., S - neg. An underground sample taken across 1.3 feet of the vein assayed 96.8 percent CaF_2.

In computing ore reserves, it is assumed that 10 cu. ft. of fluorspar will weigh 1 ton, the vein width will average 1.47 feet, and that two-thirds of the ore can be recovered by selective mining to meet acid-grade (97 percent CaF_2) specifications. It also is assumed that subsequent milling of breccia ore in the stope filling will furnish an equal tonnage of fluorspar concentrate. The vein has been exposed for a surface length of 260 feet. Indicated ore reserves therefore are considered to extend in depth for one-half of this length, and inferred ore reserves are assumed to equal the indicated reserves. Thus:

Indicated ore to be produced	from selective mining	3,300 tons
	from later milling	3,300
Inferred ore to be produced	from selective mining	3,300
	from later milling	3,300
Total Reserves		13,200 tons

Mining Methods

A horizontal cut-and-fill stoping method appears applicable to exploitation of the deposit. Rough sorting of ore in the stopes followed by sorting under a water spray at the surface probably would be required. The fill, composed of breccia ore and some of the massive ore lost during selective mining, could later be drawn and milled.

Milling Methods

The selectively mined ore would be sprayed with water to remove fines and hand-cobbed prior to shipment.

The drawn fill possibly could be beneficiated by sink-float treatment.

Sink-float employing ferrosilicon media has been used successfully in the concentration of fluorspar ore containing no barite nor metallic sulfides. As silica content of the concentrate might prove too high for acid-grade fluorspar, it may be advisable to make a metallurgical (70 percent CaF_2) grade. Ceramic grade fluorspar, requiring less than 0.12 percent Fe_2O_3, would probably require flotation methods.

Rate of Production

Due to snow conditions, an access road could be used only during the months of July through October. Ore produced during the remainder of the year would have to be stock piled.

On the basis of a 5-man crew, two men would be required for development and stoping operations, two men would be required for mucking, tramming, and sorting, and one man would be required for supervision and surface work. Annual output at this scale of operation should amount to about 1,200 tons of acid-grade fluorspar.

Time Schedule to Attain Objectives

Bulldozing the temporary road and towing in the compressor, fuel, and equipment is expected to take 2-1/2 weeks. Three weeks of bulldozer trenching is to be done, and 1/2 week will be required to return the bulldozer 22 miles to the road at the Pistol Creek summit.

The 600 feet of drifting is to begin upon the arrival of the compressor. Fourteen 6-day weeks, working two shifts, are expected to be necessary to complete the drift, with an additional two weeks for setting up. The time required for completion of the exploration work is estimated to be four months. Work would probably begin early in July.

EQUIPMENT AND FACILITIES

At present, no equipment is on the property other than hand tools. The camp is in good condition and would provide suitable quarters for the required crew.

The following equipment and facilities are required.

Fixtures and Improvements

Compressor house and tool work shop	$ 600.00

To be Purchased:

I-R 160 cfm compressor (used)	3,674.00
25 gpm pump, electric (used)	75.00
1 1/2" centrifugal pump, gasoline (used)	75.00
Blower and 300 ft. of 4" canvas pipe (used)	250.00
Rock drill, RH-656W, Atlas Diesel Co.	340.00
Drifting leg, BMK 61-A2	165.00
Sandvik Coromot drill steel, 3 sets	176.00
Tool Dresser, RS-7-10	180.00
Chain saw, 36" McCullough, with extra chain	425.00
Mine car, 1500 lb. (used)	250.00
650 ft. 2" air line pipe @ 65¢ less 25%	317.00
1000 ft. 1" water line pipe @ 30-1/2¢ less 25%	229.00
Valves, fittings, water tank, etc.	814.00
1600 ft. 16# rail @ $12.00/T (incl. freight)	1,024.00
Fish plates and track spikes	100.00
Small tools, hardware, mucking sheets, etc.	300.00
Air & Water hose and fittings	390.00
Lamps and carbide	90.00
3 tons powder @ $23.75/100#	1,425.00
18,000 ft. of fuse @ $13.70/1000	246.00
1,800 primers @ $21.60/1000	39.00
Fuel and lubricants	520.00
Shop supplies and extra parts	500.00
Freight to Landmark, Idaho	600.00
Air transportation to nearby Indian Creek Landing Field	1,200.00
Accounting	300.00
Assaying	150.00

To be Rented

HD-19 Angledozer and crew, 6-60 hr wks @ $18.00/hr	6,480.00
J-12 Caterpillar grader and crew, 2-60m hr wks @ $15.00/hr	1,800.00
1 ton 4 x 4 Dump truck, 72 days @ $20.00	1,440.00

To be furnished

Jeep and trailer, $35.00 per mo, 4 mo.	$ 140.00
Portable generator, $10.00 per mo., 4 mo.	40.00
Electric saws, $5.00 per mo., 4 mo.	20.00
Electric drill, $5.00 per mo., 4 mo.	20.00
Electric grinder, $2.00 per mo., 4 mo.	8.00
Welding equipment, $10.00 per mo., 4 mo.	40.00
Total fixtures, equipment, and supplies	$24,442.00

LABOR SUPPLY

Although the average miner would consider this property too isolated, a few miners perfer such a location. A number of men work for the Forest Service in summer and would be glad to find winter work in the locality.

Six men will be required for the proposed program, the wife of one acting as cook. The following list will show the classes of labor required:

4 miners, each $16.00 per shift, 16 wks (with insurance and overtime, each @ $117.00 per wk)	$ 7,488.00
1 truck driver @ $12.00 per shift, 16 weeks (with insurance and overtime, $87.75 per week)	1,404.00
1 cook @ $160.00 per mo., 4 mo.	720.00
1 superintendent @ $625.00 per mo., 5 mo. (includes engineering)	3,125.00
Total labor and supervision	12,737.00

POWER

Pungo Creek presents a favorable power site about a quarter mile above the mine. It is the applicant's intention to develop this site for future mining. However, the proposed program will be powered by gasoline or diesel equipment.

TRANSPORTATION

When an access road is built from the Stibnite summit, the fluorspar will be hauled 76 miles by truck to the railroad at McCall, Idaho. A maintained road will be completed this summer between McCall and Stibnite.

Six miles of mine access road extends from Stibnite to the Stibnite summit. If the proposed exploration program is successful, 16 miles of mine access road will have to be built from the Stibnite summit, down Indian Creek to the Pungo Creek Mine.

ADEQUACY OF REQUESTED FUNDS

The following is a breakdown of the cost figures:

(1) Construction of 22 miles of temporary road		$5,040.00
(2) Bulldozer trenching, 180 hrs @ $18.00/hr	$3,240.00	
Supervision, 1 mo @ $625.00 (includes engineering)	625.00	
Hand labor, 4 weeks @ $87.75	351.00	
Total		4,216.00
(3) Transportation.		
Freight, trucking, and air transport	3,380.00	
Supervision, 1 mo. @ $625.00	625.00	
Truck driver, 12 wks @ $87.75	1,053.00	
Total		5,058.00
(4) Construction of compressor house		600.00
(5) Equipment to be purchased for drifting		6,110.00
(6) Equipment to be furnished for drifting		128.00
(7) 600 feet of drifting		
Material and supplies to be purchased	5,494.00	
Labor, 4 miners, 16 wks @ $117.00 each	7,488.00	
Supervision, 3 mo. @ $625.00 (includes engineering)	1,875.00	
Total		14,857.00
(8) Accounting, assaying, & Cook, 4 mo. @ $180.00		1,170.00
Total cost of proposed work		$37,179.00

These figures can be considered adequate, and not too high in view of the isolated location of the work.

COMPETENCE OF THE APPLICANT

Mr. Dodd's work has been electrical contracting, in which he has had much experience in foreign localities. He has also had experience in operating mining properties in the southwest and can be considered completely competent to supervise this operation.

DISCUSSION OF PROPOSAL

The applicant and the examining DMA engineer are in agreement that the proposed program is best suited to explore the property and to lead to its being placed in production.

FLUORSPAR CORPORATION

Producers of High Grade Fluorspar

P. O. Box 1211 — 150 N. Center St.
Telephone: 2-6991 — Reno, Nevada

February 20, 1952

Mr. Rob't. E. Adams, Acting Administrative Officer
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

RE: DMEA-2355

Dear Mr. Adams:

In your letter of January 30th you requested the total cost of our project. According to Exhibit A in our application it was estimated that the total cost for the project would be $37,179.00. $36,391. corrected figure

These figures should have been sent to you direct, broken down in their proper categories. If you did not get a copy of them will you please advise me and I will have another copy sent to you. This was supposed to have been sent you by the Spokane office of the Bureau of Mines, along with our application, dated January 8, 1952.

Very truly yours,

GEORGE H. McKAIG
President

Revised estimate
Jan. 28, 1952
$37,179

Jan 8, 1952
$36,391

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
FEB 25 8 44 PM '52

[illegible]

[illegible]

from [illegible]

FEB 20 1952

Honorable Walter S. Baring
House of Representatives
Washington 25, D. C.

Dear Mr. Baring:

Reference is made to your letter of January 31, 1952 concerning a letter from Mr. George H. McKaig of the Fluorspar Corporation of Reno, Nevada dated January 28, 1952 and to acknowledgement to your letter, from this office, dated February 4, 1952.

There is attached hereto, a letter of even date from this Service to Mr. George H. McKaig, which is self-explanatory. For your information, there is also attached a copy of a letter of February 12, 1952 from the Regional Director, Region II, Bureau of Mines, located in Albany, Oregon, relative to this property. For your further information, we have been advised that an application was received from Mr. George H. McKaig of the Fluorspar Corporation by the Spokane, Washington field office of D.M.E.A. under date of January 30, 1951. This application has now been forwarded to the Washington office for processing. If the proposed D.M.E.A. assistance is granted, Mr. McKaig will be in a position to obtain necessary mining equipment to explore the property fully and ascertain whether or not there is sufficient ore to justify construction of twenty-two miles of access road.

If this office can be of further service to you in this regard, we will be pleased to have your request.

Sincerely yours,

A. J. Walsh
Commissioner

Enclosures

cc: Miss Whelan
A. J. Walsh
D.M.E. 2/19/52

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Mines

Albany, Oregon
February 12, 1952

Mr. H. C. Maull, Jr., Director
Purchase Division
Emergency Procurement Service
Washington 25, D. C.

Subject: Pungo Fluorspar deposit,
Valley County, Idaho

Dear Mr. Maull:

Reply to your letter of January 30 has been delayed to gather data on the subject property.

The Fluorspar Corporation has applied to the D.M.E.A. for assistance in exploration and development of the Pungo Creek deposit. The 7 unpatented claims covering this body were located in 1945 under the impression that the fluorspar was quartz, and were prospected for gold. The fluorite was identified in 1948. Last year the claims were optioned to John M. Dodd, who transferred the option to the Fluorspar Corporation. The deposit is a vein striking northwest and dipping 80 degrees southeast in Sec. 36, T. 17 N., R. 11 E., in Valley County, Idaho. The fluorite fills the vein massively for a width of 1.5 feet, and fills the interstices of diorite wallrock breccia for a further undetermined width. The outcrop has been traced for 260 feet on the surface by float ore. Other sections of the vein are indicated by float but were not considered in estimating the size of the orebody. Two short drifts have been driven on the vein. The material broken in these adits has been cobbed and sorted to 7½ tons of fluorite piled at the site. A sample of one ore pile assayed 97.5 percent CaF_2, 0.05 percent SiO_2, 0.314 percent Fe_2O_3, and no Pb, Zn or S. Indicated and inferred ore was estimated at 6,600 tons of spar from which 4,400 tons of acid grade product could be hand sorted, and 6,600 tons of breccia ore which could be milled to produce 4,400 tons of metallurgical grade fluorite.

The ore reserves are considered inadequate to justify the construction of 22 miles of access road. More development is needed. Therefore, the company has applied for assistance from the D.M.E.A. If the request is granted, the company plans to drag a compressor, fuel and equipment to the property over rough trails by tractor, and do enough exploration to develop sufficient ore to justify a road.

The examining engineer regarded the deposit as promising, and the operators as competent.

Yours very truly,

/s/ Stephen M. Shelton
Regional Director
Region II

February 20, 1952

AIR MAIL

Fluorspar Corporation
P.O. Box 1211
150 N. Center Street
Reno, Nevada

Attention: Mr. George H. McKaig, President

Gentlemen:

Reference is made to your letter of January 28, 1952 relative to proposed offer of Acid Grade Fluorspar for the National Stockpile and to acknowledgement thereof from this office dated January 30, 1952, advising you that this Service had requested information from the Bureau of Mines and would contact you later after receiving the necessary data.

Your offer contemplated that the Government would take delivery of Acid Grade Fluorspar at the mine for the reason that there is, at present, no road to your mining property, which is in what is known as a primitive area.

The Regional Director of Region II, Bureau of Mines, located in Albany, Oregon, has advised us that the ore reserves are considered inadequate to justify the construction of twenty-two miles of access road. More development is needed. Therefore, your company has applied for assistance from the D.M.E.A. and that if the request is granted your company plans to obtain compressors, fuel and equipment necessary to do enough exploration to develop sufficient ore to justify a road.

Accordingly, it would appear that your offer to supply Acid Grade Fluorspar for the National Stockpile should be withheld until such time as such further exploration, as above noted, is completed and actual production can be planned.

We shall be pleased to receive your offer at a later date to supply Fluorspar for the National Stockpile.

Very truly yours,

cc: Hon. W. S. Baring
House of Representatives
D.M.E.A.

H. G. Small, Jr.
Director, Purchase Division

FEB 4 1952

Honorable Walter S. Baring
House of Representatives
Washington 25, D. C.

Dear Mr. Baring:

Receipt is acknowledged of your letter of January 31, 1952 concerning a letter from Mr. George K. McKaig of the Fluorspar Corporation of Nona, Nevada dated January 28, 1952.

Mr. McKaig's letter, dated January 28, was received in this office on January 30. An air mail letter, dated January 30, was sent to Mr. McKaig acknowledging receipt of his correspondence and advising him that this Service has requested information from the Bureau of Mines and as soon as the required information was received he would be advised further. Copy of this letter is attached.

Under the same date, an air mail letter was sent to Mr. S. A. Shelton, Regional Director, U.S. Bureau of Mines, Albany, Oregon. The Bureau of Mines was advised of Mr. McKaig's proposal to furnish fluorspar for the National Stockpile and was requested to supply all available information as to the actual potentialities of the property of the Fluorspar Corporation. The Bureau of Mines was also requested to furnish any information they might have available relative to the situation regarding the road conditions in that area. Copy of this letter is also attached for your information.

As soon as report is received from the Bureau of Mines indicating the proper course of action to take in this matter, we will be very pleased to advise you further.

Sincerely yours,

A. J. Walsh
Commissioner

cc: Miss Whelan
A. J. Walsh

Enclosures

CONGRESS OF THE UNITED STATES
House of Representatives
Washington, D.C.

January 31, 1952

Mr. H. C. Maull, Jr.
Director, Purchase Division
General Services Administration
Emergency Procurement Service
Washington 25, D.C.

Dear Mr. Maull:

I am in receipt of a copy of a letter from Mr. George H. McKaig of the Fluorspar Corporation of Reno, Nevada, which he wrote to you on January 28.

Mr. McKaig explained to you that he has probably one of the finest fluorspar properties in the Western country, located in Idaho about sixty miles from Cascade, rail and shipping point. One of the engineers of the Mining Bureau estimated that there are about 20,000 tons already in sight, of which 66 percent should run acid grade. Mr. McKaig's Corporation would like to enter into a contract with General Services Administration to sell this tonnage at the mine, for the reason that they are up against the Forestry Service and road building permits due to the fact that this property lies in what is known as the primitive area. Mr. McKaig has specified that the road building to the property should start about the first of April.

As you know, Mr. Maull, I have done a great deal of complaining about the inactivity of the Bureau, and I am still harping on it. I am appealing to you personally to follow through on this matter as Mr. McKaig is eager to get some action. I shall appreciate your early response.

Most sincerely yours,

WALTER S. BARING
Congressman from Nevada

COPY

AIR MAIL

January 30, 1952

Fluorspar Corporation
P.O. Box 1211
150 N. Center Street
Reno, Nevada

Gentlemen:

Reference is made to your letter of January 28, 1952 and previous correspondence of December 14, 1951 and January 3, 1952 relative to Fluorspar.

This Service has requested information from the Bureau ofMines, and as soon as the required information is received we will advise you further.

Very truly yours,

H. C. Maull, Jr.
Director, Purchase Division

COPY

FLUORSPAR CORPORATION
P.O.Box 1211 150 N. Center St.
Reno, Nevada.

January 28, 1952

Mr. H. C. Maull, Jr.
Director, Purchase Division
General Services Administration
Emergency Procurement Service
Washington 25, D.C.

RE: Fluorspar

Dear Sir:

I enclose application from the Fluorspar Corporation of Nevada to be put on your mailing list.

I thank you very much for your letter of January 3, 1952 even though it was three weeks in getting to me after my teletype of December 14th and request for a prompt reply. The reason I am appreciateive of your answer is that several mining men here in Reno have not spoken in too complimentary a manner about Captain Maull as far as answering letters. Johnny Mueller, who is a friend of Jesse Larson's, and his representative here in Reno, spoke rather highly of you and therefore I took the liberty of telegraphing you at the time I did over our own teletype.

For your information, the writer happens to be a Major in the Civil Air Patrol and I have been identified with War Services for a great many years, so any information I may ask for in the future you can treat it confidentially too.

Now to get down to business. We have probably one of the finest fluorspar properties in the western country, located in Idaho about 60 miles from Cascade, Idaho, rail and shipping point. According to one of the engineers of the Mining Bureau we have approximately 20,000 tons already in sight, of which 66% should run acid grade. We would like to enter into a contract with General Services Administration to sell this tonnage at the mine - the reason being that we are up against the Forestry Service and road building permits due to the fact that this property lies in what is known as the primitive area.

Road building to the property should start about the first of April. Of course the type of road will be only what is necessary to get the trucks over.

We have had overtures made to us recently by another large mining company to go in a diamond drill it. We are not going to tie up with anybody on our production because we know the type fluorspar that we have and a reasonable idea of its extent above the level of the lower tunnel. However, we would consider negotiating with you on a basis of so much tonnage at the mine. May we hear from you along these lines?

Cordially yours,

GEORGE H. McKAIG
President

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

February 19, 1952

Memorandum

To: Lawrence Houk, Defense Minerals Exploration Administration

From: H. W. Davis, Bureau of Mines

Subject: DMEA 2355, Fluorspar Corporation, Reno, Nevada

It is suggested that before any recommendation is made concerning the subject application we await the receipt of the report of Mr. Peter Toepfer, who examined the property in October 1951.

H. W. Davis 3659

H. W. Davis

J.a.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.
February 8, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 21 1952

DMEA-235

MEMORANDUM

To: Chairman, Operating Committee, DMEA, Washington, D. C.

From: Field Team, Region II

Subject: Recommendation report, Fluorspar Corporation, Valley County, Idaho

Reference is made to our letter of transmittal of January 23, 1952, forwarding an application for exploration assistance presented by the subject organization.

A recommendation report, accompanied by an exploration project contract executed by the applicant, is forwarded herewith for review. One copy each of application forms MF-100 and MF-103 also are enclosed.

The Field Team, in agreement with the examining engineer's recommendation, considers the estimated expenditure commensurate with probable returns from exploration.

By Field Team, Region II

A. E. Weissenborn

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

Glenn A. Reed

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

Enclosures

cc: USGS, Spokane

EXPLORATION

Subject: DMEA-2355
Re: Exploration Loan
Pungo Creek Deposit
January 30, 1952

Mr. George H. McKaig, President
Fluorspar Corporation
Box 1211
Reno, Nevada

My dear Mr. McKaig:

This will acknowledge receipt of your application dated January 8, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2355 and referred to the Non-Metallics Division.

Kindly refer to DMEA-2355 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

Please Advise me of total cost of project.

7862

MF-200
(June 1951)

Docket No. DMA _____
Commodity fluorspar

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 28th day of January, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]

Fluorspar Corporation
P. O. Box 1211
Reno, Nevada

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Valley described as follows: [3]
Seven unpatented lode mining claims known as the Pungo Creek, Pungo Creek No. 1, No. 2, No. 3, No. 4, No. 5, and No. 6, within and nearby section 36, T-17-N, R-11-E, Boise principal meridian.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

Property is under purchase contract from Edward Budell of Boise, Idaho.

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within July following ~~days from~~ the date of this contract shall commence work on a project of exploration for [5] fluorspar; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 4 months after July 15 following the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

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

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $18,589.50, which is 50 percent of the agreed estimated total cost of this project, $37,179.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

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

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

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Fluorspar Corporation
(Operator)

By J. Todd
Vice-Pres

THE UNITED STATES OF AMERICA

By

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

EXHIBIT "A"

Exploration Project:

The exploration program shall consist of:

(a) Bulldozing a temporary road from the Pistol Creek summit east of Landmark, Ida., down Pistol Creek and the Middle Fork of the Salmon River to the Pungo Creek deposit, a distance of 22 miles.

(b) Bulldozer trenching the known outcrops and favorable float areas, an estimated trenching total of 1,500 feet.

(c) Trucking mining equipment and supplies to the Pungo Creek deposit.

(d) Driving 600 feet of drift from the face of the lower adit to undercut the known outcrop and favorable float areas.

Fixtures and Improvements:

Following is a statement of the estimated costs, including all labor, supplies, and equipment, and of fixtures and improvements:

Construction of 22 miles of temporary road to exploration site	$5,040.00
Construction of one 14' x 20' compressor house and tool and work shop	600.00
Total fixtures and improvements	$5,640.00

Operating Equipment:

Following is the list of operating equipment with the estimated purchase price or rental for each item:

To be Purchased:

I-R 160 cfm compressor (used)	$ 3,674.00
25 gpm pump, electric (used)	75.00
1 1/2" centrifugal pump, gasoline (used)	75.00
Blower and 300 feet of 4" canvas pipe (used)	250.00
Rock drill, RH-656W, Atlas Diesel Co.	340.00
Drifting leg, BMK 61-A2	165.00
Sandvik Coromont drill steel, 3 sets	176.80
Tool Dresser, RS-7-10	180.00
Chain Saw, 36" McCullough, with extra chain	425.00
Mine car, 1,500 lb.	250.00
690 ft. 2" air line pipe @ 65¢ less 25%	317.00
1,000 ft. 1" water line pipe @ 30½¢ less 25%	229.00
Valves, fittings, water tank, etc.	814.00
1,600 ft. 16# rail	1,024.00
Fish plates and track spikes	100.00
Small tools, hardware, mucking sheets, etc.	300.00

Air & water hose and fittings	$ 390.00
Lamps and carbide	90.00
3 tons powder @ $23.75/100#	1,425.00
18,000 ft. of fuse @ $13.70/1000	246.00
1,800 primers @ $21.60/1000	39.00
Fuel and lubricants	520.00
Shop supplies and extra parts	500.00
Freight to Landmark, Idaho	600.00
Air transportation to nearby Indian Creek Landing Field	1,200.00
Accounting	300.00
Assaying	150.00
Total material and equipment to be purchased	$13,854.00

To be Rented:

HD-19 Angledozer and crew, 6-60 hr. weeks @ $18.00/hr	6,480.00
J-12 Caterpillar grader and crew, 2-60 hr weeks @ $15.00/hr	1,800.00
1 ton 4 x 4 Dump Truck, 72 days @ $20.00	1,440.00
Total equipment to be rented	$ 9,720.00

To be Furnished:

Jeep and Trailer, $35.00 per mo., 4 mo.	140.00
Portable Generator, $10.00 per mo., 4 mo.	40.00
Electric saws, $5.00 per mo., 4 mo.	20.00
Electric drills, $5.00 per mo., 4 mo.	20.00
Electric grinder, $2.00 per mo., 4 mo.	8.00
Welding equipment, $10.00 mo., 4 mo.	40.00
Total depreciation on equipment to be furnished	$268.00

Labor and Supervision:

The following schedule sets forth the material called for in Article 8 of the contract form:

4 miners, each @ $16.00 per shift, 16 weeks (with insurance and overtime, each @ $117.00 per week)	$ 7,488.00
1 truck driver @ $12.00 per shift, 16 weeks (with insurance and overtime, $87.75 per week)	1,404.00
1 cook @ $160.00 per mo., 4 mo. (with insurance, $180.00 per mo.)	720.00
1 superintendent @ $625.00 per mo., 5 mo. (includes engineering)	3,125.00
Total labor and supervision	$12,737.00

EXHIBIT "A" (Continued)

Rehabilitation and Repairs:

No rehabilitation nor repair of existing facilities is required nor allowable under this contract.

Estimated Total Cost of the Project:

The costs of the project in which the government will participate are limited to those stated in Article 10 of the contract form. The following estimate of costs is for the purpose of determining the maximum liability of the Government under Article 13 of the contract form.

(1)	Construction of 22 miles of temporary road,		$ 5,040.00
(2)	Bulldozer trenching, 180 hrs. @ $18.00/hr.,	$ 3,240.00	
	Supervision and engineering, 1 mo. @ $625.00	625.00	
	Hand labor, 4 wks., @ $87.75,	351.00	
	Total,		$ 4,216.00
(3)	Transportation of mining equipment and supplies,		
	Freight, rental equipment, & air transport,	$ 3,380.00	
	Supervision, 1 mo. @ $625.00,	625.00	
	Truck driver, 12 wks. @ $87.75,	1,053.00	
	Total,		$ 5,058.00
(4)	Construction of compressor house,		$ 600.00
(5)	Equipment to be purchased for drifting,		$ 6,110.00
(6)	Equipment to be furnished for drifting,		$ 128.00
(7)	600 feet of drifting.		
	Material and supplies to be purchased,	$ 5,494.00	
	Labor, 4 miners, 16 wks. @ $117.00 ea.,	7,488.00	
	Supervision and engineering, 3 mo. @ $625.00	1,875.00	
	Total,		$ 14,857.00
(8)	*Accounting, assaying & cook, 4 mo. @ $180.00		1,170.00
	Total for project		$ 37,179.00

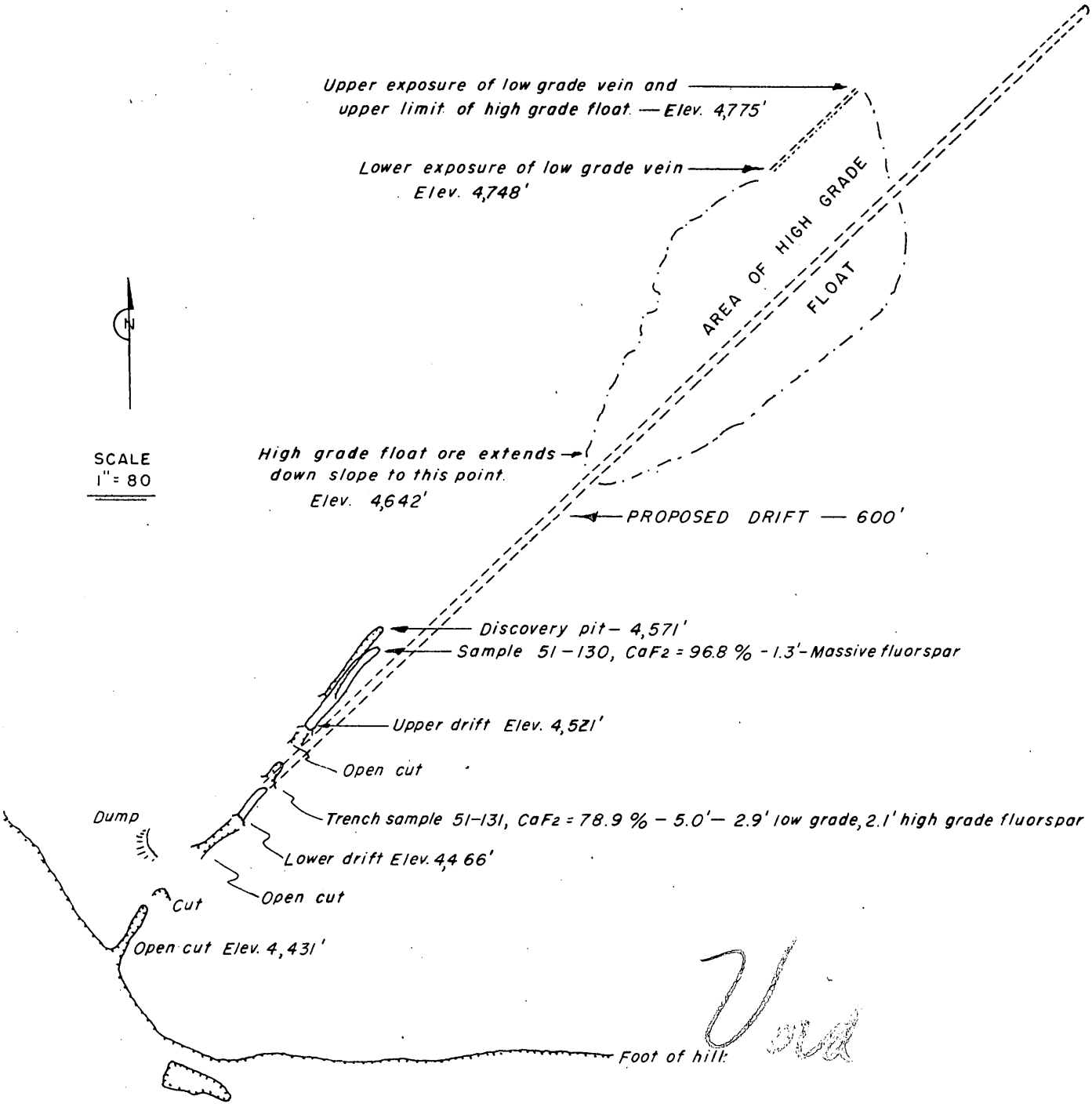
The estimated total costs set forth above include all labor, supervision, engineering, office expense, material, supplies, rentals, and incidentals.

The temporary road building and drifting may be done on contract subject to Article 4 of the contract form and at not to exceed the standard rates in the area for like services.

*Breakdown: Accounting, 4 mo. @ $75, assaying - $150, cook, 4 mo. @ $180.

Region II

D.M.E.A. Docket No. _____



Pungo Prospect (fluorspar), showing proposed drift, Valley County, Idaho.

DMEA-2355

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1952

January 23, 1952

MEMORANDUM

To: Chairman, Operating Committee, DMEA

From: Field Team, Region II

Subject: Application for exploration assistance, Fluorspar Corporation, Valley County, Idaho

Enclosed are three copies of Forms MF-100 and MF-103. This application for DMEA exploration assistance concerns a fluorspar property located in the primitive area of the Boise National Forest, Valley County, Idaho.

The Fluorspar Corporation originally intended to make an access road application. However, DMEA field examination of the fluorspar property revealed that the ore reserves were not sufficient to qualify for an access road. They have, therefore, submitted application for exploration assistance to increase the measured and indicated ore tonnage. The realistic program proposed in the appended application includes an amount considered adequate to bring in necessary mining equipment by a bulldozer.

The subject property was examined by Mr. Peter Toepfer, mining engineer, U. S. Bureau of Mines, in October, 1951. His report is in preparation and will be forwarded for consideration at an early date. The 4th copy of application Forms MF-100 and MF-103 will be included with Mr. Toepfer's report.

By Field Team, Region II

A. E. Weissenborn
A. E. Weissenborn,
Executive Officer

M. E. Volin
M. E. Volin,
Member

Enclosures

c.c. USBM

DMEA-2355

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

[illegible]

[illegible]

To: [illegible]

From: [illegible]

Subject: Application for exploration assistance, [illegible] Corporation, [illegible] County, Idaho

Enclosed are three copies of form [illegible]-100 and [illegible]-1[illegible]. The application for exploration assistance covers a [illegible] property located in the primitive area of the [illegible] area, Valley County, Idaho.

The [illegible] Corporation [illegible] is [illegible] to [illegible] as [illegible] from applicant. However, [illegible] application of the [illegible] property [illegible] the ore reserves were not sufficient to justify for an access [illegible], have, therefore, [illegible] application for exploration assistance to increase the [illegible] ore tonnage. The results are summarized in the [illegible] application [illegible] an amount [illegible] to bring [illegible] from [illegible] by a bulldozer.

The [illegible] property was examined by [illegible], senior engineer, [illegible] on [illegible], 1971. The report is in preparation and will be forwarded [illegible] early date. The [illegible] application forms [illegible]-1[illegible] and [illegible]-1[illegible] will be included with the report.

[illegible]

[illegible]
Acting Director

[illegible]
Director

Enclosures

[illegible]

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2355
Metal or Mineral
Date Received 1-29-52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1952

FLUORSPAR CORPORATION
BOX 1211
RENO, Nevada

Name and address of applicant

Date January 8, 1952

If you have already filed MF-100, give date filed _____, type of assistance requested _____,

DMA Docket Number (if available) _____

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

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

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

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

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

FLUORSPAR CORPORATION
(Name of company)

By Geo M May President
(Signature of authorized official)

January 8, 1952
(Date)

President
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

PUNGO CREEK FLUORSPAR DEPOSIT
VALLEY COUNTY, IDAHO

ANSWERS TO MF-103:

Fluorspar Corporation
P.O. Box 1211 - Reno, Nevada

January 8, 1952

MF-100 is being filed at this same date. The type of assistance requested is a 50% government participation fluorspar exploration loan, so that sufficient reserves of ore can be proven to justify the building of an access road.

(1) (a) The property consists of seven unpatented lode claims (Pungo Creek, Pungo Creek No. 1, No. 2, No. 3, No. 4, No. 5, and No. 6) located in and nearby section 36, T-17-N, R-11-E, Valley County, Idaho. The Pungo Creek mine, which has so far stockpiled a small tonnage of lump acid grade fluorspar, is on this property.

(b) The Fluorspar Corporation is operating this property as owner.

(c) The exploration work is to be conducted within the unpatented lode claims listed above.

(2) (a) Fluorspar (acid grade)
(b) The deposit is a high grade fissure vein of fluorspar within andesite and porphyritic diorite country rock. The average width of the practically pure fluorspar is 1.47 feet, and ranges between 0.6 and 2.3 feet where exposed. Breccia fluorspar ore of lower grade lies next to the massive fluorspar and is expected to be amenable to concentration. The vein dips steeply. It has been exposed by trenching for a distance of 260 feet up the slope of the hill.

The mine workings have been sampled and mapped by Peter H. Toepfer of the U. S. Bureau of Mines, Spokane, Washington, whose report and maps will accompany this application. This examination was conducted in October, 1951.

(3) (a) The proposed work will consist of bringing in a bulldozer to the property from Landmark via Pistol Creek trail, building a temporary road on the way so that the bulldozer can tow in a compressor, mining supplies and fuel. Four weeks of bulldozer trenching is to be done on the property on the fluorspar outcrops and favorable float areas, the total linear feet of trenching expected to be 1500 feet and the average depth of the trenches expected to be 6 feet.

A total of 600 feet of drifting is to be carried out on the fluorspar vein, starting at the lowest point on the outcrop and continuing the drift to below the uppermost point of the favorable float area. This work will develop a triangular block 600 feet long with 330 feet of stoping height at the far end.

(b) Bulldozing the temporary road and towing in the compressor, fuel, and equipment, is expected to take two weeks. Four weeks of bulldozer trenching is to be done, and another week will be required to return the bulldozer 22 miles to the road at the Pistol Creek Summit.

The 600 feet of drifting is to begin upon the arrival of the compressor at the property. At an average of 4 feet per day, this would be 150 working days or 30 weeks. Thus the time required for completion of the exploration contract would be 32 weeks.

(4) The proposed drift will be shown in plan and in longitudinal section on the map prepared during the Bureau of Mines examination.

Bulldozer trenching will also be shown on the map. Some further trenching will be done on nearby fluorspar float areas within the mining claims of the Fluorspar Corporation.

ANSWERS TO MF-103:

(5) Existing facilities, buildings, installations and fixtures:
3 cabins, suitable and furnished for living quarters.
complete cooking facilities.
1 General storage cabin.
1 Compressor and tool house.
small electric generator.
Water supply tank and pumps.

(6) Facilities, buildings, and installations to be purchased:

	Erection & Install.Cost	Purchase	Rent Per Hour	Rent Total	Depreciation Per Month	Depreciation Total
Compressor house & tool & work shop	$ 600.00					
(7) (a)						
H-D-19 Tractor			$18.00	$ 6,480.00		
Cat. J 12 blade grader			15.00	1,800.00		
1 ton 4 x 4 dump truck			2.50	1,440.00		
(b)						
Used I.R.160 C.F.M. Compressor		$ 3,674.00				
Pumps - domestic & mine supply		150.00				
Blower and canvas pipe		250.00				
Arco air hammers (2)		580.00				
Chain Saw		425.00				
1500 lb. mine cars (2)		500.00				
(c)						
Jeep & trailer					$ 35.00	$ 140.00
Portable generator					10.00	40.00
Electric saws					5.00	20.00
drills					5.00	20.00
grinder					2.00	8.00
Welding equipment					10.00	40.00
	$ 600.00	$ 5,579.00		$ 9,720.00		$ 268.00

TOTAL: .....$ 16,167.00

	Per Day	Total	Per Month	Total
(8) Miners (2)	$ 32.00	$3,480.00		
Muckers (2)	21.60	2,592.00		
Handyman			$ 150.00	$ 900.00
Cook			150.00	600.00
Superintendent			625.00	3750.00
Engineer (fee)				300.00
		$6,072.00		$ 5,550.00

ANSWERS TO MF-103:

		Purchase
(9).	Pipe & Fittings	$ 1,362.00
	Rail and Fittings (used)	500.00
	Lumber and Timbers	480.00
	Rope - chain - steel line	300.00
	Hardware - sheet metal	260.00
	Air hose and fittings	390.00
	Carbide and Lamp	90.00
	Explosive - fuse - caps	550.00
	Fuel and Lubricants	520.00
	Subsistence Supplies	2,000.00
	Shop Supplies - parts	500.00
	Accounting	300.00
	Assaying	150.00
	Transportation (air)	1,200.00
		$ 8,602.00

Total of items - questions 8 and 9: $ 20,224.00

Total $36,391

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA-2355

Date received 1-29-52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 1952

FLUORSPAR CORPORATION
P.O. Box 1211
Reno, Nevada

Name and address of applicant

Date January 8, 1952

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
George H. McKaig 150 N.Center St., Reno, Nev.	President D.		$100,000.	75,000			
J. R. Dodd Yerington, Nevada	Vice-Pres. D.		$10,000.	75,000			
Kenneth L. Dillon Professional Bldg. Reno, Nevada	Sec-Treas.						
Helen Presby Professional Bldg. Reno, Nevada	Ass't. Sec.-Treas.						
Mary Wells McKaig PO Box 1211, Reno, Nev.	D.						
Muriel L. Dodd Yerington, Nevada	D.						
	Total		x x x x x	150,000		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 300,000.00	$150,000.00	$ 1.00	None	
Preferred stock	25,000.00 $ [illegible]		$ 10.00	None	

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Massive CAF_2			100 S.T.	
2. Quantity of product processed (specify unit of measure and type of process)				100 S.T. hand cobbed	
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. 1/cs - 75 - 100 T.P.M. Addition of mining facilities & personnel

12. Ore or Mineral Reserves:

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

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

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

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

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

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

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

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

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

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

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

13. Access Roads: 65 miles to Cascade, Idaho. Camp on site. No road 22 miles; fair to good balance of distance

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

14. Water Supply: Adequate water for all purposes in Pungo Creek on property and middle fork of Salmon River

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

15. Power: Power to be produced as requirements indicated by water power, Pungo Creek

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

16. Labor: One - prospector - miner

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

17. Equipment and Facilities:

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

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

CERTIFICATION

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

FLUORSPAR CORPORATION
(Name of company)

By Geo W McKay
(Signature of authorized official)

January 8, 1952
(Date)

President
(Title)

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

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

PUNGO CREEK FLUORSPAR DEPOSIT
VALLEY COUNTY, IDAHO

ANSWERS TO MF-100:

Fluorspar Corporation
P.O. Box 1211 - Reno, Nevada

January 8, 1952

(1) (a) Fluorspar (acid grade lump)
(b) None.

(2) Pungo Creek Deposit, Valley County, Idaho
(a) None
(b) 95 feet
(c) Same as above
(d) 170 feet of surface trenches exposing vein.
All present workings above water level. Production of 1,000 tons yearly is possible from the present showings, and the proposed exploration program is expected to increase the reserves and the possible production figure.

(3) (a) Deposit is 56 miles east by road and trail from both Cascade and McCall, Idaho, which towns would be the nearest railroad shipping points.
(b) No organized mining district.
(c) Section 36, T-17-N, R-11-E.
(d) Valley County, Idaho

(4) (a) The Fluorspar Corporation has one man employed at present. He is at present doing further prospecting, and will be selectively mining and stockpiling fluorspar this summer.
(b) The Fluorspar Corporation is operating the property as owner.

(5) Stockpiling of acid lump fluorspar has proceeded intermittently since 1948.

(6) Operations will be under the control of George McKaig and John Dodd. McKaig has had 30 years experience in investment banking and the handling of mining properties. Dodd has had one year of experience in managing a tungsten mine, and 35 years in managing construction work and electrical contracting. McKaig is the fiscal agent for the Fluorspar Producers Corporation of Nevada, operating properties in Arizona. The Fluorspar Corporation will enjoy the assistance of this company in the operation of the Pungo Creek Mine and the marketing of its products.

(7) (a) Deposit was recognized as a fluorspar property in 1948. Since that time, a small amount of prospecting and selective mining for stockpiling has been carried on. No ore has been shipped due to lack of access road.
(b) No nearby fluorspar deposits are known, other than the Myers Cove fluorspar mine, 42 miles by pack trail to the northeast. It is understood that the Myers Cove deposit is producing 2,000 tons of acid grade fluorspar monthly, and that this tonnage will be increased to 5,000 tons shortly. The fluorspar is being sold under contract to the Atomic Energy Commission at Arco, Idaho.
(c) The Pungo Fluorspar Deposit was examined in October 1951 by Peter M. Toepfer of the U. S. Bureau of Mines. The deposit was sampled, surveyed and mapped at this time. The report is understood to be favorable and is in the possession of the U. S. Bureau of Mines, Spokane, Washington.

(8) George H. McKaig, President, Box 1211, Reno, Nevada
John R. Dodd, Vice-President, same address
Kenneth Dillon, Secretary and Treasurer, same address

In addition to the above men, the following are Directors:
Mary McKaig, Box 1211, Reno, Nevada
Muriel L. Dodd, same address

ANSWERS TO MF-100 (continued):

George H. McKaig and John R. Dodd each hold 75,000 shares of common stock, the remaining 150,000 shares of the 300,000 shares authorized is being held as treasury stock. 2500 shares of preferred stock are authorized, and are being held as treasury stock.

George H. McKaig and John R. Dodd have assets in excess of $100,000 in interests other than the Fluorspar Corporation.

Par value of common stock is listed as $1.00, and of preferred stock, $10.00 per share.

(10) 77 tons of acid lump fluorspar has been stockpiled during the course of exploratory drifting and development. This ore assays 99.02% CAF_2; 0.05% SIO_2; 0.314% Fe_2O_3; and no lead, zinc, nor sulfur. No actual mining has been carried out due to lack of access road.

(11) Once an access road is built, the monthly rate of production is expected to range between 75 and 100 tons of acid grade fluorspar.

(12) The deposit is a high-grade fissure vein of fluorspar within andesite and porphyritic diorite country rock. The average width of the practically pure fluorspar is 1.47 feet, and ranges between 0.6 and 2.3 feet. The vein has been completely exposed for a distance of 260 feet up the slope of the hill. Breccia fluorspar ore of lower grade lies next to the massive fluorspar, and is expected to be amenable to concentration to equal the tonnage to be produced from the massive ore. Figuring 260 feet proven length, 130 feet depth, 1.5 feet average width, and 10.0 cubic feet per ton, 5,080 tons of massive ore is available for selective mining to produce 3,390 tons of acid lump ore. An equal tonnage is expected to be available from milling the rejected ore and breccia ore broken during mining. This would be 6,780 tons of indicated ore. Inferring the continuation of ore in depth, and inferring the presence of similar ore in another attractive float area, 13,560 additional tons of ore can be inferred. Only a slight tonnage can be considered proven.

The 6,780 tons of indicated ore is expected to contain 97 percent calcium fluoride, valued at railroad at $60.00. The estimated cost of mining, sorting, and milling, and truck haul is $30.00 per ton, but this cost will not include amortization which will be dependent upon the amount of reserves proven by the proposed exploration program.

(13) If rail shipments are made from McCall, an all-year road will be completed from McCall to Stibnite within the next year. This distance is 54 miles. Beyond Stibnite, mine roads reach the mountain summit above the Middle Fork of the Salmon River where the Pungo deposit is located. This distance is 6 miles. Beyond this summit, 16 miles of road will have to be built down Indian Creek to the Pungo deposit. The first four miles of this distance will be difficult.

The proposed exploration program will be for the purpose of developing sufficient ore reserves to allow this road to be built on DMA access road funds.

Supplies will come from McCall and Stibnite. The miners will live at the Pungo mine.

(14) Adequate water for all purposes can be had from either Pungo Creek or the Middle Fork of the Salmon River.

(15) An ideal water power site exists just above the camp on Pungo Creek. Sufficient power for mining and milling can be generated here. John Dodd is experienced in such installation.

ANSWERS TO MF-100 (continued):

(16) It is anticipated that 5 men will be employed, two of whom will be experienced miners. The remaining labor would be unskilled.

(17) Present equipment consists of only hand mining tools, cabin and cabin facilities.

(18) The only circumstance not covered is that the property lies within a primitive area of the Boise National Forest. The Forest Service will dislike having a mine road into this area, but will probably not try to prevent it inasmuch as this can be proven to be a commerical deposit of a strategic material.

AGREEMENT FOR SALE OF MINING PROPERTY

THIS AGREEMENT, made and entered into this ____ day of November, 1951, by and between M. EDWARD BUDELL of Valley County, Idaho, party of the first part, and GEORGE H. McKAIG and J. A. DODD, both of Washoe County, Nevada, parties of the second part.

W I T N E S S E T H :

That for and in consideration of the terms, covenants and conditions hereinafter set forth, the party of the first part agrees to sell to parties of the second part, as tenants in common, and parties of the second part agree to purchase from the party of the first part, all of the following described land, mining claim and mineral rights, including mill site, situated in the County of Valley, State of Idaho, commonly known as the Pungo Claim, and described as follows:

> Quartz Mining Location Notice No. 34396, recorded in name of party of the first part under date of April 8, 1946, in Book 11, page 405, QUARTZ MINING CLAIMS, Cascade Station, U.S.F.S., Records of Valley County, Idaho.
>
> Together with "Amended" Quartz Location Notice No. 37730, recorded in the name of party of the first part under date of June 19, 1948, in Book 12, page 531, QUARTZ MINING CLAIMS, Records of Valley County, Idaho, amending the aforesaid Notice No. 34396.
>
> And together with all rights, privileges, franchises, tenements, hereditaments and appurtenances thereunto belonging or appertaining, all dips, spurs and angles, and all metals, ores and mineral substances therein, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

The consideration for said sale shall be the sum of TEN THOUSAND DOLLARS ($10,000.00), to be paid $2,500.00 upon execution hereof, the receipt of which is hereby expressly acknowledged by party of the first part, $5,000.00 on or before July 1, 1952, and $2,500.00 on or before November 1, 1952.

It is understood and agreed that at all times during the

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

period hereof, namely, to and including November 1, 1952, and thereafter, provided only that the above-stipulated payments be made at the times provided therefor, parties of the second part shall have the right to enter upon and be in exclusive possession of the aforesaid property, and to conduct any and all proper mining operations and/or development work, including mining, milling, shipping and removal of ores of any description with the right to retain any and all proceeds therefrom.

It is further understood and agreed that party of the first part shall immediately execute and deposit with a suitable escrow holder a good and sufficient Quitclaim Deed to parties of the second part, as tenants in common, evidencing the release of all his right, title and interest in and to all of the mining property aforesaid, subject to suitable instructions for the delivery of said deed to parties of the second part upon payment of the aggregate purchase price hereinabove set forth. In the event of failure or neglect by parties of the second part to complete payment of the aforesaid purchase price in the manner, at the times and in the amounts hereinabove set forth, it is further understood and agreed that all right, title and interest of the parties of the second part herein shall cease, any installment payments theretofore made being treated and constituting liquidated damages and compensation to party of the first part for this agreement to sell.

Time is of the essence of this Agreement, and the same shall be binding upon all the heirs, administrators, executors and assigns of all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year in this Agreement first written.

M. Edward Budell — M. EDWARD BUDELL

George H. McKaig — GEORGE H. McKAIG

Party of the First Part

J. R. DODD

Parties of the Second Part

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

STATE OF IDAHO)
) SS:
COUNTY OF Bonner)

On this 2.7th day of November, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared M. EDWARD BUDELL, known to me to be the person described in and who executed the annexed instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Katherine Fogliasso
Notary Public

(SEAL)

My Commission Expires: 4-26-53

STATE OF NEVADA)
) SS:
COUNTY OF WASHOE)

On this 14th day of November, 1951, before me, the undersigned, a Notary Public in and for the aforesaid County and State, personally appeared GEORGE H. McKAIG and J. H. DODD, known to me to be the persons described in and who executed the annexed instrument, who acknowledged to me that they, and each of them, executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Kenneth P. Dillon
Notary Public in and for the
County of Washoe, State of Nevada

(SEAL)

My Commission Expires: [illegible]

KENNETH P. DILLON
ATTORNEY AT LAW
RENO, NEVADA

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Mail to

Kenneth P. Dickson Atty at Law
P.O. Box 1142, Reno Nevada

DMA 2355

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

DEPARTMENT OF THE INTERIOR
Defense Mineral Administration
Industrial Minerals Branch
Expense of Defense Production Administration, Executive Office of the President"
(Allotment to Interior, 1951) 10.1

FILE COPY
SURNAME:

Bam

Washington, D. C.
June 13, 1951
14

H. J. Hull and Sons
Attorney at Law
Wallace, Idaho

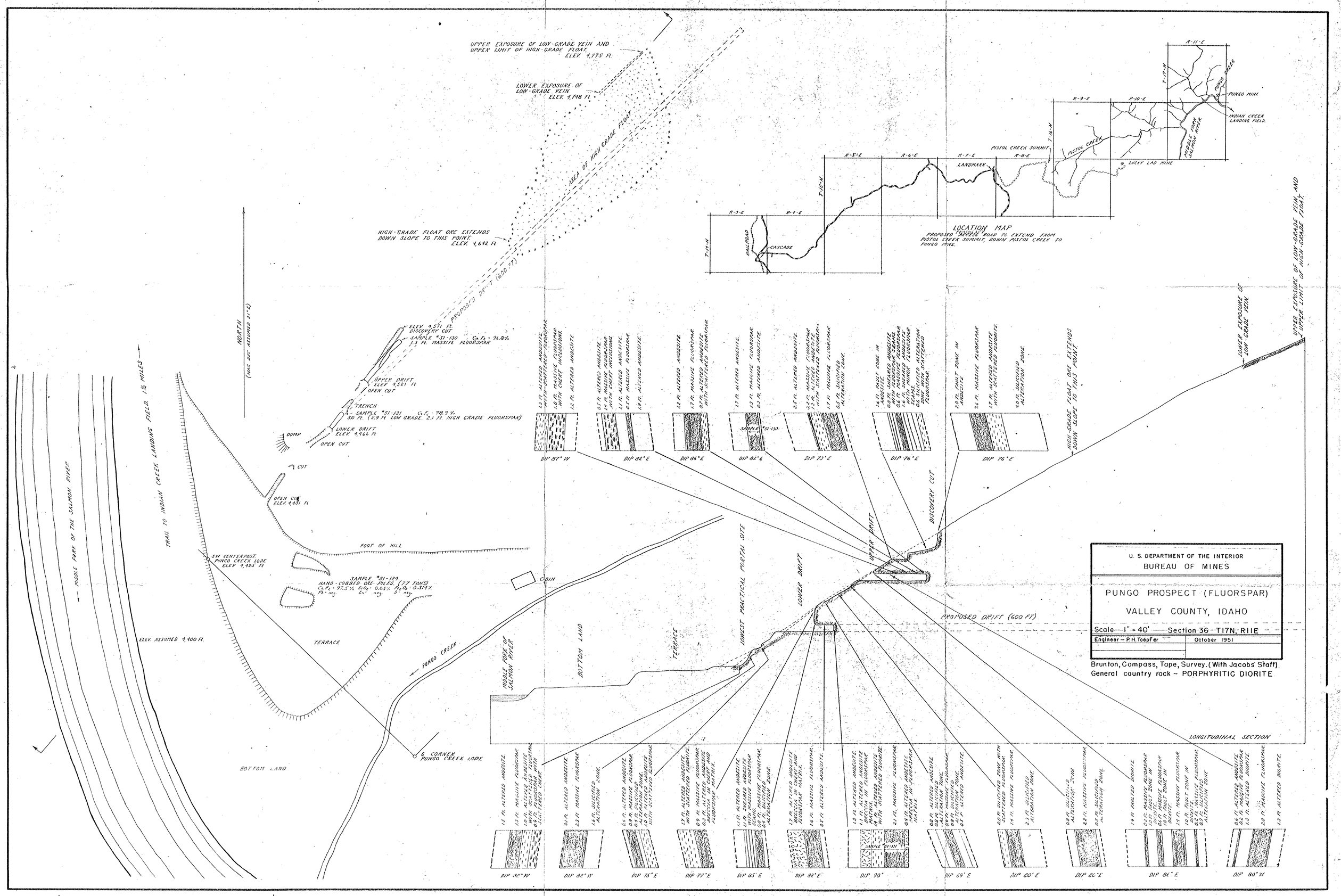
HAMMI. FLUORSPAR CORP. HAVE NOT RETURNED LOAN APPLICATION FORMS MAILED DEC. 8

Tom Lyon

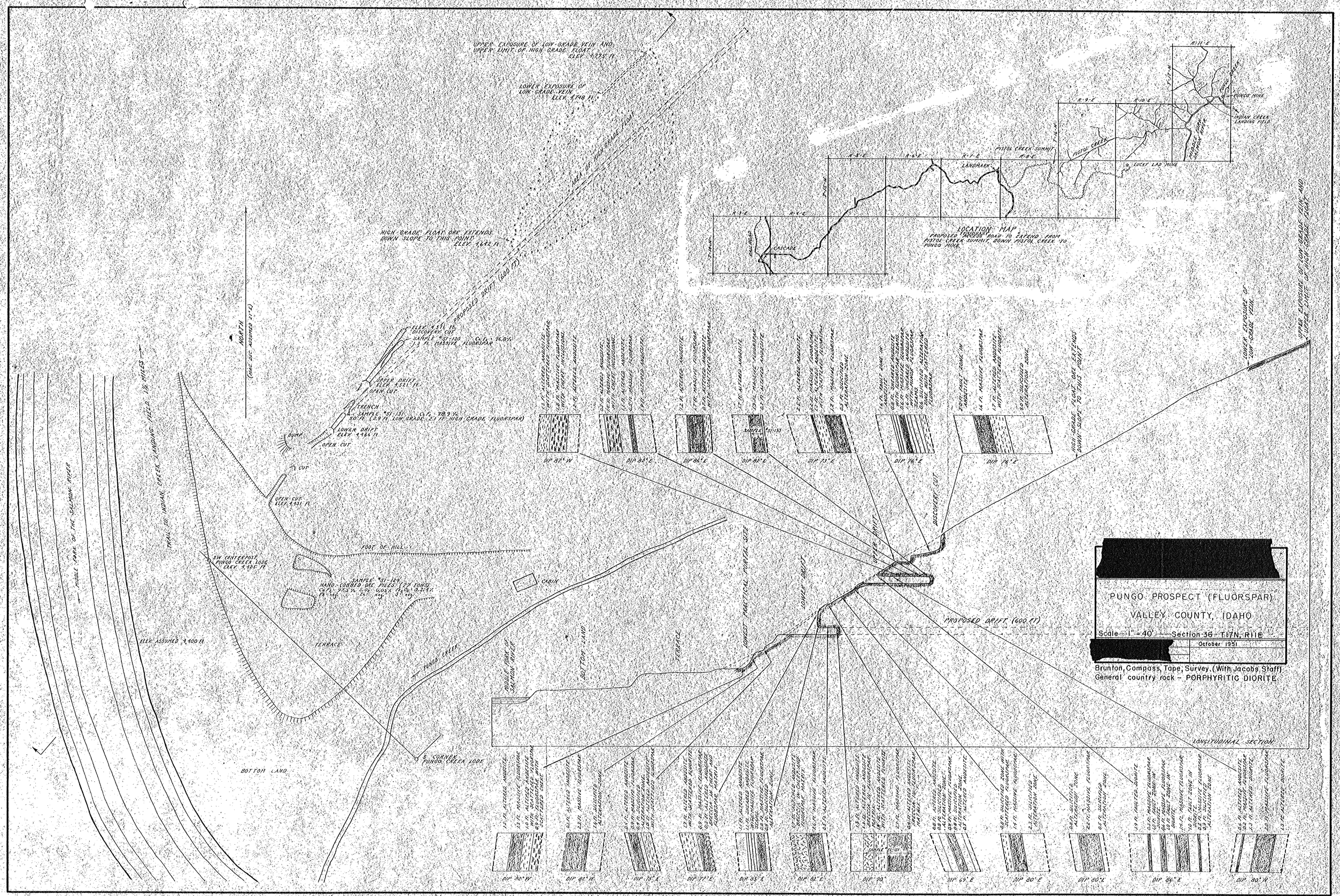
Tom Lyon, Director
Supply Division

JABAHR:mp
cc: Mr. Strobel
Mr. Barr
Mr. Mays
Audits
DMA Files

10


U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
PUNGO PROSPECT (FLUORSPAR)
VALLEY COUNTY, IDAHO
Scale 1" = 40' Section 36 - T17N, R11E
Engineer - P.H. Toepfer
October 1951
Brunton, Compass, Tape, Survey. (With Jacobs Staff).
General country rock - PORPHYRITIC DIORITE
LOCATION MAP
PROPOSED ACCESS ROAD TO EXTEND FROM PISTOL CREEK SUMMIT, DOWN PISTOL CREEK TO PUNGO MINE.
LONGITUDINAL SECTION
UPPER EXPOSURE OF LOW-GRADE VEIN AND UPPER LIMIT OF HIGH-GRADE FLOAT ELEV. 1,775 FT.
LOWER EXPOSURE OF LOW-GRADE VEIN ELEV. 1,748 FT.
AREA OF HIGH GRADE FLOAT
HIGH-GRADE FLOAT ORE EXTENDS DOWN SLOPE TO THIS POINT ELEV. 1,642 FT.
PROPOSED DRIFT (600 FT)
ELEV. 1,571 FT. DISCOVERY CUT
SAMPLE #51-130 CaF2 = 96.8%
1.9 FT. MASSIVE FLUORSPAR
UPPER DRIFT ELEV. 1,521 FT.
OPEN CUT
TRENCH
SAMPLE #51-131 CaF2 = 78.9%
5.0 FT. (2.9 FT. LOW GRADE, 2.1 FT. HIGH GRADE FLUORSPAR)
LOWER DRIFT ELEV. 1,466 FT.
OPEN CUT
DUMP
CUT
OPEN CUT ELEV. 1,431 FT.
FOOT OF HILL
SW CENTERPOST PUNGO CREEK LODE ELEV. 1,425 FT.
SAMPLE #51-129
HAND-COBBED ORE PILES (77 TONS)
CaF2 = 97.5% SiO2 = 0.05% Fe2O3 = 0.31%
CABIN
TERRACE
ELEV. ASSUMED 1,400 FT.
PUNGO CREEK
S. CORNER PUNGO CREEK LODE
BOTTOM LAND
MIDDLE FORK OF SALMON RIVER
TRAIL TO INDIAN CREEK LANDING FIELD 1/2 MILES
NORTH (MAG. DEC. ASSUMED 21°E)
BOTTOM LAND
TERRACE
LOWEST PRACTICAL PORTAL SITE
LOWER DRIFT
UPPER DRIFT
DISCOVERY CUT
LOWER EXPOSURE OF LOW-GRADE VEIN
UPPER EXPOSURE OF LOW-GRADE VEIN AND UPPER LIMIT OF HIGH-GRADE FLOAT
HIGH GRADE FLOAT ORE EXTENDS DOWN SLOPE TO THIS POINT
DIP 87° W
DIP 82° E
DIP 86° E
DIP 82° E
DIP 73° E
DIP 76° E
DIP 76° E
DIP 82° W
DIP 82° W
DIP 75° E
DIP 77° E
DIP 85° E
DIP 82° E
DIP 90°
DIP 69° E
DIP 20° E
DIP 20° E
DIP 86° E
DIP 80° W
R-3-E
R-4-E
R-5-E
R-6-E
R-7-E
R-8-E
R-9-E
R-10-E
R-11-E
T-17-N
T-16-N
T-15-N
T-14-N
RAILROAD
CASCADE
LANDMARK
PISTOL CREEK SUMMIT
PISTOL CREEK
LUCKY LAD MINE
PUNGO CREEK
PUNGO MINE
INDIAN CREEK LANDING FIELD
MIDDLE FORK SALMON RIVER

B-1701


PUNGO PROSPECT (FLUORSPAR)
VALLEY COUNTY, IDAHO
Scale 1" = 40' — Section 36 - T17N, R11E
[redacted]
October 1951
[redacted]
Brunton, Compass, Tape, Survey, (With Jacobs Staff)
General country rock - PORPHYRITIC DIORITE
LOCATION MAP
PROPOSED TIMBER ROAD TO EXTEND FROM PISTOL CREEK SUMMIT DOWN PISTOL CREEK TO PUNGO MINE.
CASCADE
LANDMARK
PISTOL CREEK SUMMIT
PISTOL CREEK
LUCKY LAD MINE
PUNGO MINE
INDIAN CREEK LANDING FIELD
MIDDLE FORK SALMON RIVER
UPPER EXPOSURE OF LOW-GRADE VEIN AND UPPER LIMIT OF HIGH-GRADE FLOAT ELEV. 4775 ft.
LOWER EXPOSURE OF LOW-GRADE VEIN ELEV. 4748 ft.
AREA OF HIGH GRADE FLOAT
"HIGH GRADE" FLOAT ORE EXTENDS DOWN SLOPE TO THIS POINT ELEV. 4642 ft.
PROPOSED DRIFT (600 ft)
NORTH
(CALC. BY ASSUMED 21°E)
ELEV. 4651 ft. DISCOVERY CUT
SAMPLE #S1-130 Cu.Ft. 94.8%
1.3 ft. MASSIVE FLUORSPAR
UPPER DRIFT ELEV. 4581 ft.
OPEN CUT
TRENCH
SAMPLE #S1-131 Cu.Ft. 78.9%
50 ft. (29 ft. LOW GRADE, 21 ft. HIGH GRADE FLUORSPAR)
LOWER DRIFT ELEV. 4486 ft.
DUMP
CUT
OPEN CUT ELEV. 4491 ft.
FOOT OF HILL
SW CENTERPOST PUNGO CREEK LODE ELEV. 4485 ft.
SAMPLE #S1-129
HAND-CORBED ORE PILES (77 TONS)
CABIN
ELEV. ASSUMED 4400 ft.
TERRACE
PUNGO CREEK
MIDDLE FORK OF SALMON RIVER
BOTTOM LAND
S. CORNER PUNGO CREEK LODE
TRAIL TO INDIAN CREEK LANDING FIELD 1½ MILES
MIDDLE FORK OF THE SALMON RIVER
TERRACE
LOWEST PRACTICAL PORTAL SIZE
LOWER DRIFT
UPPER DRIFT
DISCOVERY CUT
PROPOSED DRIFT (600 ft)
LONGITUDINAL SECTION
LOWER EXPOSURE OF LOW-GRADE VEIN.
UPPER EXPOSURE OF LOW-GRADE VEIN AND UPPER LIMIT OF HIGH-GRADE FLOAT.
HIGH-GRADE FLOAT ORE EXTENDS DOWN SLOPE TO THIS POINT
DIP 80° W
DIP 82° E
DIP 86° E
DIP 82° E
DIP 73° E
DIP 76° E
DIP 76° E
DIP 80° W
DIP 82° W
DIP 75° E
DIP 77° E
DIP 85° E
DIP 82° E
DIP 90°
DIP 69° E
DIP 80° E
DIP 90° E
DIP 86° E
DIP 80° W

P-1741