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

500

August 4, 1958

MEMORANDUM:

To: Mr. Wingfield N. Chamberlain
Division of Operation Control & Statistics

From: Director, Division of Base Metals

Subject: Semi-Annual Reports of Certified projects for the period January 1, 1958 thru June 30, 1958.

The following projects were inactive during the cited period.

Docket No.	Contract No.	Name
DMEA-3112	Idm-E651	Centrida Mines, Inc.
DMEA-432	Idm-E1	Mines Management, Inc.
DMEA-81	Idm-E18	United Minerals Corporation
DMEA-1166	Idm-E76	American Zinc, Lead & Smelting Co.
DMEA-390	Idm-E63	Highland-Surprise Cons. Mining Co.
DMEA-125	Idm-E81	Bennett Mining Company
DMEA-981	Idm-E88	Idaho Mining Company
DMEA-525	Idm-E137	Spokane Mining Syndicate
DMEA-1877	Idm-E155	William Mulcahy
DMEA-652	Idm-E177	South Mt. Mining & Concentrating Co.
DMEA-1596	Idm-E184	Nabob Silver-Lead Company

DMEA-2166	Idm-E208	Farmer Mine Enterprises
DMEA-1959	Idm-E223	Wylie M. Gardner and L. R. Vance
DMEA-2123	Idm-E228	Pacific Northwest Mining Company
DMEA-1831	Idm-E242	William Seren
DMEA-1175	Idm-E251	Amador Mining Company (assignee of Kootenay Copper Mines)
DMEA-1894	Idm-E266	Buchman, Brecken and Norden
DMEA-2213	Idm-E294	Elmer Enderlin
DMEA-2388	Idm-E301	American Zinc, Lead & Smelting Co.
DMEA-2269	Idm-E308	Mines Management, Inc.
DMEA-2420	Idm-E380	Hypotheek Mining & Milling Co.
DMEA-2237	Idm-E421	Signal Mining Company
DMEA-2637	Idm-E475	Goldonda Lead Mines
DMEA-2862	Idm-E482	Spokane-Idaho Mining Co.
DMEA-2612	Idm-E489	Granore Company (assignee of Index Mining Company)
DMEA-2929	Idm-E587	Grandview Mines
DMEA-3142	Idm-E644	Howe Sound Company
DMEA-3288	Idm-E667-	Alaska Copper Mines, Inc.
DMEA-3664	Idm-E819	Highland-Surprise Cons. Mining Co.

W. R. Griswold

WRG/dl 8-4-58
cc to: Dockets (28)
Admr. R. File
Chonr.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

January 30, 1958

Memorandum

To: Wingfield N. Chamberlain, Statistics Branch
Division of Operation Control & Statistics

From: Director, Division of Base Metals

Subject: Semi-annual reports on certified projects
Period - July 1 thru December 31, 1957

The following projects have been inactive throughout the reporting period:

DMEA No.	Contract No.	Name of Operator
2260	Idm-E246(amended)	Pohl and Hogan
2123	Idm-E228	Pacific Northwest Mining Co.
1175	Idm-E251	Amador Mining Company (assignee of Kootenay Copper Mines)
1877	Idm-E155	William Malcahy
2420	Idm-E300	Hypothesis Mining & Milling Company
2166	Idm-E208	Farmer Mine Enterprises
1959	Idm-E223	Fairway Uranium Corporation
3142	Idm-E644	Nome Sound Company

Please note that the property covered by DMEA-3142 has been abandoned and the mill and all structures removed, and the mine allowed to fill with water. It is most unlikely that this property will ever again be operated.

W. R. Griswold

WRGriswold:ms 1/30/58
Copies: Dockets as above
shren

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION

For the period January 1 - June 30, 1957

Base Metals Division Date February 13, 1958

Semi-Annual Report - Certified Project Date

DMEA No. 2420 Operator Hypotheek Mining and Milling Company Contract No. Idm-E 380

Ore Reserves

Ore Estimates	Tons	Analysis
Original (DMEA)	7,500	Pb. 2.0; Zn. 6.0
Increase (Operator)		
Total		
Decrease (Production)		
Net Available		

Investment

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

W. R. Griswold/er

100338

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

January 15, 1964

Re: DMEA-2420 (Lead-Zinc)
Hypotheek Mining and
Milling Company
East Hypotheek Mine
Shoshone County, Idaho
Contract Idm-E380

Mr. M. W. Onstine
Secretary
King of Pine Creek Mining Co.
P.O. Box 178
Spokane 10, Washington

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 27 1964

DATE	INITIALS	CODE
1/27		800
1/27		120
1/30		100
1/31		110
		500
		100

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. **Since** December 27, 1962, **has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.** Yes ☐ No ☒

We are attaching a copy of "Notice of Forfeiture" served on the Hypotheek Mining and Milling Company, dated May 11, 1962. Hypotheek did not respond and the Agreement was cancelled.

2. **Since** December 27, 1962, **has there been any production from the land subject to the contract?** Yes ☐ No ☒

   A. **If so and it was shipped, give quantity, value, and name and address of purchaser.**

	Quantity	Value

   B. **If stockpiled awaiting sale, state quantity, grade, and location.**

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. **Since** , **has any production been transported through** workings (see of contract)? Yes ☐ No ☐

   A. **If so, state quantity, value, and disposition of material.**

Disposition of Material	Quantity	Value

Submitted by:

Name M. W. Onstine
M. W. Onstine

Title Secretary

Address P. O. Box 178
Spokane, Wash. 99210

Date January 23, 1964

4511

NOTICE OF FORFEITURE

TO: HYPOTHEK MINING AND MILLING COMPANY
WALLACE, Idaho

NOTICE IS HEREBY GIVEN that the undersigned is forfeiting that certain contract dated June 30, 1950 wherein King of Pine Creek Mining Company, an Idaho corporation were the vendors, and Hypothek Mining and Milling Company were the purchasers of property in Shoshone County, Idaho, described as:

South Half (S½) of Southeast Quarter (SE¼) of Southeast Quarter (SE¼), being a part of Lot 8, of Section Eighteen (18), Township Forty-eight (48) North, Range Two (2) East B. M.

All mines and minerals, lodes, veins, mineral deposits, mineral oils, and natural gases of every kind and nature contained in or upon the North Half (N½) of the Southeast Quarter (SE¼) and Lots Seven (7) and Eight (8) of Section Eighteen (18), Township Forty-eight (48) North, Range Two (2) East B. M., containing 149.73 acres.

Together with all easements and rights of way necessary thereon for the lawful exploration, development and mining operations necessary for the operation of said mineral property for the extraction of ores and natural resources heretofore named and the marketing of the same, if any.

All of the foregoing property is described in a deed from Charles Jones, a widower, recorded in Book 35 of Deeds, Page 15, Official Records of Shoshone County, Idaho.

Lot Three (3) and the Northeast Quarter (NE¼) of Southwest Quarter (SW¼) and the Southeast Quarter (SE¼) of Southwest Quarter (SW¼) of Section Eighteen (18) and the Northeast Quarter (NE¼) of Northeast Quarter (NE¼) of Section Nineteen (19), Township Forty-eight (48) North, Range Two (2) East of Boise Meridian, containing 139.33 acres, known as the George Lightbody homestead.

L-29, P-38 and Catalona Fraction unpatented lode mining claims, notices of location of which said claims are of record in Book 27 of Quartz Locations, at pages 475, 476 and 477 respectively, Official Records of Shoshone County, Idaho.

Monty Fraction, Monty Christo, Olson the Miner, Otto Fraction, Olson The Miner Fraction, and the Rose Bird patented lode mining claims, Mineral Survey 3197, United States patent for which is recorded in Book 64 of Deeds, Pages 142, 143 and 144, Official Records of Shoshone County, Idaho. Except the following not conveyed: a portion of the Rose Bird claim, Survey No. 3197, situated in the SW¼ of Section 17, Township 48 North, Range 2 East B. M. more particularly described in Book 76 of Deeds, Page 31, records of Shoshone County, Idaho.

This Notice of Forfeiture is given pursuant to Paragraph Eight (8) of the aforesaid contract on the grounds and for the reason that said company is delinquent in the amount of Seven Hundred Fifty ($750.00) Dollars being the yearly payments due for the years 1959, 1960 and 1961 and said company is further delinquent in that it has not paid the real estate taxes due for the years 1958, 1959, 1961 and 1962.

This escrow is held in The First National Bank of Wallace, Idaho, and you are notified further that unless you bring those payments up to date and pay the taxes due within Sixty (60) days from the date of this Notice, the vendors will request deliver to them of the documents in escrow and you will have no further rights under the contract.

DATED THIS 11th Day of May, 1962

KING OF PINE CREEK MINING COMPANY

By _____
Vice President

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

OFFICIAL FILE COPY

August 28, 1963

RECEIVED SEP 9 1963

DATE	INITIALS	CODE
9/9		800
9/9		200
	Griswold	500

Re: BMEA-2420 (Lead-Zinc)
Hypotheek Mining & Milling Company
East Hypotheek Mine
Shoshone County, Idaho
Contract Idm-E380

Mr. W. T. Anderson
Manager
King of Pine Creek Mining Co.
P. O. Box 178
Spokane 10, Washington

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

If you will be kind enough to bring us up to date we should now be able to release the Government's lien against any future production from this property.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

The company's property (mining claims) were sold to The Hypotheek Company on contract; however the Hypotheek Co. failed to make the payments under the contract and the company foreclosed and cancelled the contract. The King of Pine Creek Company has no knowledge of the information you requested. ?

M. W. Onstine

M. W. Onstine
Secretary
King of Pine Creek Mining Co.

Royalty terminated August 4, 1963

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 27, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☑ No ☐

2. Since December 27, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)

Hyperion M.V. Co

John T. Kingsbury

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED

NOV 72

ADDRESS WHERE DELIVERED (only if requested in item #1)

C55—16—71548-4 GPO

2420

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

WALLACE
NOV 2
1962
6 PM
IDAHO

PRAY
FOR
PEACE

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598418	D.M.E.A., Dept. of the Intr.
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	WASHINGTON, D.C.
INSURED NO.	CITY, ZONE AND STATE

POD Form 3811 Jan. 1958

CSS—16—71548-4

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

NOV 2 1 1962

Re: DMEA-2420 (Lead-Zinc)
Hypotheek Mining and
Milling Company
East Hypotheek Mine
Shoshone County, Idaho
Contract Idm-380

King of Pine Creek Mining Company
Wallace
Idaho

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

W R Griswold

W. R. Griswold, Chief
Branch of Minerals

MME Form 63
Revised 3-62

OFFICIAL FILE COPY
O M. E
RECEIVED DEC 31 1962

DATE	INITIALS	CODE
1/3	[illegible]	800
1/3	[illegible]	120
1/3	[illegible]	100
	[illegible]	110
	[illegible]	500

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 8, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [✓] No [ ]

Sales agreement cancelled due to non-payment. Hypotheek Mining and Milling Company has not been listed in Idaho Year Book since 1958. Suggest you write A. J. Teske, Idaho Mining Association, Boise, Idaho, for information about the company.

2. Since September 8, 1959, has there been any production from the land subject to the contract? Yes [ ] No [✓]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [✓]

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name W. T. Anderson Title Mgr.

Address P. O. Box 178, Spokane 10, Wash. Date December 27, 1962

4511

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

October 5, 1962

Re: DMEA-2420 (Lead-Zinc)
Hypothesk Mining and
Milling Company
East Hypothesk Mine
Shoshone County, Idaho
Contract Idm-E380

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Hypothesk Mining & Milling Company
510 Bank Street
Wallace, Idaho

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

We wrote you on August 24 but have heard nothing from you. Won't you please give this your consideration and bring us up to date concerning the status of the property.

Sincerely yours,

/S/

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMEA-2420
Idm-E380

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 8, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since September 8, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____	_____	_____
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

Folder 1

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

August 24, 1962

Re: [illegible]A-2420 (Lead-Zinc)
Hypothesis Mining and
Milling Company
East Hypothesis Mine
Shoshone County, Idaho
Contract Idm-8380

Hypothesis Mining & Milling Company
510 Bank Street
Wallace, Idaho

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMBA-2420
Idm-8380

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 8, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since September 8, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____	_____	_____
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons	_____	_____

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958

DATE	INITIALS	CODE
1/28	C	220
1/28	Conc	100

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: July 1 to December 31, 1957

Date of exam: December 12, 1957

Operator; Hypotheek Mining & Milling Company
Wallace, Idaho

Mine name: East Hypotheek

County and State: Shoshone County, Idaho

Docket number
and commodity: DMEA-2420 (zinc-lead)

Contract number: Idm-E380

Property inactive. No change in royalty status since report of January 1 to June 30, 1956.

Signed: John D. Bardill (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (2)
USBM (AD)

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 7/11

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files
7. 500

Note comments in report regarding:

1.

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert R. Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: January 1 to June 30, 1957 Date of exam: May 13, 1957

Operator: Hypotheek Mining & Milling Company, Wallace, Idaho

Mine name: East Hypotheek

County and State: Shoshone County, Idaho

Docket number and commodity: DMEA-2420 (zinc-lead)

Contract number: Idm-E380

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 11 1957

DATE	INITIALS	CODE
7/11	Com	100
7/15	[illegible]	500
	[illegible]	

Project inactive. No change in status since report of January 1 to June 30, 1956.

Signed: E. G. Erickson (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 22 1957
D.M.E.A.

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: July 1 to December 31, 1956 Date of exam: Dec. 20, 1956

Operator: Hypotheek Mining & Milling Company,
Wallace, Idaho

Mine name: East Hypotheek

County and State: Shoshone County, Idaho

Docket number
and commodity: DMEA-2420 (zinc-lead)

Contract number: Idm-E380

Project inactive. No change in status since
report of January 1 to June 30, 1956.

Signed: E. G. Erickson (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

Referred to:

1. ~~[illegible]~~
2. ~~[illegible]~~
3. ~~[illegible]~~
4. Docket Control Mails and Files Division
5.
6. Docket Control Mails and Files

Note comments in report regarding:

1. Inactive

2.

3.

4.

Will take appropriate action.

Action taken by Division:

Initials

380

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 12 1956

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: January 1 to June 30, 1956 Date of exam: May 31, 1956

Operator: Hypotheek Mining & Milling Co., Wallace, Idaho

Mine name: East Hypotheek

County and State: Shoshone County, Idaho

Docket number and commodity: DMEA-2420 (zinc-lead)

Contract number: Idm-E380

Date of contract: August 4, 1952

Date of certification: October 29, 1954

Expiration date of royalty payments: August 4, 1963

Total amount of contract: $70,410.00

Total expenditures under contract: $34,559.51

Amount of Government participation at 50%: $17,279.76

Royalty payments this period: none

Previous royalty payments: none

Total royalty payments to date: none

Percent Government participation repaid: none

Royalty due on production to date: none

Royalty remarks: none

Original estimate of reserves (from final Engr.-Geol. report):	7,500 tons of 7% Zn, 2% Pb and 0.5 oz. Ag indicated and inferred
Increase (or decrease) of reserves by work performed subsequent to original and last Field Team estimates:	none
Revised estimate of reserves:	none
Production this period:	none
Amount of previous production (since date of contract):	none
Total DMEA production to date:	none
Percent of revised reserves mined:	none

Production remarks:

The property is idle.

Other remarks:

The results of the DMEA project showed the small ore shoot on the tunnel level continued downward and the company repaired the headframe in 1955 and plans on further exploration and development. No further work has been done this year to date.

Signed: E. G. Erickson (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Period:	July 1, 1955 to December 31, 1955
Docket No.:	DMEA-2420
Contract No.:	Idm-E380
Operator:	Hypotheek Mining & Milling Co., Wallace, Idaho
Commodity:	Zinc-lead
Mine name:	East Hypotheek
County:	Shoshone
State:	Idaho

Date of contract:	August 4, 1952
Date of certification:	October 29, 1954
Expiration date of royalty payments:	August 4, 1963
Date of examination for this report:	December 7, 1955

Total amount of contract:	$70,410.00
Total expenditures under contract:	$34,559.51
Amount of Government participation at 50%:	$17,279.76

Royalty payments this period:	None
Previous royalty payments:	None
Total royalty payments to date:	None
% Loan repayment completed:	None

Amount of royalty due: None

Royalty remarks:

Original estimate of reserves
(from final Engr.-Geol. report): 7500 tons of 7% Zn, 2% Pb and 0.5 oz. Ag.
Indicated and inferred

Increase (or decrease) of reserves
by work performed subsequent to
expiration or termination of
contract: none

Revised estimate of reserves:

Production this period (ore or concentrates): none

Amount of previous production (since date of
contract): none

Total DMEA production to date: none

% of revised reserves mined:

Production remarks:

The property is idle. The Operator plans to dewater the shaft and examine the 200 and 300 levels.

Other remarks: (Investments, etc.)

The results of the DMEA project showed the small ore shoot on the tunnel level continued downward and the company has repaired the headframe and plans on further exploration and development.

Signed: E. G. Erickson (Engr.)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 5 1955

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Period:	January 1, 1955 to June 30, 1955		
Docket No.	DMEA 2420 (zinc-lead)	Contract No. Idm-E380	
Operator:	Hypotheek Mining & Milling Co. Wallace, Idaho		
Name of mine:	East Hypotheek mine		
County:	Shoshone	State:	Idaho
Date certified:	October 29, 1954	Date of last inspection:	June 27, 1955
Contract amount:	$70,410.00	Inspection engineer:	E. G. Erickson
Amount spent:	$40,100.00 1/	Government participation:	$20,050.00 1/
		Amount repaid to date:	none

Reserves: Since the last report a map of the 200 and 300 levels has become available, and a new estimate of reserves has been made: 5,000 to 10,000 tons of indicated and inferred ore containing 6 to 8% zinc, 1 to 3% lead and about 0.5 oz. silver per ton.

Remarks: The company has repaired the headframe and is planning to dewater the workings, namely, the 200 and 300 levels. A prospective leaser will examine the lower workings and will mine the indicated block of ore if results of the examination are favorable.

Production summary: No production in 1955 to date.

1/ Final audit has not been completed.

Distribution:
DMEA (4)
USGS (2)
USBM (2)
USBM (AD)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Period: July 1, 1954 to December 31, 1954

Docket No. 2420 (zinc-lead) Contract Idm-E380

Operator: Hypotheek Mining and Milling Co.
Wallace, Idaho

Name of mine: East Hypotheek Mine

County: Shoshone County State: Idaho

Date certified: October 29, 1954 Date of last inspection: Jan. 12, 1955
Inspection engineer: E. G. Erickson

Contract amount: $70,410.00

Amount spent: $40,100.00 1/ Government participation: $20,050.00 1/

Amount repaid to date: none

Reserves: 2000 - 3000 tons indicated and inferred ore of an average grade of 8.5% Zn and 1.6% Pb over 3.2' width.

Remarks: No production is anticipated during the first half of 1955. The present headframe must be repaired, mine dewatered to at least 200 level, and the short ore shoot indicated by diamond drilling will have to be explored and developed before mining can be performed.

Production Summary:

Period	Tons (dry wt.) Pb Conc.	Tons (dry wt.) Zn Conc.	% Pb	% Zn	Net Value Pb	Net Value Zn	Govt. royalty received
Prior to July 1, 1954	2.8615	7.2865	35.4	47.9	$200.33	$316.01	none 2/
July 1 to Dec. 31, 1954	none	none					

1/ Estimate only; final invoice has not been received.

2/ Not subject to Government royalty. Dump rock mined before date of contract.

Distribution:
DMEA, Wash. (4)
USGS (2)
USBM (2)
Certifying Officer

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

December 28, 1954

Memorandum

To: DMEA Field Team, Region II

From: Arthur B. Campbell, Geologist, U. S. Geological Survey ABC

Subject: Docket No. DMEA-2420 (lead-zinc), Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-E380

Mr. Roy H. Kingsbury of the subject company was contacted in his office on December 21, 1954. He was advised to submit the final MF-104 and MF-104A covering the diamond drilling accomplished since his last report. He was under the impression that he should submit this form with the final report covering the project but this was clarified.

Diamond drill hole No. 7 from the north end of the drift was stopped at a total length of 445 feet. I have logged this core and found no evidence of any mineralization. This hole represented the final work to be done under the contract. The joint Bureau of Mines-Geological Survey final report on this project is now being written. All geologic maps and diamond drill logs have been obtained from the operator.

Distribution:
DMEA (Orig. & 3)
USBM (2)
USBM (AD)
Docket
Campbell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
November 19, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining & Milling Co., Shoshone County, Idaho, Contract No. Idm-E380, Docket No. DMEA 2420 (zinc-lead)

Mr. Roy Kingsbury, Operator, and Mr. John Kingsbury, supervisor of the project, were contacted in Wallace, Idaho, on November 17, 1954, regarding the winding up of the contract.

The last diamond drill hole to the north from the end of the DMEA drift has been stopped at a reported depth of 445 feet. Cores were locked in a building at the project site and will be logged in the near future. Good core recovery is reported - about 90% - but no significant mineralization.

The Operator was making up his final invoice. A cost of approximately $4.50 per foot for the last hole is indicated from the costs he had summarized to date. This is considered a good cost considering that only the drilling was in progress and it was necessary to furnish the contractor with air, requiring the employment of a compressorman.

The Operator was reminded that a final report is required upon completion of the project, and he stated they were starting to prepare it.

The project has been certified, and the question of criteria for certification was brought up by the Operator. He showed me a letter he had written to Mr. Mittendorf on the subject, dated November 5, 1954. It was explained to him that core drill holes drilled under the contract did intersect the vein and they benefited the property as they showed ore below the level. He agreed that this was true but stated that further exploration would be necessary on a lower level to verify any tonnage.

The possibility of further exploration was discussed, and the Operator was told that he could make an application for further exploration and it would receive consideration but he must include geologic and

other data which he failed to submit with a former request under date of August 1, 1953. The Operator dewatered the shaft to the 300 level on his own account, but an inflow of water forced them to abandon the pumping because they lacked proper equipment and the headframe needed repair. They were not able to make an examination of the level.

Mr. Kingsbury erroneously stated in his letter to Mr. Mittendorf that 30 - 40 tons of ore from the project work was included in the 184 tons shipped from the dump. The supervisor, Mr. John Kingsbury, was out of town when the letter was written, which accounts for the error in Mr. Roy Kingsbury's letter. The ore shipped was taken from the mine and placed on the dump area prior to the date of the contract, and any vein material that might be classified as mill feed taken from DMEA headings was kept separate in the dump area according to instructions to the Operator at the start of the contract; this ore is still on the dump.

It is not clear what is considered production from a mine as would apply to a DMEA contract, i.e., there seems to be a different interpretation applicable to the latest revised contract forms and the former forms. The new form contract states that any ore extracted from the mine from the lands included in the contract, whether stockpiled or sold, after date of the contract and during the repay period is production and subject to royalty. Under the older forms, any production from the property that was sold after the date of the contract and during the repay period was considered production regardless of when it was mined. If the latest definition of production, as stated in the new contract form, holds for all DMEA contracts, it would exempt any ore that was on the dump at the start of the contract, but if any production sold from the property after the date of the contract is subject to royalty the Operator owes the Government 5% of $516.34 or $25.81. (See attached copies of smelter settlement sheets.)

The concentrates were made from 184 tons shipped to the Sunset Mines mill. I contacted Mr. Ray Lomas, manager of Sunset Mines, at the time the Hypotheek was having this ore milled. The ore was being loaded from the old section of the dump that was on the property prior to the date of the exploration project contract. Sunset Mines charged $4 per ton for milling, and the hauling charge was $1 - $1.50 per ton for crude ore and concentrates. Mr. Kingsbury did not have the exact hauling charges available at the time I last called on him. The shipment was made as an experiment which did not prove profitable.

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
EGE/he

Eric G. Erickson
E. G. Erickson

NER FM 062 8M 11 62

BUNKER HILL SMELTER

BUNKER HILL & SULLIVAN MINING & CONCENTRATING COMPANY

P. O. Address: KELLOGG, IDAHO
R. R. Station: BRADLEY, IDAHO

In Account With

HYPOTHEEK MINING & MILLING CO.

Name of Mine: Hypotheek — Mine Lot No. Asher L'ee — Smelter Lot No. 74

Location: Kingston, Idaho — R. R. Shipping Point: By Truck — Class: Flot

DATE OF ARRIVAL: 2/23/54 — DATE OF SAMPLING: 2/23/54 — DATE OF SETTLEMENT: 2/26/54

Car Initial	Car No.	H_2O	Weight, lbs.
1	Truck	12.5	6540

TOTAL GROSS WEIGHT	6540
____ Sacks. Weight of Sacks	
GROSS WEIGHT OF ORE	817
Moisture Pounds	
DRY WEIGHT OF ORE	5723

Metal Assay

Gold	.08	Oz. P. T.
Silver	10.2	Oz. P. T.
Copper	1.45	% P. T.
Lead	35.4	% P. T.
Iron	22.9	% P. T.
Insol.	.3	% P. T.
Lime	0.0	% P. T.
Sulphur	27.0	% P. T.
Zinc	8.5	% P. T.
Antimony	.07	% P. T.
Arsenic	.36	% P. T.
Bismuth	.0176	% P. T.

QUOTATIONS — Date 2-23-54

Silver .90 Per Oz.

Lead .12500-.01418 = .11082 Per Lb.

Copper .29550 @ 60% -.12500 @ 30% = .17730-.03750 = .13980 Per Lb.

Zinc .09250 @ 25% = .02313 Per Lb.

Antimony ____ Per Lb.

SMELTING AND REFINING DEDUCTIONS — PER TON

Base Smelting Charge		$ 8.000
Plus 14.6 % Wet Pb. under 50.0 % @ 10¢		$ 1.460
Credit 22.9 % Iron over (8.5 % Zinc x 1.8) @ 40c a unit		$ - 3.040
Debit ____ % Iron under (____ % Zinc x 1.8) @ 40c a unit		$
Credit ____ % Silica over (____ % Iron x) @ 8c a unit		$
Debit 0.3 % Silica under (22.9 % Iron x) @ 8c a unit		$ 1.808
Credit ____ % Lime over (____ % Iron x) @ 10c a unit		$
Debit 0.0 % Lime under (22.9 % Iron x .) @ 10c a unit		$ 2.290
TOTAL SMELTING DEDUCTIONS		$ 10.518
Silver charge over ____ oz. per ton @ ____ c per oz.		$
Arsenic charge over ____ % @ ____ per unit		$
Bismuth charge over ____ % @ ____ per pound		$
Moisture charges over 10.0 % @ 20¢ per unit		$ .500
Sulphur charge over 16.0 % @ 10¢ per unit		$ 1.100
____ % @ ____ per unit		$
TOTAL SMELTING AND REFINING DEDUCTIONS		$ 12.118

PAYMENT FOR METALS — VALUE PER TON

Gold	.08 Oz.		@ 31.81825	Per Oz.	$	2.545
Silver	10.2 Oz.	95 %	@ .90	Per Oz.	$	8.721
Lead	35.4 %	91 %	@ .11082	Per Lb.	$	71.599
Copper	1.45 %	85 %	@ .13980	Per Lb.	$	3.446
Zinc	8.5 %	50 %	@ .02313	Per Lb.	$	1.966
Antimony	____ %	%	@ ____	Per Lb.	$	
				Gross Value	$	88.077
LESS SMELTING AND REFINING DEDUCTIONS . .					$	12.118
NET VALUE PER TON					$	75.959

TOTAL OUNCES SILVER IN THIS SHIPMENT 29.19

SETTLEMENT

DRY WEIGHT 5723 POUNDS= 2.8615 TONS @ $ 75.959 PER TON EQUALS $ 217.36

Less Freight from Shipping Point to Bradley, Idaho

Gross Weight ____ Pounds= ____ Tons @ $ ____ per ton equals $ ____

Frt. on 1944 lead lbs. paid @ (24.97-17.35)	$ 7.03	
Extra sampling	$ 10.00	17.03

To: Hypotheek Mining & Milling Co. - Wallace, Idaho

NET PROCEEDS $ 200.33

Fm M3 20m 2 53 Miner N

SETTLEMENT

SULLIVAN MINING COMPANY
Electrolytic Zinc Plant

P. O. Address: KELLOGG, IDAHO
Freight Address: SILVER KING, IDAHO

In Account With

Hypothesk Mining & Milling Company

Mine: Hypothesk | Mine Lot: | Plant Lot: HMM-1

Location: Pine Creek, Idaho | Shipping Point: ZP Team Track | Class: Flotation

Date of Arrival: 2-26-54 | Date of Sampling: 2-26-54 | Date of Settlement: 3-5-54

Car Initial	Car Number	Lbs. Wet Weight	H_2O
UP	32762	16560	12.0

Gross Weight	16560
Moisture Pounds	1987
Dry Weight	14573
Dry Tons	7.2865

ASSAYS		Quotations 2-26-54
Zinc 47.90	%	9.25
Lead 5.40	%	12.50
Silver 2.20	Oz. per ton	.90
Gold .007	Oz. per ton	
Insol. 1.70	%	
Iron 11.10	%	

TREATMENT	Per Dry Ton $	
Base	16	00
Zinc from ¢ @ $		
Zinc over 4 ¢ @ $ 2.50	13	125
Zinc under % @ $		
Lead under % @ $		
Iron 11.10 % @ $ 0.30	3	33
Net Treatment Per Ton	32	455

CONTENTS			VALUE $		Per Ton
Zinc 6980 Lbs.	@ 9.25		645	65	
Lead 787 Lbs.	@ 12.50		98	38	
Silver 16.03 Oz.	@ .90		14	43	
Gold Oz.	@				
GROSS VALUE			758	46	
DEDUCTIONS					
Zinc 20%		129	13		
Lead 3 units from assay		54	65		
Lead 20% Remainder		8	75		
Lead 279.8 lbs. at .02		5	60		
Silver 20%		2	89		
Gold					
Metal Deductions		201	02		
Treatment		236	48	437	50
NET VALUE				320	96
FREIGHT AND MISCELLANEOUS					
Freight Value $ Per Wet Ton					
Freight Tons @ $					
Switching		4	81		
Federal Tax			14		
				4	95
BALANCE DUE				316	01

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

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

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[illegible], July, OPERATOR'S MONTHLY REPORT AND VOUCHER
[illegible] to [illegible] 4 4.

Month of Hypothesis [illegible] Docket No. [illegible] Co. Contract No. [illegible]-380
Operator's Name Box 49, Wallace, Idaho Minerals
Address 70,410.00 50 35,205.00
Contract Amount, $ Government Participation: % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:	2439.25	4853.58	7292.83			
Drilling				652.86	4853.58	5506.44
Bulldozing				224.00	—0—	224.00
Crosscutting						
Drifting						
(2) Labor and Supervision:		11450.25	11450.25			
Labor		2[illegible]	[illegible]	2959.49	10770.90	13730.39
Supervision					2805.00	2805.00
Technical Services				105.00	—0—	105.00
(3) Operating Mat'ls. and Supplies:		119.73	119.73			
Timber		175[illegible]	175[illegible]	81.88	119.73	201.61
Explosives		171.79	171.79	257.91	2001.30	2259.21
Pipe		[illegible].19	[illegible].19	213.50	258.06	471.56
Trucking, steel		143.21	143.21		550.19	493.05
Misc.		2[illegible].64	2[illegible].64		856.33	856.33
				1903.05	1220.57	3123.62
(4) Operating Equipment:		455.00	455.00			
Rental		[illegible].74	[illegible].74		—0—	
Purchase				[illegible]	8037.01	1833.32
Depreciation		2520.31	2[illegible].31		455.00	455.00
(5) Initial Rehabilitation and Repairs				[illegible]	2520.31	—0—
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment				[illegible]	312.83	—0—
Sampling and Analysis						
Payroll Taxes				82.29	293.98	376.27
Liability Insurance		[illegible]	[illegible]	92.69	488.72	581.41
				795.39	795.39	—0—
(8) Contingencies (specify): [illegible]		1536.76	1536.76			
				.54	1536.76	1537.30
		[illegible].51				
	2439.25		40377.96			
TOTALS				3[illegible]	37875.66	34559.51

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

Date *Payee [illegible]

Per Roy H. Kingsbury Title

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

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

(Instructions on reverse)

adjusted to final audit

Deducted from balance due operator

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

$

Signature M.2P
(Authorized Certifying Officer)

Date 9-13-55 Vou. No. 1600
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6380 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 3-28-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 8-26-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OPERATOR'S UNIT COST AND PROGRESS REPORT

Month June, July, August, Sept to 10/1954 Docket No. DMEA 2420 Contract No. S-380
Operator's Name Hypothesis Mining & Milling Co. Minerals lb zn
Address Box 491, Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				17795.21				
Crosscutting								
Raising								
Shafts								
Winzes Stoping				292.60				
Drilling: Core		2439.25	465	7292.83				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Contingencies				2914.21				
Drift prep.				2510.32				
TOTAL DISTRIBUTED COSTS				30819.45				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6635.74				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Prep com site				1520.76				
TOTAL COSTS				40977.95				

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

Date 2/22/55. Operator Hypothesis Mining & Milling Co

Per Roy H Kingsbury Title Secy-Treas.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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SEP 12 1955

COPY

HYPOTHEEK MINING & MILLING COMPANY
Wallace, Idaho

Narrative: June, July, August,
September to Oct. 4, 1954.

The work during this period was confined to diamond drilling, which we started June 7, 1954, after an extension of contract and a recess from August, 1953.

The hole was a 30° down hole, driven northerly from the face of the north surface tunnel at East Hypotheek (Pine Creek) to determine if a vein (shearing) exposed at the foot of the hill persisted as far as the face of the north surface tunnel, then in about 1000 feet from the portal. The exposure apparently had a dip of about 45° and a hole dipped from the horizontal should be shorter than a horizontal one.

Not encountering the objective, and the drill being still in quartzites, it was continued beyond the original objective of 300 feet. Fonally at 445 feet, the drill stuck. It could not be pulled, so the rods were uncoupled where they would and about 200 feet of rods left in the hole, with bit and core barrel.

The recovered cores were inspected by your Mr. Art Campbell and I believe his report was turned in. I have been unable to find a copy.

Respectfully submitted,

Hypotheek Mining & Milling Co.

/s/ Roy H. Kingsbury, Secy-Treas.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 27, 1954

OCT - 8 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Docket No. DMEA 2420 (lead-zinc), Hypotheek Mining & Milling Co., Shoshone County, Idaho, Contract Idm-E380

Mr. Roy H. Kingsburg was contacted at his office in Wallace, Idaho, on September 22, 1954, and he advised me the contract driller was moving a larger machine onto the property to finish the hole to the north from the end of the DMEA drift.

In line with the Operator's letter to the Executive Officer, dated September 20, 1954, I discussed the drilling with Mr. A. B. Campbell, geologist, U. S. Geological Survey, and it was decided that completion of the north hole would terminate the drilling program. At present there is 543 feet of drilling remaining under the contract, and the north hole which is presently being drilled is at approximately 350 feet. Unless the Field Team approves additional depth, the Government will not participate in the cost of drilling beyond the depth of 543 feet.

E. G. Erickson
E. G. Erickson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
EGE/he

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

So. 157 Howard Street
Spokane 4, Washington

September 24, 1954

MEMORANDUM

To: DMEA Field Team, Region II

FROM: Arthur B. Campbell, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2420 (lead-zinc), Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. IDm-E380.

Mr. Roy H. Kingsbury of the subject company was visited on September 22, 1954 in response to his letter of September 20 questioning why the Government would not participate in his proposed diamond drilling to the south of the DMEA drift. I explained that the so-called "South Vein" has not given indications of being a significant geological target and secondly, that one drill hole intersection would be an inconclusive test of the structure. He seemed to be in agreement and has given up plans for this hole for the time being.

The diamond drill hole to the north from the end of the DMEA drift is being drilled and will be about 440 feet long. Mr. Kingsbury said that it has been necessary to increase the drilling contract price to $4.00 per foot for the last 100 feet of this hole because quartzites have been encountered and a bigger drilling machine had to be moved in to complete the hole. Upon the completion of this hole, the DMEA work at this property will be finished.

A lessee is now pumping out the old shaft at the property and hopes to stope up on the mineralized structure believed to exist on the 300 level. This structure is probably the same one seen in the DMEA adit and which was cut by two DMEA diamond drill holes between the adit level and the 300 level. Mr. Kingsbury was reminded that a Field Team letter of September 9, 1953, suggested that the company keep account of all ore mined by lessees both by tonnage and grade so that royalty payments could be made to the Government in the case that a Certification of Discovery or Development is made.

Distribution:
DMEA (orig. & 3)
USBM (2)
Docket
Campbell

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
SEP 13 1954

August 10, 1954

Memorandum

To: DMEA Field Team, Region II

From: Arthur B. Campbell, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2420 (lead-zinc), Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-E380

Mr. Roy H. Kingsbury of the subject company was visited at his office on August 6, 1954. He had received the Field Team's letter of August 3, 1954, advising him that the amount of diamond drilling planned at the mine was in excess of the amount allowed under the contract. At the time of my visit he was quite anxious to know what steps could be taken to have some of the money remaining in the contract for drifting made available for the additional diamond drilling which he has planned. He was advised that a request for an amendment of the contract must be submitted through the Field Team. I believe that he intends to proceed with this plan.

The confusion caused by this diamond drilling (i.e., the operator's plan to drill more footage than allowed under the contract) has been the direct result of the operator's lack of consultation with the representatives of the Field Team. As stated in my memorandum of May 19, 1954, Veral Hammerand, consulting geologist, was working on plans for additional diamond drilling at the mine. At that time it appeared that one hole north and perhaps one to the south would be desirable. Apparently when Hammerand found that only 543 feet of diamond drilling remained under the contract, he decided that a 400-foot hole to the north from the end of the DMEA drift would be the most desirable hole. He did not recommend any drilling to the south. I would like to state that contrary to the statement in the July 6, 1954, memorandum of E. G. Erickson, Bureau of Mines, that I had approved these additional drill holes, I had not even been advised by the operator that Hammerand had completed his layout of the work. This erroneous impression was undoubtedly given to Mr. Erickson by the operator. The operator proceeded with the drilling without further notice to the Field Team. The 650-foot diamond drill hole to the south, mentioned in Mr. Kingsbury's letter to the Field Team of July 28, 1954, was planned by the operator and not by Hammerand or myself. I do not know whether or not the operator was aware that this

additional drilling would exceed the total allowed under the contract.

As of August 6, 1954, the hole to the north had not yet been completed and the south hole had not been started. The operator undoubtedly will request an amendment of his contract to allow the additional footage necessary to complete the south hole. A 650-foot hole to the south would be drilled to test the extension of the so-called "South Vein" which is seen in an adit south of the DMEA adit. This vein is a totally different structure from the vein explored by the current DMEA work at the mine, and a diamond drill hole to the south vein would not benefit the rest of the exploration program. The original application submitted by the operator in 1952 requested some exploration work on this vein, but the proposals were denied by the DMEA staff in Washington. In addition, geochemical soil analyses representing a series of traverses across the surface projection of the south vein representing nearly 1,000 feet of strike length did not indicate lead or zinc contents in excess of the normal background amounts. For these reasons I recommend that no additional drilling be authorized at the property, and that upon the completion and evaluation of the current diamond drilling to the north the DMEA exploration program be terminated unless this drilling discloses significant amounts of lead-zinc mineralization. In addition, I recommend that the operator be advised that DMEA will participate in only 400 feet of drilling in the north hole currently being drilled.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

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

1201 N. Division St.
Spokane 2, Washington
July 6, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Docket No. DMEA 2420 (zinc-lead), Hypotheek Mining & Milling Co., Shoshone County, Idaho, Contract Idm-E380

Mr. Roy Kingsbury was contacted at the company office in Wallace, Idaho, on June 10, 1954 regarding remaining work under the contract and disposition of jointly-owned equipment.

Mr. Kingsbury expressed the probability of using some of the jointly-owned equipment on another of their properties. I informed him that it would simplify matters if they would submit a bid for the Government's equity in all the equipment. If the bid was accepted the contract equipment account would be settled, and they would own the equipment. Mr. Kingsbury submitted a bid for the equipment in a letter to the Executive Officer, dated June 12, 1954, and the bid was accepted on June 28.

Mr. Kingsbury planned on starting the drilling on June 14 of the two proposed diamond drill holes approved by Mr. A. B. Campbell, U. S. Geological Survey.

The project site was visited July 2, during the absence of the Operator. The drilling had been started after considerable delay. Cores were being boxed; the compressor man, who stated he stored the cores, was reminded of the necessity of preserving the cores until the Government had approved a final disposition of them.

No significant structures had been disclosed to date in the new hole.

E. G. Erickson
E. G. Erickson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
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EGE/he

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

May 19, 1954

Memorandum

To: DMEA Field Team, Region II

From: Arthur B. Campbell, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2420 (lead-zinc), Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-E380

Mr. John Kingsbury, a representative of the subject company, advised me during a telephone conversation on May 10, 1954, that he wished to terminate the recess of the work under the contract. It has been mutually agreed that two additional diamond drill holes, one to the north and one to the south of the DMEA drift, should be drilled before the contract is terminated.

Mr. Kingsbury was contacted on May 13 and the drilling program was discussed. He advised me that Veral Hammerand, consulting geologist, was working on the layout of these two holes and that drilling would begin as soon as a contract for the job could be obtained.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

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

March 29, 1954

Memorandum

To: DMEA Field Team, Region II

From: Arthur B. Campbell, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA 2420 (lead-zinc), Interim report
Hypotheek Mining and Milling Company, Shoshone County, Idaho,
Contract No. Idm-E380

Mr. John Kingsbury, a representative of the subject company, was contacted on March 24, 1954 and reminded that the recess of the contract, allowed by Amendment No. 3, would terminate on April 1, 1954. The Amendment No. 3 granting the recess does not provide for termination after recess if work is not resumed. The contract runs until August 4, 1954.

To the best of my knowledge no attempt has been made by the operator to commence work on the remaining diamond drilling available under the contract.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

What did Kingsbury say?
What does Al say?

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

January 15, 1954

Memorandum

To: DMEA Field Team, Region II

From: ABC Arthur B. Campbell, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2420 (lead-zinc), Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-E380.

The exploration project at the subject property is now recessed and will begin again in March or April.

Repeated requests to the Operator for geologic maps of the workings and logs of diamond drill core which have been prepared by a geologic consultant have not been productive. It was in the hope that these maps and logs would soon be available that has caused the delay in assaying the drill core of the two down holes which cut the mineralized portion of the vein.

The requested maps and logs are reported to be in preparation, but rather than wait longer for them I now submit the following assay results from the two down drill holes:

Hole No.	Width of sample	Hole footage represented by sample	Zn	Pb	Cu	Ag
2	40 in.	141'9"-145'1"	11.0%	2.5%	None	0.5 oz.
3	35 in.	150'7"-153'6"	5.7%	0.5%	None	0.1 oz.

Complete maps of the project to date will be submitted as soon as they are available.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

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

1201 N. Division St.
Spokane 2, Washington
November 23, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining and Milling Co., Shoshone County, Idaho, Contract Idm-E380, Docket No. DMEA 2420 (zinc-lead)

Mr. J. Kingsbury, who is in charge of the exploration project, was contacted in Wallace, Idaho, November 19, 1953, regarding assays of mineralized sections of cores recovered from holes drilled under the exploration project contract.

He informed me he has not had the cores assayed. He will bring mineralized core sections to Spokane, Washington, when he comes for the Northwest Mining Convention the first week in December. The cores will be split at the U. S. Bureau of Mines office and samples taken for assay. Assay results will be incorporated in a subsequent report.

The project was recessed August 4, 1953. The mine buildings housing the jointly-owned equipment are kept locked, and there was no evidence of pilfering.

E. G. Erickson

Orig. & 3 cys--Wash.
USGS (2)
DMEA
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Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July-August 1953. Docket No. DMEA 2420 Contract No. E-380
Operator's Name Hypotheek Mining & Milling Company Minerals Pb Zn
Address 510 Bank Street, Wallace, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				17,795.21	1-25-54			
Crosscutting								
Raising								
Shafts								
Winzes Station				292.80				
Drilling: Core		4,853.58		4,853.58				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails Contingencies				2,914.31	?			
Drift prep.				2,530.21				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				8,025.74				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Prep comp site				1,536.76				
TOTAL COSTS		4,853.58		37,938.71				

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

REMARKS:

Date 11/16/53 Operator Hypotheek Mining & Milling Co.

Per Roy H Kingsbury Title Secy-Treas.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

Narrative: July- August 1953. 11/16/53.

Work done during the period consists solely of diamond drilling under contract with Vivian Bros., of Kellogg.
For detail see their itemized bill attached, and we give you below remarks on the work by V. F. Hammerand.
"As part of the DMEA exploration project recently carried out at the East Hypotheek, a thorough search was made for possible extensions of the North vein opened on the North adit l evel of the property.

The North vein pinched against a strong fault which joined the minera lization at a point some 400 feet from the p ortal of the adit. Before encountering the fault, zinc-lead ore of good grades was being followed in the drift. Beyond the junction of the fault and the vein, scattered ore was exposed in several places by prospecting along the strike of the fault for a distance of 650 feet, b ut no structures which could b e identified as the North vein were found.

Subsequently, the South crosscut was driven and diamond drill holes #4, #5, and #6 were bored to test evidence that the North vein was displaced by the fault. Nothing of cons eq uence was found in the crosscut. Moreover, blocks of ground prospected by drilling likewise were barren. It seems reasonable to conclude that the North vein does not exist beyond the fault junction. Further prospecting and development of the vein will have to be done at depth.

// Old records of previous operations at the East Hypotheek indicate ore of fair to good grade on the presently flooded 300 level oftthe mine. For some time, this ore tentatively has been correlated with the North vein. To check the correlation, drill holes #2 and #3 were put down from a point near the face of the South crosscut. A vein 9 to 10 feet wide containing stringers and bunches of zinc-lead ore of good quality was cored in both holes. The overall grade of the ore where penetrated by the drill is too lowto be profitable at present metal prices, but the information obtained by drilling is valuable and encouraging.// It appears that ore on the 300 level as well as that along the North vein lies essentially on the same structure. However, more work obviously is needed to prove the continuity of mineralization between the two levels.

Exploration at the East Hypotheek under present management has been well conceived and efficiently performed. Considering the size of the holdings, the development of the property has scarcely begun. Given better prices for zinc and lead, work at the mine certainlys should be continued.

Hypotheek Mining & Milling Co.
Roy H. Kingsbury Secy.

HYPOTHEEK MINING & MILLING COMPANY
Wallace, Idaho.

July-August, 1953.

Detail of Report:
Form MF- 104.

Diamond drilling by Vivian Bros.,
under contract-

Hole No. 2,	driven 7/7 to 7/17,	198	feet,	down hole,	943.40
Hole No. 3,	" 7/17 to 7/21,	199	"	" "	836.82
Hole No. 4,	" 7/21 to 7/28,	255	"	, horizontal	992.47
Hole No. 5,	" 7/29 to 8/4 ,	200	"	"	842.00
Hole No. 6,	" 8/4 to 8/6 ,	105	"	"	398.00
		957			4012.69
Wash Water Power Co, electric power,					208.79
Compressorman, Ray Herring, 25 days (2 @ 1½) 14.80,					384.80
Core boxes, 20 3x12-8 ft. with covers,					142.30
Superintendence by V. F. Hammerand					105.00
					4853.58

(Note: Hole No. 1 was driven several years ago, southerly from the south surface tunnel.)

Certified correct:

Roy H. Kingsbury Secy.

HYPOTHEEK MINING & MILLING COMPANY.
Wallace, Idaho.

July-August, 1953.

Detail of Report:
Form MF 104 A

Diamond Drilling,	$4,853.58

Certified correct,

Roy H. Kingsbury Secy.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 13, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining Company, Shoshone County, Idaho, Docket No. 2420X (Pb-Zn), Contract No. Idm-E380.

The project site was inspected July 24 and 31, 1953, and Operator was contacted at his office in Wallace, Idaho, July 21 and August 1, 1953, regarding his invoices.

Drilling was in progress at time of both inspections, July 24, 1953 and July 31, 1953. The crosscut south located opposite survey station R-6, had been advanced 24 feet since last inspection making a total advance of 154 feet under the contract. The crosscut had been stopped and a diamond drill station excavated.

On July 21, 1953, two diamond drill holes had been completed from the end of the crosscut and a third hole was being drilled south at beginning of crosscut located opposite survey station R-12.

The main drift had been advanced 74 feet beyond survey station R-14 where it was stopped.

On July 31, 1953, the third hole being drilled under the contract had been completed and a fourth hole started 49 feet back from face of the main drift.

Attitude, depth, and log of drill hole cores will be submitted in a subsequent report.

The Operator in his last invoice submitted July 13, 1953, covering months of March, April, May and June, reported supervision for a 11 month period, from date of contract to July 1, amounting to $4,597.75. This item was questioned and discussed with operator.

It was pointed out to the Operator that although the contract would allow supervision (including engineering and consulting fees)

amounting to a maximum of $420.00 per month if properly supported and justified. The Operator did furnish a payroll showing an engineer's and supervisor's time which, pro-rated according to his figures, resulted in a supervision charge very near the maximum that could be allowed. Progress of the work during the elapsed time of the contract was reviewed with the Operator and a figure of $2,950.24 was arrived at for supervision, and this appears to be a reasonable amount to allow.

Shortly after the contract was in effect the Operator was notified that the Government would not participate in unduly high costs caused by an intermittent and dragging operation caused by lack of finances or due to fault of operator.

Factors that influenced the reduction of supervision from $4,595.75 to $2,950.24 were intermittent and slow operation which was probably due to lack of finances and the amount of supervision considered necessary under the circumstances.

The Operator's supervisor worked on jobs other than the DMEA project and no detailed record of actual time spent on various jobs was kept. Therefore, during the period of preparation and rehabilitation an average of $210.00 per month was allowed and approximately $2.50 per foot of advance was allowed for supervision during the time of drifting and crosscutting. A tabulation of total allowed supervision up to July 1, 1953, accompanies the Operator's last invoice for period March, April May and June.

It is recommended that when contract is audited the supervision, amounting to $2,950.24, (includes payroll taxes) through June 1953 be allowed as just and reasonable, although it is not supported by hourly distribution of time to different jobs.

The estimated termination date of the contract was August 4, 1953, which will have to be extended to allow approved work to be completed.

The Operator stated he is submitting a formal proposal to pump out present shaft to allow evaluation for further work with remaining funds. Should his proposal receive favorable consideration, the extension of time will have to be longer than will be necessary to complete the present approved work.

cc: Orig. & 3-Wash.
USGS (2)
DMEA
M/D
Engr/
EGE:mp

E. G. Erickson

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

July 23, 1953

Memorandum

To: DMEA Field Team, Region II

From: Arthur B. Campbell, Geologist, Geological Survey

Subject: Interim report, Docket No. DMEA-2420 (lead-zinc), Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract Idm-E380.

I visited the subject property on July 20 and 22, 1953.

At the time of my visit on July 20 the first diamond drill hole from the end of the south crosscut had been advanced 198 feet and had cut 40 inches of high grade lead-zinc stringers--the downward extension of the ore shoot seen on the adit level. By the time of my second visit, the second down hole had cut similar mineralization over several feet width. Both cores are being logged by Veral Hammerand, geologic consultant to the company. He will also submit a map showing the locations and directions of these holes.

Two more holes will be drilled to the west from the adit to test the hanging wall of the main fault for the faulted extension of the ore shoot.

The contract at the property will expire on August 4, 1953. Mr. Erickson of the Bureau of Mines is preparing an amendment to extend the time of the contract and to alter the project to include unwatering the shaft and two levels from it to allow examination and mapping of these workings. I concur on both of these points.

The operator and his consultant geologist have stated a desire to drill a diamond drill hole about 300 feet south to test the so-called "South Vein". It is my opinion that this should not be done, for such a hole would not be an integral part of the program being pursued at the property at this time. I feel that an exploration project on this vein is warranted, but should not be included in the present contract.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

Re

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 4 1953

1201 N. Division St.
Spokane 2, Washington
July 16, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining and Milling Co., Shoshone County, Idaho, Docket No. DMEA 2420 (lead-zinc), Contract Idm-E380

The property was inspected June 9, 1953, accompanied by the miners employed in the crosscut.

The crosscut had been advanced 60 feet since inspection on May 22, 1953, for a total of 130 feet advance under the contract.

No significant mineralized structure has been cut and if none is found in the next 20 feet or so the downward projection of the mineralized showing will be probed for by diamond drilling.

Mr. Vivian of Vivian Bros. Diamond Drilling Co. was contacted in Pinehurst, Idaho, July 9, 1953, and he informed me they had moved a drill in and were ready to start drilling.

The Operator's March, April, May and June 1953 invoices were received July 13, 1953. The Supervision item as reported by the Operator is questioned and because of this and not submitting a map the invoices will not be paid until after a conference with the Operator.

Actual costs as reported by the Operator indicate a unit cost of about $29/foot for drifting and crosscutting.

E. G. Erickson
E. G. Erickson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
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C O P Y ds

9-4-53 Greenwalt Betty

Rec'd Dept of Interior
D M E A
8/26/53 dtd of ltr.

DMEA Field Team, Region II

R. J. Hindman, Certifying Officer

Hypotheck Mining & Milling Co., Contract Idm-E380,
March, April, May and June 1953 MF-104

Despite repeated requests asking the operator to submit reports monthly, I have again received the above MF-104 which covers a four month reporting period instead of one month as required by the terms of the contract. Many charges were erroneously stated under the wrong expense items, and as a result, required all charges to be redistributed as shown in "For Government Use Only" column. Payroll charges under Item 2, Labor and Supervision, not only included the labor, but also the payroll taxes as well. Payroll taxes must be shown under Item 7, Miscellaneous: , Payroll Taxes and Liability Insurance. Depreciation of the operator's equipment was shown under Item 4, Rental, instead of correctly under Item 4, Depreciation. Repairs to Equipment charges were included under Item 3, Operating Material and Supplies:, Miscellaneous, rather than Item 7, Miscellaneous:, Repairs to Equipment. After correctly distributing the expense items a total deletion of $58.89 was made. This total deletion consists of the following: $39.21 was deleted under Item 2, Labor, for various errors made in computing the payroll. This, of course, resulted in a corresponding deletion of $2.68 for payroll taxes. The operator included invoice No. 4314 from Bitco, Inc. in the amount of $3.00, which was not carried forward to their expense distribution sheet. This was added to Item 3:, Miscellaneous Expense. In adding the invoices from the Cocur d' Alene Hardware Co. on the expense distribution sheet the operator made a $20.00 error in addition. A deletion was made for this $20.00 error.

I must request that the operator send in his July 1953 report as quickly as possible. On all future reports, if they cover more than a one month reporting period and the expenses are not properly distributed, the entire report willbe returned to the operator for correction.

R. J. Hindman

RJH:mp
CC: AD
DMEA
Operator
Engineer
Mdf
Wash.

MDL

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

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

Wash

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 4 1953
380

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, April May and June, 1953. Docket No. DMEA _____ Contract No. E-380

Operator's Name Hypotheek Mining & Milling Co. Minerals Pb Zn

Address Wallace, Idaho

Contract Amount, $ 70,410.00 Government Participation: 50 % Amount, $ 35,205.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:				WRG 9-10		
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	6816.09	4634.16	11,450.25	6405.26	4365.64	10,770.90
Supervision 11 mo.	2950.24		2,950.24	2805.00		2,805.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		119.73	119.73		119.73	119.73
Explosives	431.73	1325.25	1,756.88	431.63	1,569.67	2,001.30
Pipe	41.79	130.00	171.79	47.72	210.34	258.06
Track	198.37	351.82	550.19	198.37	351.82	550.19
Drill steel + Bits	75.00	68.21	143.21	315.90	540.43	856.33
Misc. inc. Power	414.83	2194.81	2,609.64	856.61	1159.35	2,015.96
(4) Operating Equipment:						
Rental	260.00	195.00	455.00	-0-	-0-	-0-
Purchase		8025.74	8,025.74		8,037.01	8,037.01
Depreciation				260.00	195.00	455.00
(5) Initial Rehabilitation and Repairs		2520.31	2,520.31		2520.31	2,520.31 ✓
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment				89.78	223.05	312.83
Sampling and Analysis						
Payroll Taxes				182.62	111.36	293.98
Liability Insurance				331.56	157.16	488.72
Elec power	795.39		795.39	-0-		-0-
(8) Contingencies (specify):						
Rep compressor site		1536.76	1,536.76		1536.76	1,536.76 ✓
TOTALS	11983.34	21101.79	33,085.13	11,924.45	21,097.63	33,022.08

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

Date 7/10/53 *Payee Hypotheek M&M Co.

Per Roy H. Kingsbury Title Secretary.

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

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

(Instructions on reverse)

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

$ 5962 23

Signature _____ (Authorized Certifying Officer)

Date 8/25/53 Vou. No. 889

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 380 in accordance with the terms of the contract.

Signature /s/ Eric G Erickson Title Mining Engr Date 8/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 8/6/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-194A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 4 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

March, April

Month of May, June 1953 Docket No. DMEA Contract No. E-380

Operator's Name Hypotheek Mining & Milling Co. Minerals Pb Zn

Address Wallace, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting X Cutting & Stations		10,711.52	492.8	17,795.21	731.9	24.40	1300	$30
Crosscutting								
Raising								
Shafts								
~~Winzes~~ D Drill Sta	1	292.80		292.80		1	3	$350
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits Contingencies		979.02		2,914.31	324.5	16.74		
Roads and Trails								
Drift prep.				2,520.31				
Total Distributed Costs							Total Costs Authorized by Contract	
Operating Equipment Purchased				8,025.74				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Prep-comp site				1,536.76				
Total Costs		11,983.34		33,085.13				

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

Date 7/10/53. Operator Hypotheek M&M Co.

Per Roy H Kingsbury Title Secretary

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 4 1953

Narrative: March, April
May and June, 1953.

7/24/53.

During this four months period, a total of 494.8 feet was driven. A total of 322.8 feet were driven in the north face, 20 feet being driven in the first half of May and 39 feet in June. Then, starting from the face of a 20 foot westerly crosscut driven about 500 feet in from the portal, we drove 160 feet on a course of S 45° West. At 150 feet, or 170 feet from the drift, we cut the second diamond drilling station, putting up 12 feet of raise for a down hole. The first down hole is plotted at 65° from horizontal on a course S 65° West, and the orebody should be cut at 150 feet in the hole, if the dip is regular as indicated.

The progress by months is as follows: March 102.0, April 145.0, May 139.0 and June 88.0 feet, a total of 494.8 feet. Two, of the three diamond drill stations, have been included in this work.

Since March 16th, all work by us was discontinued temporarily at West Hypotheek, and our engineering and superintendence staff was devoted entirely to East Hypotheek on the DMFA contract at a cost considerably more per month than the maximum of $420.00 per month allowed in the contract. So far we have not billed any of this expense, and shall include this charge for 11 months herein, which we trust is in order.

Vivian Brothers, contractors of Kellogg, will do the diamond drilling, and after preparation, the first hole got away on July 9th.

To clarify our position on the charge for superintendence and engineering, the contract provides for an allowance of $420.00 per month for this service, as mentioned above. During this 11 months period, we spent considerably more than this on these two items, and we submit copy of our monthly payrolls for John Kingsbury, superintendent, and Pat DeGillian, engineer and geologist, part time for us. Mr. DeGillian is employed by Sunshine Mining Company, and gives us 4 days a month on Saturdays and Sundays. John Kingsbury, in addition to his work, works with DeGillian on Sunday, at times. We shall try to equitably apportion these costs, keeping within the $420.00 per month allowed.

On August 4th, when the DMFA contract started, our crew were preparing to pump out the 300 foot shaft at East Hypotheek, and they were putting in around 9 hours a week, combined time for 3 men, inspecting automatic pumping operations at the old 1100 foot shaft at West Hypotheek. This is less than 20% of the working time. On March 16th, we pulled the pumps and transformers

in the 1100 foot West Hypotheek shaft, and since that time we have had no crew except at East Hypotheek. At East Hypotheek, in addition to the DVEA work, we completed repairs to buildings and installed the pumps and other equipment. The pump furnishes cooling water for the compressor, but we made no charge for this work against DVEA not then covered by the contract.

During November, John Kingsbury completed the mechanical work installing electric lines and equipment, which Woody Gjerning, contract electrician laid out and supervised. This included wiring in connection with compressor, starter and controls, mine fan installation and electric blasting lines, and at the time $330.00 was charged to DVEA, and we are therefore deducting this amount, as shown on payroll copy herewith.

The pumping equipment has been installed, including a 20 h.p. electric hoist and transformers, for use in pumping the shaft. The hoist cable and sheave is yet to be installed. Pumping was postponed until a later date, so it would not interfere with the DVEA contract.

There has been shown on the payroll sheet, in addition to the supervision labor, the progress paid for each month and the place where done. August and September were preparation months. The track and pipelines were taken from the low crooked tunnel and the portal was enlarged and timbered. In October there was 216 feet of tunnel enlarging and 24 feet of drifting, replacing old tunnel out of line. In November there was 58.5 feet of drifting, replacing old tunnel, or 298.5 total enlarging and straightening, in addition to the portal work of about 26 feet. In December, 47 feet of new tunnel was driven, in addition to cleaning up, and in January progress was 97.5 feet. The 104.7 feet in February included 36.5 feet in soft ground, driven to prospect and abandoned in favor of alternate drift in more solid ground, leaving 68.2 feet progress. In March the footage of 122.8 feet included 26 feet of a stub prospecting crosscut. April progress was 145 feet and in May the 139 feet was split, 20 feet in the north drift and 119 feet in the south crosscut. In June the north drift was extended 35 feet at the request of the geologist, and 41 feet was driven to finish the south crosscut, and a 12 foot raise completed the 88 feet paid for. These footages are also shown on the accompanying 20 foot scale progress map.

Diamond drilling started July 9th and two down holes have been completed, proving the continuance of the ore at depth. We now wish to unwater the shaft, explore the 300 west face, and raise on the proven oreshoot, if warranted. We have money left on the original grant, but need an extension of time. This will determine if we have commercial ore, below the tunnel level.

The basis we have used in computing superintendence charges is 60% of payroll, after deducting the $330.00, already charged. To facilitate payroll tax charges, we show this in different items at different tax rates. Our progress units as outlined above show 1068.5 feet.

Hypotheek Mining & Milling Company
Secretary.

Narrative, Additional for
March, April, May and June, 1953. 7/21.

After a conference with the DMA representative, we have further reduced our charges for superintendence and engineering, as we have no desire to appear unreasonable., We appreciate that the job of preparing the tunnel for ventilating pipe and straightening out the bad curves cost more than was estimated, and we are willing to concede to a reduction in those charges, and assume the blame for under- estimating.

The division of work in the surface tunnel now stands-

Preparation,	326.5 feet
Drifting etc	742.9 feet
	1069.4 feet.

Respectfully submitted,

Hypothesis Mining & Milling Company

Per. H. Kingsbury Manager.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 4 1958

HYPOTHERK MINING & MILLING COMPANY
Wallace, Idaho

March, April,
May and June, 1953.

Detail of Report:
Form HP 104 A

Drifting, crosscutting and Drill Stations:

Labor and payroll taxes,			6,816.09
Superintendence and payroll taxes			1,971.22
Supplies and services,	Misc.	489.83	
	Rail	190.37	
	Pipe	41.79	
	Exploders	313.13	
	Powder	118.50	
	Elec power	795.39	
	Rentals	260.00	2,217.01
			11,004.32
Contingences, preparation of tunnel superintendence, etc.			979.02
Total for month,			11,983.34

Correction of distribution:
In error, November work was charged to drifting, and we transfer this amount $2940.29, less $1005.00 for powder, or $1935.29, to a special contingencies account covering work on drift preparation.

Certified correct,

Roy H Kingsbury

HYPOTHEK MINING & MILLING COMPANY
Wallace, Idaho

DEPARTMENT OF THE ARMY
Defense Minerals Administration
(Mining)
SEP 4 1953

March, April,
May and June, 1953.

7/30/53

Detail of Report:
Form MP-104.

Drifting, crosscutting and Diamond Drill Stations.

Labor, March				1645.45	
April				1664.70	
May				1730.84	
June				1393.48	
				6444.47	
Payroll taxes, 3.6, 1.7, 1.5					
3699.51 @ 6.8			251.58		
1415.80 @ 5.1			72.20		
1329.16 @ 3.6			47.84	371.62	6816.09
6444.47					
Superintendence, etc.					
Period		Payroll	Work. Rate.		
August, Sept, Oct.& Nov		2800	Prep. 210	840.00	
Taxes @ 3.6				30.24	
December, 1952, ½ mo.		680	"	105.00	
Taxes @ 3.6				3.78	
Preparation of tunnel, etc.				978.02	
December, ½ mo. 47 ft			Drift	117.50	
Taxes @ 3.6				4.23	
Jan, Feby, March, Apr		2540	"470'	1175.00	
Taxes @ 6.8				79.90	
May,		730	"129	347.50	
Taxes,	76.16 @ 6.8			5.18	
	271.34 @ 5.1			13.84	
June,		650	" 88	220.00	
Taxes,	10.15 @ 5.1			.52	
	209.85 @ 3.6			7.55	
				1971.22	1971.22
Supplies and Services:					
Carbide bits, 15 @ 13.40				201.00	
Bimco, shovel parts				28.75	
Bitco services, 14.85, 3.15, 7.35					
2.00, 18.15, 8.70 and 7.20				62.40	
Bitco, drill steel,				75.00	
Wallace Powder Co, delay expanders					
60.15, 96.64, 96.04 and 60.90				313.13	
10 boxes powder,				115.50	
Coeur d'Alene Hardware, misc 14.51,					
15.25, 1.88, 28.93, 4.66, 31.80, 5.25				122.68	
Mine rail,				198.37	
Black pipe, 1"				41.79	
Washington Water Power Co., electric					
power, 234.04, 196.96, 184.28, 180.11				795.39	
Rental, Wancha tramer, 4 mo. @ 345				180.00	
Rental, 2 IR drifters, 4 mo. @ $20.00				80.00	2217.01
Total Drifting,					11004.32
Total preparation of tunnel supt, as above					979.02
					$ 11983.34

Certified correct,
Roy H. Kingsbury

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

June 17, 1953

Memorandum

To: DMEA Field Team, Region II

From: Arthur B. Campbell, Geologist, U. S. Geological Survey

Subject: Interim report, Docket No. DMEA-2420 (lead-zinc), Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract Idm-E380.

The subject property was visited on June 11, 1953, accompanied by the operator and Mr. Veral Hammerand, consultant geologist.

The crosscut to the west to test for a faulted extension of the vein had progressed 138 feet from the drift. To date no mineralized structures have been cut that could be considered the main vein. This crosscut will be advanced about 30 feet further and a diamond drill station will be cut to allow for drilling the downward extension of the mineralized portion of the vein. If a faulted extension is not found in the additional crosscutting, I feel that the operator should diamond drill the hanging wall of the shear in two areas north of the crosscut where this wall was not exposed by the drift. If these holes do not prove mineralization, I believe that further exploration on this level would be useless and that consideration should be given to unwatering the shaft and the two levels from it so that geologic maps might be made and a program of exploration from the 300 level be considered.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

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

May 29, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-E380, DMEA Docket No. 2420, (zinc-lead)

The project was inspected May 22, 1953 accompanied by Mr. John Kingsbury, supervisor in charge.

The drift had been advanced 51 feet beyond survey station R-14.

A crosscut south located opposite survey station R-6 had been advanced 97 feet beyond R-6. The crosscut face prior to the work under the contract was at R-6 plus 27 feet, making a net advance of 70 feet. An up to date progress map will accompany next report.

No significant mineralization has been disclosed to date. The drill holes in the crosscut opposite R-6 on the day of inspection were making water indicating a water course.

The Operator was again notified that his monthly invoices and reports were delinquent. Report for February 1953 is the last received. There has been no unusual problems brought to the Government's attention and inspections have divulged no circumstances that would indicate any undue increase in costs.

Standards of work continue to be good.

E. G. Erickson
E. G. Erickson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
EGE/vf

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

May 14, 1953

Memorandum

To: DMEA Field Team, Region II

From: A. B. Campbell, Geologist, Geological Survey

Subject: Interim report, Docket No. DMEA-2420X (Lead-Zinc), Hypotheek Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-E380.

Four days were spent at the subject property during the past month in detailed mapping, both underground and on the surface. As of April 24, 1953, approximately 475 feet of drifting had been done under the contract.

It was originally believed that the faulted segment of the ore shoot in this mine had been moved north along the structure which has been followed in the drift. Evidence indicated by recent drifting supports a different assumption--that the faulted segment lies well out in the hanging wall to the west. The fact that the ore shoot and the fault which terminated it intersect at a low angle and that they have nearly the same dip tends to complicate the geometric picture in this area.

The north drift has now been stopped and a crosscut to the west has been started from a point approximately 100 feet south of the initial point of the contract work. A location and heading for this crosscut were chosen so that it would terminate in a spot suitable for diamond drilling down into the known shoot as well as testing for the faulted segment of that shoot.

Mr. Vearl Hammerand, staff geologist of the Bunker Hill & Sullivan Mining and Concentrating Company, is now being retained by the Hypotheek Company as a geologic consultant.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Campbell

A. B. Campbell

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

1201 N. Division St.
Spokane 2, Washington
May 11, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining and Milling Co., Shoshone County, Idaho, Contract Idm-E380, Docket No. DMEA 2420 (zinc-lead)

The project site was inspected March 10, 1953 and again on April 30, 1953, accompanied by the two contract drift miners employed by the company. The Operator was contacted at his office in Wallace, Idaho, March 9, 1953, regarding costs of the project and Amendment No. 2 allowing depreciation on two drifters and a company-owned trammer in lieu of purchase of diesel locomotive.

On March 10, 1953 the drift had been advanced 300 feet beyond survey spad No. R-7 for a total advance of 280 feet under the contract. On April 30, 1953 the drift had been advanced 481 feet beyond survey spad No. R-7 for a total advance of 461 feet.

A south crosscut was driven 25 feet from the drift opposite survey spad No. R-12, located at spad R-7 plus 290.5 feet.

The drifting to date has been disappointing and the present structure being followed has become weaker. Plans for crosscutting are being formulated to check the possibility of the main structure being offset a greater distance or the existence of a stronger structure.

The 25-foot crosscut cut through the 3-foot dike which strikes approximately N. 30° W.

Due to early delays during the contract and lay-offs by miners it is doubtful that the outlined program will be completed within the 12 months period which expires August 4, 1953. At the present time about 600 feet of drifting and/or crosscutting and 1500 feet of diamond drilling remains to be done under the present outlined program.

The Operator repeatedly has been advised to submit his monthly reports on time, but he is now in arrears two months. The Certifying Officer has been notified of this reoccurring delay.

Standards of work completed have been satisfactory. Costs for performing the work had been improving as of last invoice (February 1953) but recent costs cannot be analyzed until the Operator's vouchers are received.

Eric G. Erickson

E. G. Erickson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EGE/he

Form MF-204 (Rev.)
(April 1952)

3

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
MAR 24 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Jan-Feby., 1953, 195..... Docket No. DMEA ..... Contract No. E-380

Operator's Name Hypotheek Mining & Milling Company Minerals Pb Zn

Address 510 Bank Street, Wallace, Idaho

Contract Amount, $70,410.00 Government Participation: 50 % Amount, $35,205.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3679.02	955.14	4634.16	3464.24		4365.64
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	119.73		119.73	119.73		119.73
Explosives		1325.25	1325.25	179.20		1569.67
Pipe	130.00		130.00	155.30		210.34
Track		351.82	351.82			357.82
Drill steel		68.21	68.21	278.30		540.43
Hise.	1214.66	980.15	2194.81	643.36		1159.35
(4) Operating Equipment:						
Rental	195.00		195.00	-0-		-0-
Purchase		8025.74	8025.74	14.70		8039.01
Depreciation				195.00		195.00
(5) Initial Rehabilitation and Repairs		2520.31	2520.31			2520.31
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment				73.50		223.05
Sampling and Analysis						
Payroll Taxes				90.07		111.36
Liability Insurance				124.71		157.16
(8) Contingencies (specify):						
Prep comp site		1536.76	1536.76			
TOTALS	5338.41	15763.38	21101.79	5338.11	15759.52	21097.63

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

Date 3/15/53 *Payee Hypotheek Mining & Milling Co

Per Roy H Kingsbury Title Sec-Treas.

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

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

(Instructions on reverse)

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

$ 2669.06

Signature ..... (Authorized Certifying Officer)

Date 3/18/53 Vou. No. 699
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 386 in accordance with the terms of the contract.

Signature /s/ Eric G. Erickson Title Mining Engr Date 3/17/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr Date 3/17/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December, 1952 Jan-Feby, 195 3. Docket No. DMEA Contract No. E 380
Operator's Name Hypotheek Mining & Milling Company Minerals Pb Zn
Address 510 Bank Street, Wallace, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		5338.41	249.2	9018.98				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift prep				2530.21				
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased				8025.74				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Prep comp site				1536.76				
TOTAL COSTS				21101.79				

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

REMARKS:

Date March 15/53. Operator Hypotheek Mining & Milling Co.

Per Roy H Kingsbury Title Sec-Treas.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COPY

HYPOTHEEK MINING & MILLING COMPANY
Wallace, Idaho

Narrative: December, 1952
January-February, 1953 3/14/53

During this 3 months period 249.2 feet of new drifting was completed and we have on hand 52 boxes of powder, plus $72.00 of delay exploders, as on March 1st. The powder was included in the November account.

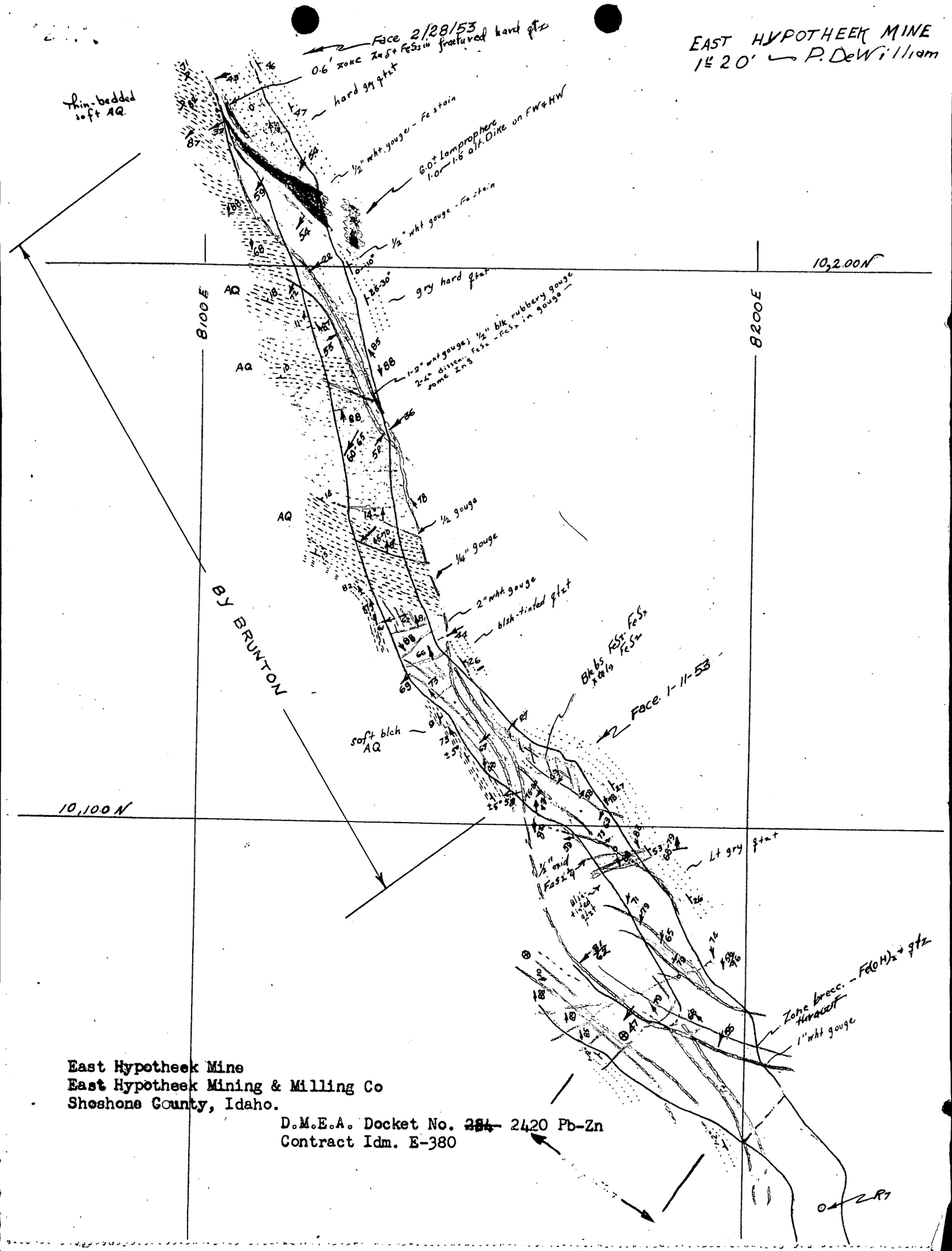
At the start of this period, we drilled 4 raise rounds in the footwall from a north crosscut, going up 32 feet, and some cleaning up in December, which we have not charged to DMEA.

You will note in two different half months periods we made over 70 feet progress, and we are striving to attain this rate of progress. We have had to timber some drift, and of course timbering slows up progress.

We have provided a sketch on 20 foot scale, showing tunnel and geology.

Hypotheek Mining & Milling Co.

/s/ Roy H. Kingsbury, Secretary



East Hypotheek Mine
East Hypotheek Mining & Milling Co
Shoshone County, Idaho.

D.M.E.A. Docket No. ~~284~~ 2420 Pb-Zn
Contract Idm. E-380

2420

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
MAR 9 1953

February 20, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: A. B. Campbell, Geologist, U. S. Geological Survey

Subject: Interim report, Hypotheek Mining and Milling Co., Shoshone County, Idaho. Docket No. DMEA 2420 (Lead-Zinc), Contract No. Idm-E380.

I visited the subject property on February 16, 1953, accompanied by Mr. John Kingsbury who is in charge of operations. Since my last examination on January 28, an additional 85 feet of drifting had been accomplished making a total of 243 feet of drifting done under the contract.

At the time of my last visit, there was some question concerning the location of the main structure. The structure had been lost as it went through an east-west trending shear zone. The heading was then turned slightly to the west where it intersected a major shear which I believe is the extension of the structure which had been followed up to that time. Drifting since then has shown the presence of major shearing with little mineralization. The operator has cut one sample which appears to contain some crushed sphalerite, but it has not yet been assayed. No major cross structures have been cut and the walls have not yet been tested by drilling.

Distribution:
DMEA(Orig.&3)
USBM(2)
Docket
Campbell

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

February 5, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining and Milling Company, Shoshone County, Idaho, exploration project contract No. Idm-E380, Docket No. DMEA 2420X (Pb-Zn)

I inspected the project operation January 27, 28, 1953 and contacted Mr. Roy H. Kingsbury, treasurer for the company in Wallace, Idaho. Mr. John Kingsbury who is in charge of the operation was contacted at the project site. Mr. A. B. Campbell, USGS geologist, was mapping the workings.

The drift had been advanced 125 feet beyond survey spad No. R7 for a total advance of 105 feet under the contract. A fault was encountered at sta. R7 + 40 feet and a 40 ft. crosscut was driven N.W. along the fault. (See attached sketch).

The electric compressor purchased under the contract has been installed but has not been energized.

The project has not been progressing as rapidly as expected. I believe that the main reason is lack of finances. The work accomplished has been done in a workmanlike manner. The Operator is trying to hold expenses down but as is so often the case, when there is a shortage of working capital operation efficiency is hard to attain.

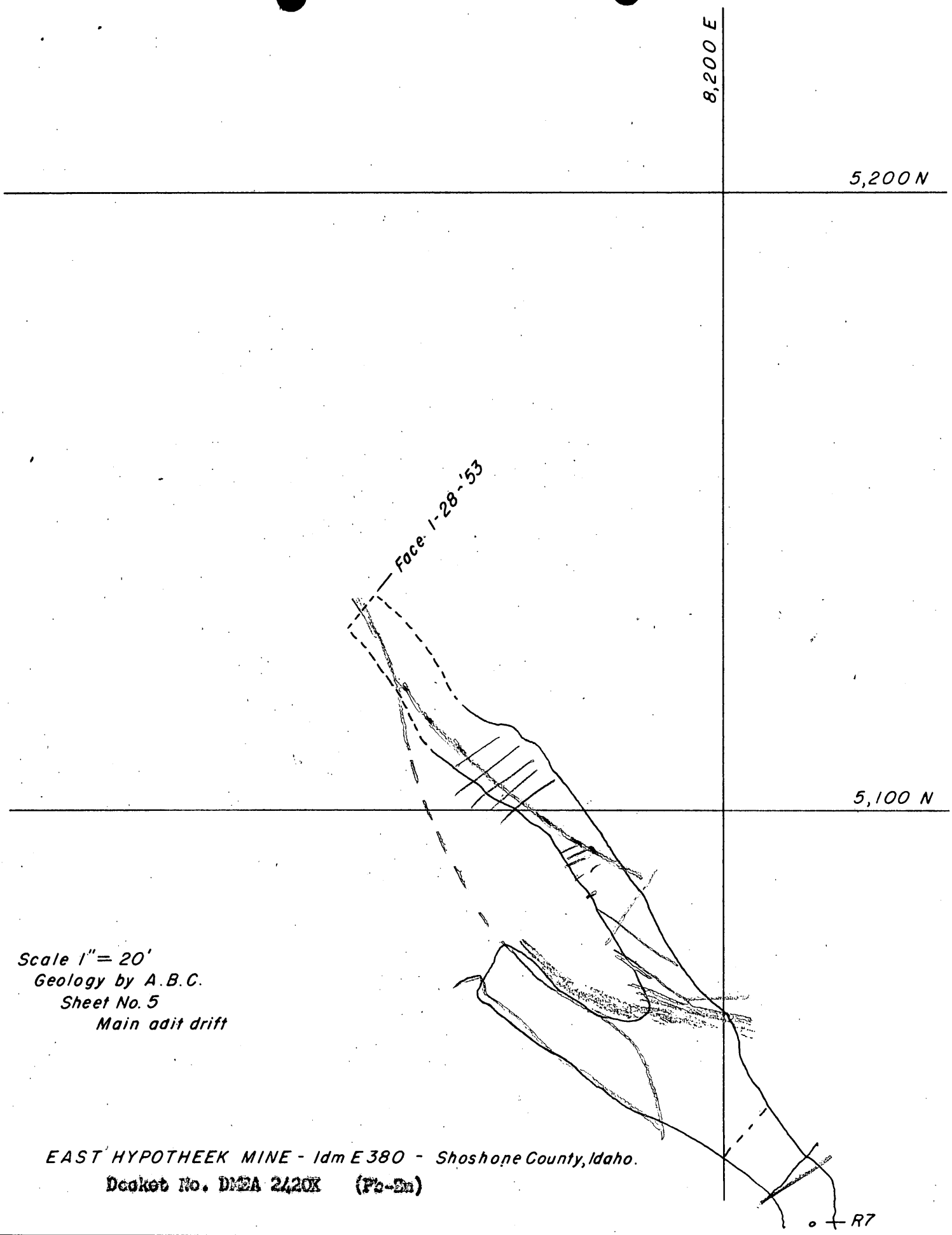
The drift will be continued on the mineralized structure found beyond the fault. It is planned to explore the walls by crosscutting and/or drilling.

The Operator was informed that the Government would not participate in excessive costs of a "stand-by" operation that were caused by not advancing the exploration project at a reasonable rate due to Operator's inability to finance a sustained operation.

E. G. Erickson

E. G. Erickson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
EGE/vf



Scale 1" = 20'
Geology by A.B.C.
Sheet No. 5
Main adit drift

EAST HYPOTHEEK MINE - Idm E 380 - Shoshone County, Idaho.

Docket No. DMEA 2420X (Pb-Zn)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

February 2, 1953

MEMORANDUM:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 3 1953

To: DMEA Field Team, Region II

From: A. B. Campbell, Geologist
U. S. Geological Survey

Subject: Docket No. DMEA-2420 (Lead-Zinc), interim report on the East Hypotheek mine, Hypotheek Mining and Milling Co., Shoshone County, Idaho, Exploration Contract No. Idm-E380.

The subject property was visited and the geologic mapping brought up-to-date on January 27 and 28, 1953. At that time, approximately 158 feet of drifting had been accomplished under the contract. This footage figure is approximate because the initial station showing the start of work under the contract could not readily be located.

The structure on which the drifting has been done has remained fairly unchanged along strike. Scattered stringers and pods of galena, sphalerite, and pyrrhotite appear in a few places in the vein.

During the past month, the Operator started to pump out the shaft immediately south of the operating drift. This pumping operation was stopped when part of the pump was lost down the shaft. The Operator plans to start pumping again in the near future. This work will be accomplished at the Operator's expense.

A. B. Campbell

Distribution:
DMEA(Orig.&3)
USBM(2)
Docket
Campbell

2420

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

1201 N. Division St.
Spokane 2, Wash.
December 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining & Milling Co., Shoshone County, Idaho, Docket No. 2420 (zinc-lead), Contract Idm-E380.

I inspected the project site on November 15, 1952, with Mr. J. Kingsbury who is in charge of the operation, and again on December 5, 1952, accompanied by a miner employed on the project.

On November 15 the enlarging had been completed to a point 314 feet beyond U. S. Bureau of Mines survey tag No. 50, an advance of 104 feet since last inspection on October 23, 1952.

On December 5 the enlarging had been completed except for cleaning and squaring up face.

The Operator had acquired a compressor purchased under the contract, and installation was in progress.

Drifting operation will be started soon. The standard of work to date has been good. It is recommended that the drifting operation be done on a two-shift basis.

Inventory of equipment purchased is attached.

E. G. Erickson

E. G. Erickson

Orig. & 3 cys—Wash.
USGS (2)
DMEA
M/D
EGE/he

DMEA
OPERATING EQUIPMENT
INVENTORY

Page No. ____

Hypotheek Mining & Milling Co.
(Name of company)

Wallace, Idaho
(Address)

East Hypotheek
(Name of mine)

Shoshone County, Idaho
(Location)

Contract No. Idm-E 380

Amount of contract $70,410.00

Govt. participation 50 %

Date Purchased	Serial Number	Description	Units	Unit Cost	Total Cost	Engr.
8/10/52		Model 12B-55 Eimco rocker-shovel, 18" gauge (used)	1	2500.00	$2500.00	EGE
8/10/52		32 cu. ft. CDA rocker dump mine cars, 18" ga., 14" timken bearing assembly (used) #3 and #4 59-1/2" JDx34" deep and 35" wide	2	350.00	700.00	"
8/12/52		32 cu. ft. mine cars (same as above except new)	2	425.00	850.00	"

2420

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

December 5, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

Memorandum:

To: DMEA Field Team, Region II

From: A. B. Campbell, Geologist, U. S. Geological Survey

Subject: Report on progress at the Hypotheek mine, Hypotheek Mining & Milling Co., Shoshone County, Idaho, Docket No. DMEA-2420 (Lead-Zinc), Contract No. Idm-E380.

I visited the subject property on November 26, 1952 and found that the rehabilitation, straightening, and enlarging of the first 320 feet of the drift had been completed. Underground work had been stopped temporarily in order to complete the installation of a newly acquired 500 cubic foot compressor. Upon completion of this installation, new drifting will be begun.

Dist:
Orig. & 3-DMEA
USBM (2)
Docket
Campbell

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1953

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

Month of November, 1952 Docket No. DMEA 9420 Contract No. E-380
Operator's Name Hypotheek Mining & Milling Company Minerals Pb Zn
Address 510 Bank St., Wallace, Idaho
Contract Amount, $ 70,410.00 Government Participation: 50 % Amount, $ 35,205.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:	955.14		955.14			
Labor	~~1190.91~~	~~1190.91~~	~~1190.91~~	901.40		901.40
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	1005.00	320.25	1325.25	1070.22	320.25	1390.47
Pipe				55.04		55.04
Track		351.82	351.82		351.82	351.82
Drill steel		68.21	68.21	193.92	68.21	262.13
Misc.	980.15		980.15	575.99		575.99
(4) Operating Equipment:						
Rental						
Purchase	1183.80	6841.94	8025.74	1180.37	6841.94	8022.31
Depreciation						
(5) Initial Rehabilitation and Repairs		2520.31	2520.31		2520.31	2520.31
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment				149.55		149.55
Sampling and Analysis						
Payroll Taxes				21.29		21.29
Liability Insurance				32.45		32.45
(8) Contingencies (specify):						
Preparing comp site		1536.76	1536.76		1536.76	1536.76
	4174.09		15763.38			
TOTALS	~~4359.86~~	11639.29	~~15999.15~~	4120.23	11639.29	15759.52

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

Date 2/14/53 *Payee Hypotheek Mining & Milling Co

Per Roy H. Kingsbury Title Secy-Treas.

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

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

(Instructions on reverse)

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

$ 2060.12

Signature (Authorized Certifying Officer)

Date 3/17/53 Vou. No. 699
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 380 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 3/17/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr. Date 3/17/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA _____ Contract No. E-380

Operator's Name Hypotheek Mining & Milling Company Minerals Pb Zn

Address 510 Bank St., Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
		2940.29		3680.57				
Drifting		~~3176.06~~		~~3916.34~~				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
~~Drft prep~~		0		~~2520.31~~				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		1183.80		8025.74				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
~~Prep comp site~~		0		1536.76				
TOTAL COSTS		~~4359.86~~ 4124.09		~~15999.15~~ 15763.38				

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

REMARKS:

Date 2/14/53 Operator Hypotheek Mining & Milling Co

Per Roy H. Kingsbury Title Secy-Treas.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

HYPOTHEEK MINING & MILLING COMPANY
Wallace, Idaho.

Narrative: November, 1952 2/14/53.

Miners Gruber and Lamphere put in full time on the drifting job, and cleaning up. They put in 7 shifts apiece on the raise and cleaning up the north crosscut, from which the raise was started, amounting to $222.00, plus 13.77 payroll taxes. We have deleted this $235.77, from our original report, conforming to suggestions.

They used 30 boxes of powder during the month, which cleaned up the inventory, and we bought from the Wallace Powder Company 100 boxes of 1" #4 Atlas powder.

On November 14th we dismantiled at Dayrock and brought to East Hypotheek the used IR Imp. 10 compressor. The authorized allowance for this compressor was $3500.00. We paid $2250.oo in place at Dayrock, which left $1250.00 fo r moving, installation and overhauling and cleaning up valves, etc., and the cost came within that figure, being $1183.80. This closes that item.

During the month, four of our crew were exempt from paying old age tax of 1½%, having earned then over $3600 for the year. We likewise became exempt from paying our half of the tax of 3%, and we are therefore, as requested, giving detail of payroll tax items as charged.

Work is progressing satisfactorily.

Hypotheek Mining & Milling Company
Roy H. Kingsbury Secretary.

HYPOTHEEK MINING & MILLING COMPANY
Wallace, Idaho

November, 1952. 2/14/53.

Detail of Report:
Form MF-104

Equipment purchased:

Installation IR Imp. 10 used compressor- Dismantling, hauling, cleaning, assembling, foundation and V belt drive			
Labor		736.60	
Payroll taxes @ 3.6, 1.1		34.62	
Belt drive, Bitco	342.97		
Pre-mix, Bunker Hill	21.20		
Hauling, EG Smith	48.41	412.58	1183.80

Drifting:

Tunnel-			
Labor G&L (6.2)	980.80		
Deleted,	222.00	758.80	
Labor TH&R (4.7)		142.60	
Payroll taxes, @ 3.6, 1.1, 1.5		47.04	
Payroll taxes, @ 3.6, 1.1		6.70	
			955.14
Carbide bitts 8 @ 13.40		107.20	
From inventory, 30 bx powder(320.25)			
Bitco, grinding wheel		9.37	
Wash Water Power Co, power		150.19	
Bres ME Co, air bar valve		20.00	
Gardner Supply, drill steel		61.50	
Copco, drill steel		25.65	
Wallace Powder Co, 100 bx 1" Atlas		1005.00	
Coeur d'Alene Hdw Co., 8.00, 12.30, 111.16, 86.20, 23.05, 98.08, 220.00, 43.38, 4.07,		606.24	1985.15
			4124.09

Payroll tax schedule.

Compensation,	3.6
Soc Sec	1.1 per rating
Old age	1.5

Certified correct,

Roy H. Kingsbury

HYPOTHEEK MINING & MILLING COMPANY
Wallace, Idaho

November, 1952. 2/14/53

Detail of Report:
Form MF-104 A

Drifting,

Labor & Payroll taxes,	955.14
Supplies, misc.	980.15
powder	1005.00
	2940.29

Operating Equipment:

Installation compressor,	1183.80
	$ 4124.09

Certified correct,
Roy H Kingsbury

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration

(5)

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 2420 Contract No. E-380
Operator's Name Hypotheek Mining & Milling Company Minerals Pb-Zn
Address 510 Bank St., Wallace, Idaho
Contract Amount, $ 70,410.00 Government Participation: 50% Amount, $ 35,205.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						Keating Betty
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	[illegible]		[illegible]	320.25		320.25
Pipe						
Track	[illegible]		[illegible]	357.82		357.82
Drill steel	[illegible]		[illegible]	68.21		68.21
(4) Operating Equipment:						
Rental						
Purchase	2803.00	4050.00	6853.00	2791.94	4050.00	6841.94
Depreciation						
(5) Initial Rehabilitation and Repair	2207.31	1852.69	4060.00	1805.90	714.41	2520.31
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): Preparing Camp Site				398.48	1138.28	1536.76
	[illegible]	5962.69	11653.28			
TOTALS				5736.60	5902.69	11,639.29

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 25/52 *Payee Hypotheek Mining & M. Co
Per Roy H. Kingsbury Title Sec-Treas.

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

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

(Instructions on reverse)

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

$ 2868.30

Signature [illegible]
(Authorized Certifying Officer)

Date 1/29/53 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E380 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 1/15/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Elvin A. Magill Title Mining Engr Date 1/15/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 3 0 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA _____ Contract No. E-380
Operator's Name Hypotheek Mining & Milling Company Minerals Pb Zn
Address 510 Bank Street, Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		740.28		740.28				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		1808.80		2520.31				
Drift preparation		~~1808.63~~		~~2523.26~~				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		2791.94 ~~2803.00~~		6841.94 ~~6853.00~~				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Preparing compressor		398.48		1536.76				
TOTAL COSTS		~~5750.59~~ 5736.60		~~11653.28~~ 11639.29				

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

Date Nov. 25/52 Operator Hypotheek Mining & M. Co.

Per Roy H. Kingsbury Title Sec-Treas

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

C O P Y

HYPOTHEEK MINING & MILLING COMPANY

Wallace, Idaho

Nov. 25, 1952

Narrative: October, 1952

The 240 cfm Sullivan small compressor was moved from the large compressor foundation and installed in the adjoining building. Enlarging the tunnel started, and Gruber and Lamphere made 240 feet of progress.

Instead of buying a used Ingersoll DA-35 drifter, we bought a new Thor sinker with leg for $553.00. We bought from Day Mines, of Wallace, a used Ingersoll Imperial 10 compressor for $2250.00 in place at their plant.

We bought 2½ tons of new 20 lb. rail at $544.68, which was laid in the tunnel as rehabilitation advanced. We figured the cost for 320 feet as, including fittings, $462.86, and we charge the balance of $81.82 against future new drifting. We give the rehabilitation job credit for salvage of 2 tons of 16 lb. rail, which also we will use in drifting.

We purchased a ton of 1-1/8 powder $427.00, and charged 10 boxes against rehabilitation for October, and the balance to new drifting, under inventory control.

Work is progressing satisfactorily, although perhaps we underestimated the work and costs.

Hypotheek Mining & Milling Co.

/s/ Roy H. Kingsbury, Secretary.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

October 27, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypotheek Mining and Milling Co., Shoshone County, Idaho, Contract No. Idm-E380, Docket No. DMEA 2420X (lead-zinc)

I visited the project site October 23, 1952, accompanied by Mr. J. Kingsbury who is in charge of the operation.

The portal site had been prepared and the adit drift enlarged to a point 210 feet from USBM survey tag #50 set in the center of the first portal-set cap. The enlarged, straightened section is 8'x6' and the standard of work is good. The progress during actual enlarging of adit has been satisfactory.

More loose muck had to be excavated from portal site for safety precaution than was previously anticipated by Operator. The initial preparation operation was in progress September 23, 1952, when I visited the property with Mr. Howard F. Keller, Acting Chief of the Base Metals Section, DMEA. Mr. Keller was of the opinion that the preparation was necessary and the cost was a justified charge to the contract. The Operator has installed a small, company-owned compressor to use until the larger compressor to be purchased under the contract is acquired, after which the smaller compressor will be a standby unit. The Operator is claiming no depreciation use allowance but the cost of installation and maintenance is approved.

In view of the foregoing additional costs which are considered a justified cost of rehabilitation and preparation, I have notified Mr. R. J. Hindman, Certifying Officer, Region II, in a memorandum that an estimated $1500 additional should be taken from the contingency fund, allowing an increase in the estimated cost of rehabilitation from $2560 to $4060.

An amendment to the contract was prepared to allow purchase of a used (practically new) Eimco 12B loader for $2500 in lieu of renting the same type loader 10 months @ $250/mo. at a total cost of $2500.

The enlarging to date has disclosed some mineralization, namely, sulfides of lead, zinc and copper. The Operator will furnish a base map showing geology and sampling to date and thereafter will furnish overlays showing progress, geology and sampling for each reporting period.

E. G. Erickson

E. G. Erickson

Orig. & 3--Wash.
USGS (2)
DMEA
M/D
EGE

2420

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
OCT 27 1952

October 22, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: A. B. Campbell, Geologist, U. S. Geological Survey

Subject: Report on progress of the Hypotheek mine, Mining and Milling Company, Shoshone County, Idaho
Docket No. DMEA-2420 (Zinc-Lead)
Contract No. Idm-E380

I visited the subject property on October 20, 1952, to determine the amount of work which has been accomplished under the DMEA contract.

Work which is specifically indicated under the contract was begun on October 8. As of October 15, 132 feet of the existing drift have been straightened and enlarged. Rail and pipe have been relaid in this rehabilitated section. The drift was inaccessible at the time of this visit because of blasting so the footage for the last five days is not known.

A considerable amount of preparatory work was done at the property before October 8. The operator intends to discuss with Mr. Erickson, U. S. Bureau of Mines, the possibility of including some of the cost of this work in the first month's voucher either under the catagory of rehabilitation or of contingencies. This work consisted of slabbing off some of the outcrop which was dangerously loose near the portal and installing four portal sets. This timbering was done as a safety measure to protect the portal against possible slides from an old mine dump directly above it.

To date, four 32 cu. ft. Coeur d'Alene rocker type mine cars have been purchased. The operator is in the process of acquiring the other equipment allowed under the contract.

cc: USBM(2)
DMEA(4)
Campbell

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Exploration Administration (5)

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. E-380
Operator's Name [illegible] Minerals Pb-Zn.
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form } Contracts:						Contract Betty
Drilling						
Bulldozing				224.00		224.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor				273.80		273.80
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber				81.88		81.88
Explosives				55.12		55.12
Pipe						
Track						
Other				55.79		55.79
(4) Operating Equipment:						
Rental						
Purchase	4050.00		4050.00	4050.00		4050.00
Depreciation						
(5) Initial Rehabilitation and Repairs	1755.31		1755.31	-0-		
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	[illegible]		[illegible]	66.38		66.38
Liability Insurance						
(8) Contingencies (specify): Preparing Camp Site				1,095.72		1095.72
TOTALS	[illegible]		[illegible]	5902.69		5902.69

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

Date 10/30/52 *Payee [illegible]

Per Roy H Kingsbury Title [illegible]

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

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

(Instructions on reverse)

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

$ 2,951.34

Signature [illegible]
(Authorized Certifying Officer)

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

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug-Sept 1952 Docket No. DMEA 2420 Contract No. _____

Operator's Name Hypothook Mining & Milling Co. Minerals _____

Address 510 Bank St., Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift preparation		690.59		690.59				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Payroll taxes, etc		66.38		66.38				
Operating Equipment Purchased		4050.00		4050.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Preparing for compressor		1095.72		1095.72				
TOTAL COSTS		5902.69		5902.69				

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

REMARKS:

Date 10/30/52 Operator Hypothook Mining & Milling Co

Per Roy H Kingsbury Title Secy-Treas.

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

(Instructions on reverse)

(For Government use only)

Preparatory Work

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

HYPOTHECK MINING & MILLING COMPANY
Wallace, Idaho

October 10, 1932.

Narrative:

Our EMMA agreement of August 4th, covering development plans at our East Hypothock property on Pine Creek, starts off with two items, each in preparation for continuing the drift tunnel westerly.

The first of these is (1) enlarging and straightening the 320 feet of old work so that 15" ventilating pipe may be installed and the tunnel put in shape for better tramming. This portal is surrounded by a mine dump from the shaft, and in preparation it was necessary to dig out the portal, enlarge and straighten it, and put in three sets of timber. Also to remove track and pipe lines.

Under "equipment to be purchased" comes (2) the used 500 cfm Imperial 10 HP compressor to be installed in compressor house, authorized to cost $3500.00. In this compressor house, we had temporarily installed on timbers across the foundation a rented Sullivan single stage compressor of 260 cfm. Before this installation could be made, we had to move into an adjacent building this smaller compressor, which we are using until the larger one is in place, and set it on a new foundation. A 3" compressor line was built to connect up both compressors in place of the temporary pipeline for the small compressor.

The equipment purchased to date consists of the used Ingco 12W rockershovel, and the four 1½ ton rocker-dump type mine cars - 2 used and 2 new.

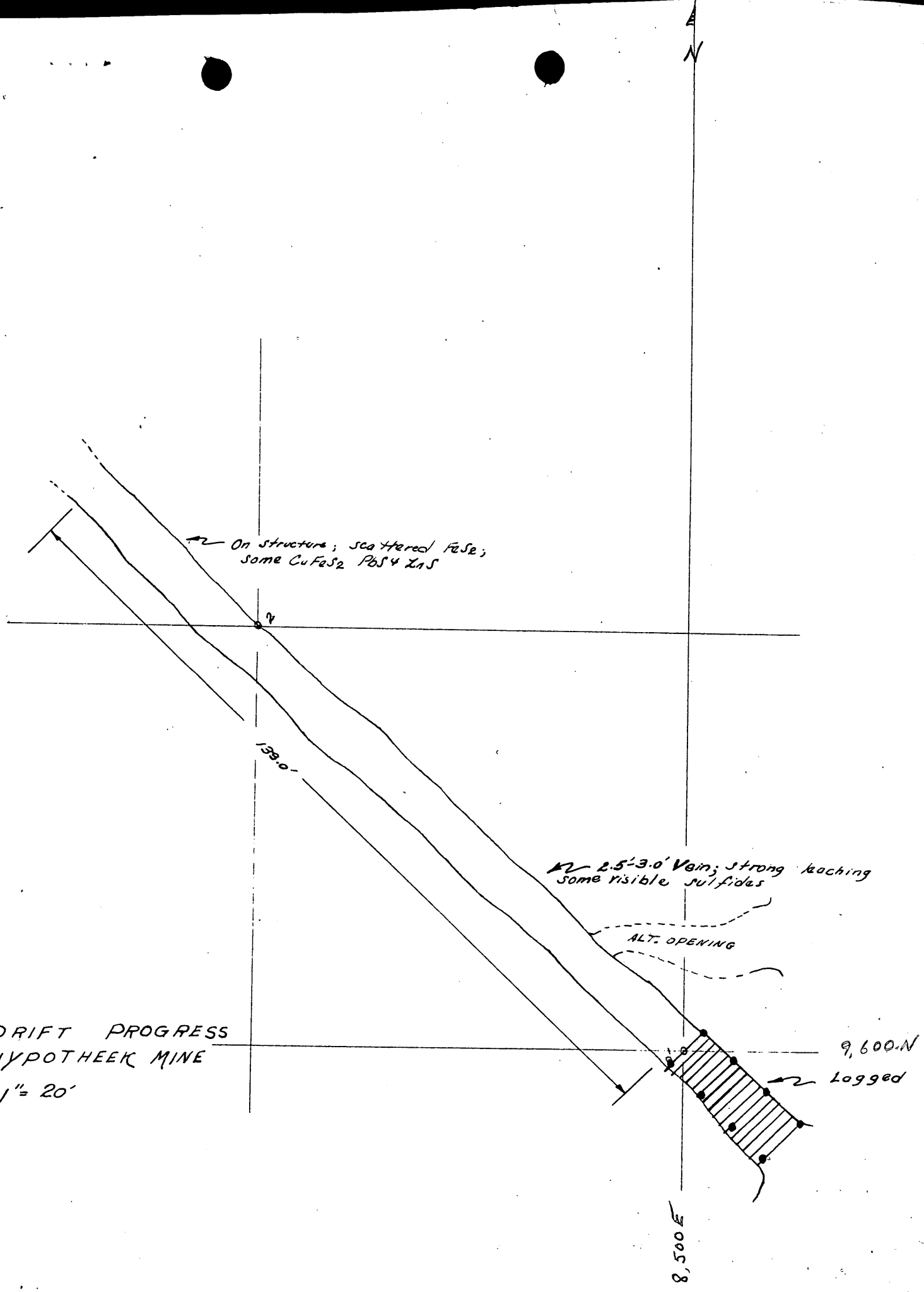
Hypothock Mining & Milling Company
Roy H Kingsbury Secretary.

Note:

The attached sketch shows portal straightening and 3 portal sets covered in this report.

It also shows drift enlarging and straightening to Oct 15th inc.

RHK



NORTH DRIFT PROGRESS
EAST HYPOTHEEK MINE
1" = 20'

169

44.5

7.5 2 2

6 7 6

7 6 7

6 7 6

8 6 0

8 4 5

2420

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

1201 N. Division St.
Spokane 2, Wash.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 '52

September 23, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer

Subject: Interim report, Hypotheek Mining and Milling Company's exploration project contract, Docket No. DMEA 2420X (zinc-lead), Contract Idm-E380, Shoshone County, Idaho.

The project site was visited September 11, 1952, with Mr. Kingsbury, Jr., supervisor. Progress and terms of contract were discussed. Later the same day Mr. Ray H. Kingsbury, operator under the contract, was contacted in Wallace, Idaho. Invoicing procedure was discussed in view of a unit cost contract interpretation for the first 5 items in summary of costs in Exhibit "A" and actual costs for last four items. A Field Team memorandum was sent to Washington September 10, 1952, requesting clarification of contract terms.

Equipment is being acquired and surface plant is being rehabilitated. Compressor will be installed soon and work on rehabilitating adit should start later this month.

E. G. Erickson

E. G. Erickson

CC: 3-Wash.
2-USGS
DMEA
EGE
M/D
D/F