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

DOCKET NO. DMEA 2420

COMMODITY Zinc-Lead

Idm-E-380

COPY

Compared

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

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 4th day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Hypotheek Mining and Milling Company, a corporation duly organized and existing under and by virtue of the laws of the State of Idaho.
510 Bank Street
Wallace, Idaho

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Idaho, County of Shoshone, described ~~as follows~~[3] in Annex I

the Operator represents and undertakes:[4]

(*a*) That the Operator is ~~the owner~~ pursuant to the purchase agreement set forth in Annex I, in possession and entitled to possession, and that the property is subject ~~subject to the following liens, or encumbrances, some of which are subordinate, as shown by the subordination agreement of the holders, is attached~~ to no other lien or encumbrance, and the Owner's Consent to Lien is attached.

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

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Zinc-Lead

in or upon the described land; and shall bring the project to completion within a period of 12 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

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

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

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

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

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

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

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

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

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

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

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

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

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

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $35,205.00, which is 50 percent of $70,410.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided. See Exhibit "A", (4) for amendment.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining. See Exhibit "A", (4) for amendment.

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed, total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration Administration

HYPOTHEEK MINING AND MILLING COMPANY
(Operator)

By /s/ Sigurd Torkelson

I, Roy H. Kingsbury, certify that I am the treasurer- secretary of the corporation named as Operator herein; that Sigurd Torkelson, who signed this contract on behalf of the Operator, was then Vice-President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

/s/ Roy H. Kingsbury

(SEAL)
[CORPORATE SEAL]

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~XXXXXXXXXXXXXXXXXX~~
So. 157 Howard Street
Spokane 4, Washington

April 9, 1953

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

Re: Docket No. DMEA-2420 (Lead-Zinc)
Hypotheek Mining & Milling Co.
Contract Idm-E380

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 2 to the subject contract, with attached justification.

Distribution of this amendment has been made in the usual manner.

Sincerely yours,

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

Enclosure

cc: USBM (2)
Campbell✓

COPY COPY

EXPLORATION PROJECT CONTRACT
HYPOTHEEK MINING AND MILLING COMPANY
DOCKET NO. DMEA-2420

Government's Copy

AMENDMENT NO. 3

It is agreed this 28th day of September, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Hypotheek Mining and Milling Company, that Contract Idm-E380 (Docket No. DMEA-2420) dated August 4, 1952, as amended, is further amended, effective August 4, 1953, as follows:

1. In Article 3 of the contract form, delete the period "12 months" and substitute the period "24 months."

2. During the period August 4, 1953, to not later than April 1, 1954, the project work shall be recessed; the Government shall not contribute to any costs incurred by the Operator; and the Operator shall save the Government harmless from any and all claims, and shall preserve and protect the project work and any property in which the Government has an interest.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maxium."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ FRANK E. JOHNSON
ACTING ADMINISTRATOR, Defense
Minerals Exploration
Administration

HYPOTHEEK MINING AND MILLING COMPANY

By /s/ Roy H. Kingsbury Secy. Treas.

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

October 2, 1953

Hypothesk Mining & Milling Co.
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420 (Lead-Zinc)
Hypothesk Mining & Milling Co.
Shoshone County, Idaho
Contract No. Idm-2380

Gentlemen:

Enclosed herewith are the original and five copies of proposed Amendment No. 3 to the above-captioned contract, signed by the Acting Administrator for the Government.

If the terms and conditions of this amendment meet with your approval, please sign all copies, retain that copy marked for the Operator and return the remaining copies to this office.

If any part of this proposed amendment does not meet with your approval, please return the original and all copies to this office with your comments.

Sincerely,

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

Enclosures

cc: DMEA (2)
USBM (2)
Campbell

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

So. 157 Howard Street
Spokane 4, Washington

April 28, 1954

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

Re: Docket No. DMEA-2420 (Lead-Zinc)
Hypothesis Mining & Milling Co.
East Hypothesis Mine
Shoshone County, Idaho
Contract No. Idm-X380

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of Amendment No. 4 to the above-captioned contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

Thor E. Kiilsgaard
Acting Member, DMEA
Field Team, Region II

Enclosure

cc: Finance Office w/encl.
USBM (2)
Campbell

Geologist's ~~Government's~~ copy

EXPLORATION PROJECT CONTRACT
HYPOTHEEK MINING & MILLING COMPANY
DOCKET NO. DMEA-2420

AMENDMENT NO. 4

It is agreed this 15th day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Hypotheek Mining & Milling Company, parties to that certain Exploration Project Contract Idm-E380, Docket No. DMEA-2420, dated August 4, 1952, as amended, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning April 1, 1954, the date upon which work was to be resumed under Amendment No. 3, and ending not later than July 1, 1954.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve the project work and any property in which the Government has an interest.

(d) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

2. It is of the essence of the Contract that work be resumed on or before July 1, 1954; and if the work is not resumed within the time limited, in a manner required to bring the work to completion as required:

(a) All obligation of the Government to contribute to costs not incurred before August 4, 1953, shall be and is hereby terminated, except for necessary and reasonable costs and expenses incurred in:

(1) preserving and disposing of property to the cost of which the Government has contributed, and

(2) making and rendering reports, accounts, and winding-up and settlement actions provided for in the Contract.

(b) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and shall promptly render to the Government a final report and a final accounting.

(c) Article 9 of the Contract, as amended hereafter, shall remain in full force and effect. That part of paragraph (a) of Article 9 which precedes the first colon is amended to read as follows:

> "The Operator, regardless of any certification of discovery or development, and regardless of whether the Operator is the producer or has any interest in the land or the production therefrom, shall pay to the Government a royalty on all minerals mined or produced from the land described in the Contract for a period of ten years from the date of the Contract, or until the total amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:"

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total

amount which the Government may be required to contribute, or the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittelsdorf
Administrator, Defense Minerals
Exploration Administration

HYPOTHEEK MINING & MILLING COMPANY

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

No. 157 Howard Street
Spokane 4, Washington

September 21, 1954

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

Re: Docket No. DMEA-2420 (Lead-Zinc)
Hypothesis Mining & Milling Company
East Hypothesis Mine
Shoshone County, Idaho
Contract No. Idm-2380

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of Amendment No. 5 to the above-cited contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

John S. Vhay
Acting Executive Officer
DMEA Field Team, Region II

Enclosure

cc: Finance Office w/encl.
UMRM (2)
Campbell ✓

Geologist
~~Government~~ copy

EXPLORATION PROJECT CONTRACT
HYPOTHEEK MINING & MILLING COMPANY
DOCKET NO. DMEA-2420

AMENDMENT NO. 5

It is agreed this 27th day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Hypotheek Mining and Milling Company, hereinafter called the "Operator," that Exploration Project Contract Idm-E380 (Docket No. DMEA-2420), dated August 4, 1952, as amended, hereinafter called the "Contract," is further amended as follows:

1. Effective August 4, 1954, the period "24 months" in Article 3, provided by Amendment No. 3, is deleted and the period "26 months" is substituted.

2. Effective August 4, 1952, Annex II, attached hereto and made a part hereof, is substituted for Article 9 of the Contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mathewson
Administrator, Defense Minerals
Exploration Administration

HYPOTHEEK MINING & MILLING COMPANY

By /s/ Roy H. Kingsbury, Secy

EXPLORATION PROJECT CONTRACT
HYPOTHEEK MINING & MILLING COMPANY
DOCKET NO. DMEA-2420

ANNEX II

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land* as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years‡ from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

* The "land" refers to the land described in Article 2 of the contract.

‡ The period "eleven years" is substituted for the period "ten years."

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

STANDARD FORM No. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM

BUREAU

CHG. APPROPRIATION

10—1723 U. S. GOVERNMENT PRINTING OFFICE

TELETYPE

AUGUST 4, 1954
Phoned at 3:25 p.m.

A. E. WEISSENBORN
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II

RE YOUR TELETYPE AUGUST 2 DOCKET DMEA #2420, HYPOTHEEK MINING AND MILLING COMPANY, CONTRACT IDM-E380. WE WILL PREPARE REQUESTED AMENDMENT FOR 2 MONTHS EXTENSION OF COMPLETION TIME.

GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE
DMEA
WASHINGTON, D. C.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	
DAY LETTER	
NIGHT LETTER	

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1206 10-51

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHIP RADIOGRAM	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

TELETYPE

SEPTEMBER 24, 1953
Phoned at 10:30 A.M.

MR. WEISSENBORN

RE DOCKET DMEA 2420, HYPOTHEEK MINING AND MILLING COMPANY CONTRACT NO. IDM-E380.

IN VIEW OF RECESS AND PROPOSED LEASING WE CONSIDER CERTIFICATION ADVISABLE IF POSSIBLE. PLEASE FORWARD ASSAYS OF TWO DIAMOND DRILL HOLE ORE INTERSECTIONS.

GEORGE C. SELFRIDGE

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Telegraph Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: In cities or towns of 5,000 or more inhabitants where the Telegraph Company has an office which, as shown by the filed tariffs of the Telegraph Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Telegraph Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Telegraph Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Telegraph Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Telegraph Company is located.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 90 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

5-52

CLASSES OF SERVICE

DOMESTIC SERVICES

FULL RATE TELEGRAM

A full rate expedited service.

DAY LETTER (DL)

A deferred service at lower than the full rate

NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters, or in secret language. A minimum charge for 5 words applies.

LETTER TELEGRAM (LT)

Overnight plain language message. Minimum charge for 12 words applies.

SHIP RADIOGRAM

A service to and from ships at sea. Plain or secret language may be used. Minimum charge for 5 words applies.

Form 3806-S (Rev. 7-51)

32617

Postmaster per _____

Receipt for Registered Article No. _____

POSTMARK

Fee paid 22 *cents.* *Class postage* 1

Declared value _____ Surcharge paid, $_____

Return Receipt fee _____ Spl. Del'y fee _____
Delivery restricted to addressee:

In person _____, or order _____ *Fee paid*_____
Accepting employee will place his *initials* in space indicating restricted delivery.

67—16—10488-5 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of injury or application for indemnity.

Roy H. Ringbury Hypolitch

(Name of addressee) Wahiawa, P. O. and State of address) Oahu

Form 3811
Rev. 1-52

RETURN RECEIPT

Received from the Postmaster the Registered or Insured Article, the number of which appears on the face of this Card.

1 Hypothecs Mr Mr Co
(Signature or name of addressee)

2 Roy H Kingsbury
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of delivery MAR 1 9 1954, 19

U. S. GOVERNMENT PRINTING OFFICE 16—12421-2

Post Office Department

OFFICIAL BUSINESS

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

(GPO)

WALLACE
MAR 19
1954
2 PM
IDAHO

POSTMARK OF DELIVERING OFFICE

Mr. A. B. Campbell

Return to ~~U. S. Geological Survey~~

(NAME OF SENDER)

Street and Number, or Post Office Box, So. 157 Howard Street

REGISTERED ARTICLE

No.

INSURED PARCEL

No.

16—12421-1

SPOKANE,

WASHINGTON.

Campbell

HYPOTHEEK MINING & MILLING COMPANY

Wallace, Idaho

February 18, 1954

A. E. Weissenborn
Executive Officer, DMEA
So. 157 Howard Street
Spokane 4, Washington

Dear Sir:

Upon receipt of your letter of January 18, I wrote to Mr. Veral Hammerand, for the geologic map, and log of the drill cores, covering work at Hypotheek to date, and I have had no reply.

Mr. Art Campbell, called at this office on Tuesday, and after going over this matter with him, he said he would call to see Mr. Hammerand, at the Bunker Hill Office that afternoon, and thought he would be able to get some action. I gave to Mr. Campbell the late geographic map made up by Mr. Hammerand, which he promised to return to this office, after he had made copies.

Yours truly,

/s/ Roy H. Kingsbury

Roy H. Kingsbury

RHK/cna

C
O
P
Y

Given to Hammerand for him to add additional notes. 2/18/54

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Box 107
St. Regis, Montana

August 14, 1953

Mr. John Kingsbury
309 Maple Street
Kellogg, Idaho

Dear John,

The DMEA Field Team is now considering the proposed amendment to the East Hypothesis contract to allow for dewatering the shaft and mapping and sampling the lower levels. In order for them to evaluate the proposals it will be necessary for them to have a complete geologic map of the adit level.

As you know, I have done no mapping at the mine since you hired Veral Hammerand as a geologic consultant under the contract. No progress geologic maps have been submitted with the monthly reports so that I do not have a complete map which I can submit. If you will ask Veral for his up-to-date geologic map and send it to me I'll forward it, together with my data, to the Field Team. Needless to say, the sooner we can get things together, the sooner a decision can be reached.

I plan to be in the district around the end of the month so will stop at the mine at that time.

Very truly yours,

Arthur B. Campbell
Geologist

cc: Thor Kiilsgaard

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

August 12, 1953

Mr. Art Campbell
P. O. Box 107
St. Regis, Montana

Dear Art:

The proposed amendment to the Hypotheek contract, which would allow the shaft to be dewatered and the lower levels mapped and sampled, has been brought to our attention. It is difficult for us to justify this as exploration inasmuch as we are apparently going to considerable expense to come under an ore body with an apparently short strike length and which has been tested on an upper adit level and by drill holes below that level. However, we do not have any detailed maps of the property, to be used in evaluating the proposal, and therefore we may not have the true picture. I would therefore appreciate your sending us your copy of the geologic map of what has been done on the project or telling us where in this office we can find this map. We have no record of it in our files. It is assumed that you have such a map as we note from your monthly inspection reports that you have spent some time mapping this property.

Your attention to this matter would be appreciated.

Sincerely,

Thor

Campbell

XXXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

April 9, 1953

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

Re: Docket No. DMEA-2420 (Lead-Zinc)
Hypothesis Mining & Milling Co.
Contract Idm-E380

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 2 to the subject contract, with attached justification.

Distribution of this amendment has been made in the usual manner.

Sincerely yours,

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

Enclosure

cc: USBM (2)
Campbell

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

1201 N. Division Street
Spokane 2, Washington
March 19, 1953

Hypotheek Mining & Milling Co.
Wallace, Idaho

Subject: Amendment No. 2
Contract Idm-E380

Gentlemen:

Enclosed herewith are 7 copies of Amendment No. 2 to your exploration project contract which have been signed by the Executive Officer, DMEA Field Team, Region II. If the amendment meets with your approval please sign all copies, retain the copy marked "Operator's Copy" and return the remaining copies to this office.

Sincerely yours,

Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II

Enclosure

cc: USGS (2)
DMEA
DF

RECEIVED
MAR 19 1953
U. S. G. S.
SPOKANE, WASH.

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

November 7, 1952

Mr. Sig Torkelson
Hypothesk Mining & Milling Company
Wallace, Idaho

Re: Docket DMEA 242[illegible] (Zinc-Lead)
East Hypothesk property
Shoshone County, Idaho
Contract Idm-E38[illegible]

Dear Mr. Torkelson:

Enclosed is your copy of Amendment No. 1 to your Exploration Project Contract.

Sincerely yours,

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

Enclosure

cc: DMEA (2)
USBM (2)
Fryklund

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

November 7, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-242[illegible] (Zinc-Lead)
Hypotheek Mining & Milling Co.
Shoshone County, Idaho
Contract Idm-E38[illegible]

Dear Mr. Johnson:

Enclosed are the original and two signed copies of Amendment No. 1 to the subject contract.

A copy of the amendment has been retained by the Operator, a copy is being retained for the files of this office, and by a carbon copy of this letter, the Regional Fiscal Officer's copy is being distributed.

Sincerely yours,

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

Enclosure

cc: USBM (2)
Reg. Fiscal Officer w/encl.
Fryklund ✓

AMENDMENT NO. 1

It is agreed this 11th day of Sept. 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Hypotheek Mining & Milling Company, Wallace, Idaho (Docket No. DMEA 2420, zinc-lead) each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 380 of August 4 195 2 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be August 4 195 2.

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

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

Executed in sextuplicate the day and year first above written.

HYPOTHEEK MINING & MILLING CO.
(Operator)

By /s/ Sig Torkelson

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

ANNEX I

The property referred to in Article 2 consists of certain lode mining claims, real properties and mining interests on Pine Creek in Yreka Mining District, Shoshone County, Idaho, is known as the East Hypotheek and is described as follows:

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, [illegible], 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 149.75 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 Houck, a widower, recorded in Book 56 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 Northwest Quarter (NW¼) of Section Nineteen (19), Township Forty-eight (48) North, Range Two (2) East of Boise Meridian, containing 159.53 acres, known as the George Lightbody Homestead.

B-29, P-38 and Catalena 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 No. 3197, United States patent for which is recorded in Book 64 of Deeds, pages 142, 143 and 144, Official Records of Shoshone County, Idaho.

However, excluded from the above is the following:

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., in Shoshone County. Beginning at Corner No. 4 of said Rose Bird Lode which is also the NE Corner of the tract, and running thence South 4° 14' East 240.77 feet to intersection of line 1-4 Gold Standard Lode, Survey No. 2641 to a point; thence South 9° 34' West 144.23 feet to corner No. 1 of said Gold Standard Lode: thence South 77° 48' East 35.41 feet to intersection of line 4-1 Rose Bird Lode; thence S. 4° 04' East 139.19 feet to the South East corner of the tract; thence North 88° 43' 30" West 180 feet to the South West corner of the tract; thence North 4° 04' West 530 feet to the North West corner of the tract; thence South 88° 43' 30" East 180 feet to the North East Corner of the tract and the place of beginning; containing 2.1 acres; recorded in Book 76 of Deeds, Page 31, records of Shoshone County, Idaho.

EXPLORATION PROJECT CONTRACT
HYPOTHEEK MINING & MILLING COMPANY
DOCKET NO. DMEA-2420

EXHIBIT "A"

Description of the Work

The object of this exploration project is to explore, both by drifting on the main vein in the North Adit and by diamond drilling, possible veins running parallel or intersecting the North Adit Vein. The work shall consist of the following projects:

1. Rehabilitate, straighten, and enlarge the first 320 feet of drift in the North Adit.

2. Drift on main vein a distance of 1,000 feet from the present face. If through this drifting or diamond drilling, ore is encountered in veins parallel to or intersecting the main vein, an additional 300 feet of drifting or crosscutting shall be allowed to explore such veins.

3. Excavate three diamond drill stations on the North Adit drift.

4. Drill three to five diamond drill holes with a total footage not to exceed 1,500 feet. The location, length, strike and dip of each hole shall be determined by mutual agreement of the Operator and Government Field Engineers.

The attached maps marked "Figure 1, East Hypotheek" and "Figure 2, East Hypotheek" show the proposed work in relationship to known mine workings and property lines.

Estimated Costs of the Project
(*Indicates allowable maximum)

DETAILS

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Schedule waived. Allowance for supervision and consultants not to exceed $420.00* per month.

(3) Operating Materials and Supplies

Schedule waived.

(4) Operating Equipment

To be rented

One Eimco 12B Loader @ $250.00 per month for ten months	$ 2,500.00

Note: The Operator will procure the loader under a rental-purchase agreement, and upon the termination of this Exploration Project Contract, the disposition and other provisions of Articles 11 and 12 thereof will apply to the loader if its purchase has been completed. The Operator agrees to give the Government thirty days written notice if it does not intend to complete the purchase, but agrees to complete it if the Government desires to, and advances any funds necessary therefor. In such event, the aforesaid disposition provisions shall apply only after the Government has first been fully reimbursed for such advances.

To be purchased

One used Air Compressor, Imperial 10, 500 cu. ft.	3,500.00	
One new, 3-ton diesel locomotive	6,000.00	
Four new, 32 cu. ft. rocker type mine cars @ $425.00 each	1,700.00	
Two used Ingersoll-Rand DA-35 drifters @ $500.00 each	1,000.00	$12,200.00*

To be furnished by Operator

The Operator will furnish without cost:

Two, 32 cu. ft. used rocker type mine cars

One, 5 h.p. blower

One bit grinder

All miscellaneous tools and facilities

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Assaying	$ 1,000.00*

(8) Contingencies

Unforeseen expenditures	5,000.00*

S U M M A R Y

Although the Government will contribute only on the basis of actual costs, the only items estimated on that basis are those set forth in the schedules above and brought forth into this summary in the last four items thereof. The first five items of the summary estimated in terms of units of work include all costs of the work specified other than those costs estimated in terms of actual costs set forth in the last four items of this summary.

Rehabilitate, enlarge and straighten 320 feet of Adit drift @ $8.00/ft.	$2,560.00	
Drift on Main Vein and others, a maximum of 1300 feet @ $30.00/ft.	39,000.00	
Excavate 3 diamond drill stations @ $350.00 each	1,050.00	
Drill 1000 feet AX diamond drill hole @ $4.60 per foot	4,600.00	
Drill 500 feet AX diamond drill hole @ $5.00 per foot	2,500.00	
Operating equipment to be rented	2,500.00	
Operating equipment to be purchased	12,200.00	
Miscellaneous	1,000.00	
Contingencies	5,000.00*	
Total estimated cost of Project		$70,410.00*
Government participation @ 50%		$35,205.00*

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF Idaho, COUNTY OF Shoshone, DESCRIBED AS FOLLOWS: 1/

Hypotheek Mining and Milling Company

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 35,205.00, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 18th DAY OF January, 1952.

KING OF PINE CREEK MINING COMPANY, [SEAL] LTD.

By /s/ C. C. Anderson, President [SEAL]

Attest: /s/ Laurence Howe, Secy. [SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

EAST HYPOTHEEK
100
Showing proposed work
PROPOSED DIAMOND DRILL HOLES
NOT INCLUDED
1000
ROAD

EAST HYPOTHEX

SURVEY

AMENDMENT NO. 2

Docket No. DMEA 2420
(Pb-Zn)

It is agreed this 18th day of March 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Hypotheek Mining & Milling Co.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 380 of August 4 1952 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be October 1 1952.

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

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

Executed in sextuplicate the day and year first above written.

HYPOTHEEK MINING & MILLING CO.
(Operator)

By /s/ Sig Torkelson

THE UNITED STATES OF AMERICA

By /s/ A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

MYPOTHEK MINING AND MILLING COMPANY
Exploration Project Contract Ida-R300
Docket No. DMEA 2[illegible] (lead-zinc)

AMENDMENT NO. 2

Exhibit "F"

Changes and modifications

In Exhibit "A" under "Estimated Costs of the Project", Item (4), To be purchased, delete:

One new 3-ton diesel locomotive	$6,000.00
Two used IR RA-35 drifters @ $500 each	1,000.00

Add:

1 Thor sinker drill, attachments and accessories, est.	600.00

Add to Item (4), To be furnished by Operator:

Depreciation allowance	Monthly Allowance	Total months	Total
1 Nancha trammer, complete with battery and charging panel	$45.00	8	$360.00
2 Drifters @ $10 each per month	20.00	8	160.00

HYPOTHEEK MINING AND MILLING COMPANY
Exploration Project Contract Idm-5380

Justification of Amendment No. 2

Amendment No. 2 to Contract Idm-5380 approves a depreciation allowance of $45 per month for a manaba trammer complete with battery and charging panel and $20 a month for two drifters.

The trammer owned by the company is proving adequate for the operation; therefore, depreciation allowance was approved in lieu of purchasing the new locomotive.

One Thor sinker and attachments was purchased under the contract but due to ground conditions, drifters prove to be more efficient. The company, because of curtailment at another property, has drifters available; therefore, depreciation allowance is approved on 2 drifters in lieu of purchase.

This amendment effects a considerable saving to the Government.

L. G. Erickson

HYPOTHESIS MINING AND MILLING CO.
Shoshone County, Idaho
Docket No. 2420 (lead-zinc)
Contract Idm-8380

AMENDMENT NO. 1

Exhibit "F"

Changes and modifications

In Exhibit "A" under "Estimated Costs of the Project," Item (4), "To be Rented", delete:

1 Eimco 12B loader @ $250.00 per month for ten months	$2,500.00

Add to Item (4), "To be Purchased",

1 Eimco 12B loader (used)	$2,500.00

HYPOTHESIS MINING & MILLING COMPANY
Shoshone County, Idaho
Docket No. DMEA 2420 (lead-zinc)
Contract Idm-2380

Justification of Amendment No. 1

Amendment No. 1 to Contract No. Idm-2380 allows the purchase of a used mechanical loader for $2500.00 in lieu of renting the same type loader for a total rental cost of $2500.00.

Purchasing the loader is of benefit to both the Government and the Operator as a definite equity will be established.

SCAN COVER SHEET ONLY

U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 000/007

File Owner: N. EAIDES

File Location: DOI - SOL, WASH DC

Document Date: 8/30/55

Document Title: LETTER RE: DOCKET NO. DMEA-2420 (lead-zinc) EAST Hypotheek MINE Shoshone County, Idaho CONTRACT NO. Idm-E380

Document Author: A.E. WEISSENborN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

August 30, 1955

Hypothesis Mining and Milling Company
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420 (lead-zinc)
East Hypothesis Mine
Shoshone County, Idaho
Contract No. Idm-E380

Gentlemen:

We are enclosing copies of an audit certificate and report dated July 25, 1955, pertaining to Exploration Project Contract No. Idm-E380 for the period of August 4, 1952, to August 4, 1954, inclusive, and the subsequent disposition of project property by DMEA auditor George Mavor.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

Enclosures
cc: DMEA (2)
USBM (2)
Turner (2)
Campbell

SCAN COVER SHEET ONLY

U.S. v. ASARCO

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPD 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/1/55

Document Title: RE: DOKET NO. DMEA-2420 (lead-zinc) Hypothecek Mining And Milling Company Shoshone County, Idaho Contract No. Idm-E380

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUTI

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

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

September 1, 1955

Mrs. Myrtle Purdy, Certifying Officer
DMEA Field Team, Region I
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-2420 (lead-zinc)
Hypothesis Mining and Milling Company
Shoshone County, Idaho
Contract No. Idm-E380

Dear Mrs. Purdy:

Work under the subject contract has been completed to the satisfaction of the Government. The Field Team feels that the Government has all pertinent maps and information on the project, and that a final report by the Operator would serve no useful purpose. Therefore, the requirement that the Operator submit a final engineering report has been waived by the Field Team.

The Operator offered to purchase the Government's interest in jointly-owned equipment and remaining supplies for $2,900.00, and this offer was accepted by the Executive Officer in a letter to the Operator dated June 28, 1954. Form A, "Disposal of Government's Interest in Property," dated September 1, 1955, has been issued.

A Certification of Discovery or Development covering this project was issued under date of October 29, 1954.

A Final Audit Certificate and Report dated July 25, 1955, by Auditor George Mavor has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

cc: DMEA (2)
USBM (2)
Campbell

Campbell

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

September 1, 1955

Mr. Roy H. Kingsbury, Secretary
Hypothesis Mining and Milling Company
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420 (lead-zinc)
Hypothesis Mining and Milling Company
Shoshone County, Idaho
Contract No. Ida-2380

Dear Mr. Kingsbury:

Enclosed for your information and files is a copy of Form A, Disposal of Government's Interest in Property, dated September 1, 1955.

By this form, title to the Government's equity in equipment purchased under Contract No. Ida-2380 is transferred to you. This is in accordance with your bid of June 12, 1954, and the Government's acceptance dated June 28, 1954.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1, NW Dist.

Enclosure

cc: DMEA (3) w/enclosures
USBM (AD) do
USBM (2)
Campbell

DISPOSAL OF GOVERNMENT'S INTEREST IN PROPERTY

(FORM A)

1/ To: Roy H. Kingsbury, Secretary
Hypothesk Mining and Milling Company
510 Bank Street
Wallace, Idaho

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, for a valuable consideration hereby sells, assigns, transfers and sets over to you all of its right, title and interest in all property acquired under Exploration Project Contract Idm-E 380, Docket No. DMEA 2420, dated August 4, 1952 (which is listed below: ~~2/~~

Compressor and Installation
Eimco 8-12 mucking machine
Drill and Bar
4 cars

Dated September 1 195 5 THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1, NW Dist.
Title

1/ Insert name of purchaser.

~~2/~~ If the Government's interest in all property is being transferred at one time, strike the words "which is listed below." If the Government's interest in less than all property is being transferred, list the property being transferred, in the space provided, or if there is insufficient space provided, write in the space on the form the words "See Exhibit 1, attached hereto and made a part hereof," and attach list entitled "Exhibit 1" to form.

(Per Operator's bid June 12, 1954, and Field Team acceptance June 28, 1954)

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U.S. v. ASARCO

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/2/54

Document Title: RE: AMENDMENT No. 5.

Document Author: T. S. VHAY

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALATI

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 000 1007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 4/28/54

Document Title: BE: AMENDMENT No. 4

Document Author: T. H. Kiilsgaard

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 10/2/53

Document Title: RE: AMENDMENT NO. 3

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUT,

STATUTORY PRIVILEGE OF
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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 8801007

File Owner: N. EAIDES

File Location: DOI - SOL, WASH DC

Document Date: 4/9/53

Document Title: RE: AMENDMENT NO. 2

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUT.

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 8/4/52

Document Title: EXPLORATION PROJECT CONTRACT

Document Author:

Original Document Attached: Y (N)

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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 000 1007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/19/55

Document Title: RE: DOCKET NO. DMEA-2420 (lead zinc) Hypotheek Mining & Milling Co. SHOSHONE COUNTY, IDAHO CONTRACT NO. IDM-K380

Document Author: VERNE C. FAYKLUND
STEPHEN W. [redacted]OK

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALATI

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

September 19, 1955

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

Re: Docket No. DMEA-2420 (lead-zinc)
Hypothesis Mining and Milling Company
Shoshone County, Idaho
Contract No. Idm-1380

Dear Mr. Selfridge:

Enclosed are four copies of the Field Team final report on the East Hypothesis mine, written by Eric G. Erickson, Bureau of Mines, and Arthur R. Campbell, Geological Survey.

A Certification of Discovery or Development was issued October 29, 1954. The authors state that available data indicate the existence of only a small marginal ore shoot, but dewatering of shaft workings might disclose an exploration target. Existing data show no justification for Government participation in further exploration.

By Field Team, Region I, MW District

Verne C. Fryklund, Jr., Acting Exec. Officer
U. S. Geological Survey

Stephen W. Zoldok, Acting Member
U. S. Bureau of Mines

Enclosures

cc: DMEA (2)
DLGE (SEQ)
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 11/11/53

Document Title: Copy of Consulting Geologist's Report to Company

Document Author: V. F. Hammesand

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palut;

STATUTORY PRIVILEGE OF
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Copy of consulting geologist's report to company.

Recent Exploration at the East Hypotheek Mine
Pine Creek District
Kellogg, Idaho

As part of the D.M.E.A. 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 level of the property.

The North vein pinched against a strong fault which joined the mineralization at a point some 400 feet from the portal of the adit. Before encountering the fault, zinc-lead ore of good grade 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, but no structures which could be identified as the North vein were found.

Subsequently, the South crosscut was driven and diamond drill holes No. 4, No. 5, and No. 6 were bored to test evidence that the North vein was displaced by the fault. Nothing of consequence 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 of the mine. For some time, this ore tentatively has been correlated with the North vein. To check the correlation, drill holes No. 2 and No. 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 low to 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 certainly should be continued.

V. F. Hammerand
Geologist
November 11, 1953

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSAO 0001007

File Owner: N. EAIDES

File Location: DOI - SOL, WASH DC

Document Date: 99999999

Document Title: EAST HYPOTHEEK MINE DIAMOND DRILL HOLE NO. 2 CORE LOG ~~Log~~

Document Author: V. HAMMERAND

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUTI

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

East Hypotheek Mine

Diamond Drill Hole No. 2

Core Log (by V. Hammerand)

Level-North adit
Collar Coordinates-N 9854.0, E 8079.5
Bearing-S 57° E.
Inclination--58°
Length-198'-0"

0 to 84'-10"-Moderately coarse-grained gray and white quartzite locally stained by brown and red iron oxide.

At 12'-0"-A little disseminated pyrite.

At 34'-0"-18" disseminated pyrite.

At 43'-7" to 60'-0"-Scant to moderately abundant disseminated pyrite and chlorite. Some is partly oxidized.

At 57'-0"-12" band of irregular vuggy pyrite stringers each about 1/4" wide. Also scattered blebs of pyrite.

At 63'-0"-One 1/2" core fragment of pyrite recovered.

At 60'-0" to 77'-0"-Disseminated pyrite and chlorite at intervals along course of the hole.

At 70'-0"-One 1/2" "vuggy" quartz stringer and one 1/4" "vuggy" stringer; about 2" apart.

At 77'-0"-32" of core partly silicified. At 78'-0" 1/2" to 1" vein quartz stringer, at 79'-6" one 2" glossy quartz stringer.

At 82'-8"-4" of core nearly replaced by vein quartz.

84'-10" to 86'-1"-15" bed dense gray-green argillaceous quartzite with 3" coarse gray quartzite near center.

86'-1" to 97'-0"-Moderately coarse-grained white and gray quartzite locally stained brown or red by iron oxide.

97'-0" to 101'-0"-Very fine-grained to dense dark-gray argillaceous quartz and siliceous argillite.

At 99'-8"-Disseminated pyrite on beds, rock is partly silicified.

101'-0" to 157'-0"-Fine to medium-grained gray quartzite. Rock here and there stained by iron oxide.

At 141'-9"-40" scattered bunches, stringers and disseminated grains of sphalerite, galena, and pyrite. Grade of 40-inch band showing lead and zinc estimated to be moderate.

At 147'-5"-20" band of abundant pyrite as fine and coarse disseminated grains and as tiny seams.

Diamond Drill Hole No. 2

At 151'-6" to 162'-0"-Core partly silicified and cut by scattered quartz stringers up to 2" wide. Scattered grains and small stringers of pyrite. A few grains of sphalerite observed in two places. (Mineralized core recovered-20'-3". True width of vein, about 10 feet)

157'-0" to 192'-6"-Laminated dark-gray siliceous argillite.

At 162'-0" to 167'-0"-Ten 1/4" to 1/2" barren quartz stringers.

192'-6" to 198'-0"-Laminated dark-gray argillite.

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U.S. v. ASARCO

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 99999999

Document Title: EAST HYPOTHEEK MINE DIAMOND DRILL HOLE NO. 3 CORE LOG

Document Author: V. HAMMERAND

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

East Hypotheek Mine

Diamond Drill Hole No. 3

Core Log (by V. Hammerand)

Level-North adit
Collar Coordinates-N 9853.0, E 8078.5
Bearing-S. 46° E.
Inclination-67°
Length-199'-0"

0 to 76'-0"-Gray and white quartzite, in places stained by red iron oxide. Locally a little disseminated pyrite and chlorite.

At 62'-0"-34" core partly silicified and cut by a few small irregular quartz stringers. Also a little disseminated pyrite and chlorite.

At 76'-0"-1/4" quartz stringer parallel to direction of hole.

76'-0" to 103'-0"-Gray quartzite here and there stained brown by iron oxide.

At 76'-0"-A 12" band argillaceous quartzite interbedded with quartzite.

At 83'-2"-1/4" quartz stringer, crosses hole at 45 degrees.

At 84'-5"-1/4" quartz stringer, crosses hole at 30 degrees.

At 88'-7"-1/4" quartz stringer nearly parallel to direction of hole.

103'-0" to 120'-6"-Fine to medium-grained gray quartzite, somewhat argillaceous 118'-0" to 120'-6".

120'-6" to 133'-0"-Black and gray laminated argillite, some beds bordering on siliceous argillite.

133'-0" to 169'-0"-Black laminated argillite including a 24" band of siliceous argillite at 133'-0".

At 141'-0"-Two small irregular quartz-pyrite stringers.

At 148'-0"-Two 0 to 1/2" pyrite stringers.

At 149'-4"-1/2" to 1" stringer sphalerite and pyrite. A tiny sphalerite seam and 2" diseeminated pyrrhotite alongside.

At 150'-0"-1/8" pyrite stringer.

At 150'-&"-15" small blebs, irregular seams pyrite-sphalerite-galena-chalcopyrite. Core partly silicified.

At 151'-2"-7" irregular bands and small blebs of pyrrhotite, pyrite, chalcopyrite. Core partly silicified.

At 154'-10"-One 4" band consisting of irregular stringers (1/16" to 1/2" wide) of pyrite, pyrrhotite and very minor sphalerite.

Diamond Drill Hole No. 3

At 156'-6"-Three 0 to 1/4" irregular quartz-carbonate stringers.

At 160'-0"-1/4" irregular quartz stringer.

At 161'-0" to 168'-3"-Argillite partly silicified and cut by small quartz stringers ranging from 1/16" to 1½" wide. Scattered irregular stringers and grains of pyrite and pyrrhotite. At 165'-0"-7" core partly replaced (40%) by pyrite, quartz, and sphalerite.
(Mineralized core recovered 15 feet. True width of vein about 9 feet.)

169'-0" to 199'-0"-Black laminated argillite. Beds cross hole at 30 to 40 degrees to 180'-0". From 180'-0" to 190'-0" beds cross hole at 50 to 60 degrees.

At 190'-7"-1" pyrrhotite-pyrite-siderite stringer with 1/2" to 1" quartz-carbonate alongside.

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Document Author: V. HAMMERANI

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East Hypotheek Mine

Diamond Drill Hole No. 4

Core Log (by V. Hammerand)

Level-North adit
Collar Coordinates-N 10,265.5, E 8061.5
Bearing-S 42° 30' W.
Inclination-0°
Length-255'-0"

0 to 11'-0"-Poor recovery (32%), 42" basic dike recovered, partly to well bleached.

11'-0" to 18'-6"-Gray to greenish-gray banded argillite. Beds parallel to 30 degrees to hole.

18'-6" to 19'-6"-Thin-bedded tan to dark-gray quartzite grading into argillaceous quartzite.

19'-6" to 27'-6"-Gray to greenish-gray banded argillite. Beds nearly parallel to hole. At 26'-0"-1½ 40% quartz,

27'-6" to 31'-0"-Argillite grades into beds of mixed rocks consisting of argillaceous quartzite, siliceous argillite and quartzite.

At 28'-6"-3/4" core fragment consisting of 70% quartz.

31'-0" to 41'-6"-Gray and greenish-gray banded argillite. Beds nearly parallel to hole except at 34'-0" where they cross hole at 30 degrees.

At 37'-6"-11" core is very siliceous argillite bordering on quartzite.

41'-6" to 43'-6"-Gray quartzite.

43'-6" to 56'-0"-Gray to greenish-gray banded argillite. Some beds are siliceous argillite. Beds cross hole at variable angles-parallet to 30 degrees. Rock well stained by iron oxide at 52'-6" to 54'-0".

56'-0" to 72'-0"-Gray to black banded argillite. Beds 5 to 20 degrees, locally nearby parallel.

At 64'-6"-18" core stained by iron oxide.

72'-0" to 87'-0"-Varied gray and black argillite. Beds average about 40 degrees but 60 degrees at two places.

At 73'-6"-12" very sandy argillite.

87'-0" to 94'-0"-Black banded argillite. Beds parallel to 30 degrees. Folded.

94'-0" to 102'-5"-Black banded argillite. Beds cross hole at 30 to 50 degrees.

102'-5" to 122'-6"-Gray banded argillite, beds 30 to 50 degrees. Locally contorted. Several sandy argillite beds.

122'-6" to 139'-6"-Gray siliceous argillite. Poorly banded, 60 to 70 degrees.

At 136'-5"-11" core bordering on gray quartzite (mixed rock).

Diamond Drill Hole No. 4

139'-6" to 143'-6"-Tan sandy argillite. Banded at 50 degrees.

143'-6" to 150'-6"-Poorly banded impure quartzite.

150'-6" to 152'-6"-Tan very sandy argillite, faintly banded. Beds appear to be parallel to direction of hole.

152'-6" to 154'-6"-Gray banded siliceous argillite. Beds parallel to direction of hole.

154'-6" to 158'-9"-Light-gray dense and poorly banded (parallel to 30 degrees) impure quartzite.

158'-9" to 159'-9"-Banded argillite. Beds at 30 degrees.

At 157'-6"-12" core well silicified and contains scattered tiny grains pyrrhotite and some pyrite.

159'-9" to 170'-6"-Dense, gray poorly banded argillite. Beds at 40 to 50 degrees to direction of hole.

170'-6" to 175'-6"-Gray banded argillite. Beds at 40 to 50 degrees to direction of hole.

175'-6" to 187'-0"-Gray and black banded argillite. Beds parallel to 60 degrees (folded).

At 187'-2" tan gouge recovered.

187'-0" to 196'-0"-Gray banded argillite. Beds 40 to 50 degrees.

196'-0" to 205'-0"-Gray quartzite interbedded with narrow argillaceous-quartzite bands.

At 191'-9"-1/2" quartz stringer on beds.

At 195'-4"-1" quartz on beds. Contains a few grains pyrite.

At 196'-0"-20" core containing disseminated chlorite.

205'-0" to 217'-0"-Gray to greenish-gray argillite. Beds at 50 to 60 degrees.

At 209'-8"-1/4" quartz stringer on beds.

At 216'-6"-Two 1/8" to 1/4" "vuggy" quartz stringers cross hole at 60 degrees.

217'-0" to 230'-6"-Gray banded to poorly banded (at 60 degrees) quartzite.

At 221'-6"-3" abundant chlorite.

230'-6" to 233'-0"-Tan massive quartzite.

233'-0" to 255'-0"-Massive tan and gray quartzite. At 237'-8"-1/4" "vuggy" quartz stringer at 60 degrees. At 251'-3"-1" "vuggy" quartz stringer.

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Document Author: V. HAMMERAND

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Type of Privilege:

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Reviewer: C. PALUT.

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East Hypotheek Mine

Diamond Drill Hole No. 5

Core Log (by V. Hammerand)

Level-North adit
Collar Coordinates-N 10,443.0, E 8004.0
Bearing-S 27°W.
Inclination-0°
Length-200'-0"

0 to 21'-6"-Dark gray quartzite, locally impure. Beds cross hole 30 to 35 degrees.

21'-6" to 108'-0"-Tan massive quartzite. One 7" greenish argillaceous quartzite bed at 31'-0".

At 24'-6"-1/4" to 1/2" vein quartz. Crosses hole at 30 degrees.

At 29'-10"-1" vein quartz.

At 37'-0"-Three 1/2" to 1" core fragments of vein quartz recovered.

At 50'-0"-Soft, poorly cemented quartzite well stained by iron oxide.

At 57'-10"-2" vein quartz.

At 65'-0"-Small core fragment of vein quartz recovered.

At 76'-6"-1/4" to 1/2" vein quartz. Crosses hole at 45 degrees.

At 87'-0"-1" vein quartz.

At 89'-0"-Basic dike 11" wide, well altered.

At 102'-0"-10" core silicified. A few small core fragments of vein quartz.

108'-0" to 115'-0"-Dark gray siliceous argillite. Beds cross hole at 30 to 40 degrees. At 111'-0"-24" coarse-grained tan quartzite band interbedded with argillite.

At 110'-0"-Two small core fragments of vein quartz.

115'-0" to 127'-6"-Laminated dark gray somewhat sandy argillite. Beds cross hole 40 to 60 degrees. At 121'-6" one 6" quartzite bed.

At 126'-0" One 1/2" vein quartz core fragment.

127'-6" to 139'-6"-Poorly laminated argillaceous quartzite interbedded with bands of fairly pure gray and white quartzite. Beds cross hole at 60 degrees.

At 131'-0"-2" vein quartz.

139'-6" to 152'-0"-Black laminated argillite. Beds cross hole at 50 to 60 degrees.

152'-0" to 175'-6"-Black laminated argillite. Beds appear folded. Cross hole at 2 to 70 degrees.

Diamond Drill Hole No. 5

175'-6" to 191'-0"-Black laminated argillite. Beds cross hole 30 to 50 degrees.

At 177'-4"-One 4" sandy quartzite bed.

191'-0" to 200'-0"-Poorly laminated gray and black argillite. Beds cross hole at 50 degrees.

East Hypotheek Mine

Diamond Drill Hole No. 6

Core Log (by V. Hammerand)

Level-North adit
Collar Coordinated-N 10,052.5, E 8180.5
Bearing-S 56° 30' W.
Inclination-0°
Length-105'-0"

0 to 8'-0"-Tan coarse-grained quartzite.

8'-0" to 15'-0"-Laminated gray and black argillite. Beds cross hole at 35 degrees. Beds locally contorted.

15'-0" to 24'-6"-Poorly laminated greenish sandy argillite. Beds cross hole at 35 to 40 degrees.

24'-6" to 49'10"-Poorly laminated mixed rock ranging from siliceous argillite to argillaceous quartzite.

49'-10" to 50'-6"-Coarse sandy quartzite bed.

50'-6" to 52'-0"-Poorly laminated argillaceous quartzite.

52'-0" to 59'-0"-Black and gray laminated argillite. Beds 50-60 degrees.

59'-0" to 105'-0"-Gray and black laminated argillite. Beds cross hole 50 to 60 degrees. At 98'-6" one 24" band poorly laminated siliceous argillite.

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Reviewer: C. Palat

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East Hypotheek Mine

Diamond Drill Hole No. 7

Core Log

Level - North adit
Collar Coordinates - N. 10,484.0, E. 8,023.0
Bearing - N. 22 E.
Inclination - (-)30°
Length - 445'0"

0 to 63'0"	Black and gray laminated argillite, much is quite siliceous. Fine-grained, widely disseminated pyrite is common.
	At 10'0" (0-20") minor fracturing of rock, some thin quartz stringers, much FeO_x in fractures.
	At 16'0" (0-7") altered dioritic dike.
	At 22'4" (0-4") isolated pods of pyrite and pyrrhotite.
	At 37'0" a 1" quartz stringer.
	At 44'2" a 1/2" quartz stringer at 45° to hole.
	At 45'5" a do.
	At 46'4" (0-6") scattered small pods of pyrite.
	At 57'0" (0-3") cluster of 1/4" quartz stringers.
	At 58'0" small stringer of pyrite grains in bedding.
63'0" to 80'0"	At 64'6" a 1"-2" stringer barren quartz.
	At 76'9" a 1/2" pod of pyrite and pyrrhotite.
80'0" to 111'7"	Poorly laminated, medium-gray argillite with many arenaceous laminae.
	At 98'0" (0-6") sheared rock.
	At 102'2" is 1"-2" broken tan siliceous quartzite.
	At 106'0" is 1/2" quartz stringer normal to hole.

East Hypothesis Mine

Diamond Drill Hole No. 7

Core Log

Level - North adit
Collar Coordinates - N. 10,484.0, E. 8,023.0
Bearing - N. 22 E.
Inclination - (-)30°
Length - 445'0"

0 to 63'0"	Black and gray laminated argillite, much is quite siliceous. Fine-grained, widely disseminated pyrite is common.
	At 10'0" (0-20") minor fracturing of rock, some thin quartz stringers, much FeO_x in fractures.
	At 16'0" (0-7") altered diorite dike.
	At 22'4" (0-4") isolated pods of pyrite and pyrrhotite.
	At 37'0" a 1" quartz stringer.
	At 44'2" a 1/2" quartz stringer at 45° to hole.
	At 45'5" a do.
	At 46'4" (0-6") scattered small pods of pyrite.
	At 57'0" (0-3") cluster of 1/4" quartz stringers.
	At 58'0" small stringer of pyrite grains in bedding.
63'0" to 80'0"	At 64'6" a 1"-2" stringer barren quartz.
	At 76'9" a 1/2" pod of pyrite and pyrrhotite.
80'0" to 111'7"	Poorly laminated, medium-gray argillite with many arenaceous laminae.
	At 98'0" (0-6") sheared rock.
	At 102'2" is 1"-2" broken tan siliceous quartzite.
	At 106'0" is 1/2" quartz stringer normal to hole.

111'7" to 112'4"	Fine-grained dioritic dike.
112'4" to 143'0"	Well-laminated, light- and dark-gray argillite and siliceous argillite. Minor disseminated pyrite. At 124'0" is 1/2" stringer quartz and pyrite normal to the hole. At 137'6" is 1/4" quartz and pyrite stringer. At 138'6" is 1/2" quartz and pyrite stringer at 45° to hole.
143'0" to 169'6"	Laminated, light-gray argillitic quartzite with many bands of medium-gray siliceous argillite. At 166'6" is 3" zone of small quartz stringers.
169'6" to 185'0"	Light-gray, medium-grained, sub-vitreous to vitreous quartzite. Bedding 30° - 45° to hole. At 176'2" is 1/2" quartz stringer nearly parallel to hole. At 179'10" is 1" quartz stringer at 45° to hole. At 184'8" is 1" quartz stringer normal to hole.
185'0" to 202'0"	Light- and dark-gray laminated siliceous argillite. Bedding 30°-40° to hole.
202'0" to 228'0"	Rocks become more siliceous with many sub-vitreous quartzite layers in a siliceous argillite. Some laminations. Bedding becomes nearly parallel to hole.
228'0" to 239'0"	Medium-gray siliceous argillite, laminated by many argillaceous quartzite layers. Bedding 10°-30° to hole.
239'0 to 239'8"	Light-tan sub-vitreous quartzite.
239'8" to 241'6"	Laminated, light- and dark-gray siliceous argillite.

111'7" to 112'4"	Fine-grained dioritic dike.
112'4" to 143'0"	Well-laminated, light- and dark-gray argillite and siliceous argillite. Minor disseminated pyrite. At 124'0" is 1/2" stringer quartz and pyrite normal to the hole. At 137'6" is 1/4" quartz and pyrite stringer. At 138'6" is 1/2" quartz and pyrite stringer at 45° to hole.
143'0" to 169'6"	Laminated, light-gray argillitic quartzite with many bands of medium-gray siliceous argillite. At 166'6" is 3" zone of small quartz stringers.
169'6" to 185'0"	Light-gray, medium-grained, sub-vitreous to vitreous quartzite. Bedding 30° - 45° to hole. At 176'2" is 1/2" quartz stringer nearly parallel to hole. At 179'10" is 1" quartz stringer at 45° to hole. At 184'8" is 1" quartz stringer normal to hole.
185'0" to 202'0"	Light- and dark-gray laminated siliceous argillite. Bedding 30°-40° to hole.
202'0" to 228'0"	Rocks become more siliceous with many sub-vitreous quartzite layers in a siliceous argillite. Some laminations. Bedding becomes nearly parallel to hole.
228'0" to 239'0"	Medium-gray siliceous argillite, laminated by many argillaceous quartzite layers. Bedding 10°-30° to hole.
239'0 to 239'8"	Light-tan sub-vitreous quartzite.
239'8" to 241'6"	Laminated, light- and dark-gray siliceous argillite.

241'6" to 265'0"	Light-gray vitreous to sub-vitreous quartzite. Bedding 50°-70° to hole. At 247'0" a 2" barren quartz stringer normal to hole. At 249'0" a 10" bed of dark-gray siliceous argillite. At 264'6" a 2" seam of intensely bleached quartzite.
265'0" to 269'6"	Irregularly interbedded, light-gray sub-vitreous quartzite and medium-gray siliceous argillite. Bedding 20°-40° to hole.
269'6" to 289'0"	Light-gray sub-vitreous to vitreous quartzite. At 273'0" a 1" barren quartz stringer normal to hole. At 275'6" a 1½" barren quartz stringer normal to hole.
289'0" to 291'0"	Interbedded siliceous argillite and vitreous quartzite. Bedding 10°-20° to hole.
291'0" to 445'0"	Light-gray to tan, sub-vitreous to vitreous, quartzite, sericitic in part. Occasional thin (1"-3") bed of medium-gray siliceous argillite. Scattered 1/2"-2" quartz stringers at high angle to hole. Occasional small pyrite pod. Bedding 20°-40° to hole. At 334'0" the bedding turns nearly parallel to the hole. At 340' bedding turns back to high angle to hole. No noteworthy changes in lithology in this interval.

244'6" to 265'0"	Light-gray vitreous to sub-vitreous quartzite. Bedding 50°-70° to hole.
	At 247'0" a 2" barren quartz stringer normal to hole.
	At 249'0" a 10" bed of dark-gray siliceous argillite.
	At 264'6" a 2" seam of intensely bleached quartzite.
265'0" to 269'6"	Irregularly interbedded, light-gray sub-vitreous quartzite and medium-gray siliceous argillite. Bedding 20°-40° to hole.
269'6" to 289'0"	Light-gray sub-vitreous to vitreous quartzite.
	At 273'0" a 1" barren quartz stringer normal to hole.
	At 275'6" a 1½" barren quartz stringer normal to hole.
289'0" to 291'0"	Interbedded siliceous argillite and vitreous quartzite. Bedding 10°-20° to hole.
291'0" to 445'0"	Light-gray to tan, sub-vitreous to vitreous, quartzite, sericitic in part. Occasional thin (1"-3") bed of medium-gray siliceous argillite. Scattered 1/2"-2" quartz stringers at high angle to hole. Occasional small pyrite pod. Bedding 20°-40° to hole.
	At 331'0" the bedding turns nearly parallel to the hole.
	At 340' bedding turns back to high angle to hole.
	No noteworthy changes in lithology in this interval.

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Document Author: ~~11/19/30~~ SH. Gibbs

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Reviewer: C. PALUH.

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REPORT ON THE KING OF PINE CREEK

YREKA MINING DISTRICT, SHOSHONE COUNTY, IDAHO

NOVEMBER 19, 1930

LOCATION:

The property is located on Pine Creek, about three miles above its junction with the Coeur d'Alene River. It comprises the south half of section 18, with small fractions adjoining in sections 17 - 19 and 20, all in T. 48 N. R. 2 E.

The Pine Creek highway runs thru the east edge of the ground and a branch line of the railroad terminates a mile and a quarter north of the shaft.

There are a couple of sawmills a short distance north on the highway which furnish lumber and sawed timber used in surface and underground work.

EQUIPMENT:

Two electrically driven Ingersoll Band compressors furnish a thousand feet of air per minute for the drills and blacksmith shop and for the air pumps in case of emergency.

The hoist is an electric, Coeur de Alene.

Everything is housed in good shape and there are several cottages nearby for the workmen.

At present one Worthington rotary electric pump handles the water from the shaft workings. A duplicate of this pump is kept in reserve and there are also two air pumps, a No. 7 and a No. 9 connected up in the shaft for emergency use.

Equipment, including buildings, is probably worth around $25,000.00.

DEVELOPMENT:

The two old development tunnels were driven practically on a level with Pine Creek and on the west side of the gulch. The shaft collar is a hundred feet or so higher to give elevation for a mill.

The north tunnel was driven 320 ft. by hand work, a good many years ago. It followed a northwest fracture, with a southerly dip of 60°, thru a white quartzite formation. Low grade ore, carrying small amounts of Fe, Pb, Ag and Zn sulphides, was encountered at intervals along the drift as shown by the accompanying map. Samples were taken by J. P. Hall, the consulting engineer for the property.

At 160 ft. from the portal the shear zone widened out and a 35 ft. winze was sunk. No improvement in the ore was noted.

At 50 ft. back of the breast a 25 ft. crosscut was driven south and two more stringers of ore were picked up and followed to the breast. They carried the same kind of ore as the main zone but a little cleaner and slightly high grade.

The drift has gained 150 ft. of depth at the breast.

The south tunnel was started 320 ft. south of the north one at practically the same elevation. It followed a similar mineralized fracture zone, except that the mineralization was weaker and showed more oxidation. The quartzite also was softer. At 175 ft. from the portal a slit was encountered. Work from here on followed the northwest zone on the same strike as the north tunnel. Dip is much steeper, from 80° to 85° south.

The shaft was started 175 ft. south of the north tunnel. From the data obtained in the north tunnel it was figured that the same shear zone would be cut in the shaft at the 200 ft. level. The zone was not cut and a crosscut

northwest ?

was driven 160 ft. to the northeast. At 60 ft. a northwest shear zone, carrying a little quartz but no values, was passed thru. Quartzite was encountered for 45 ft. further on, where the formation changed to typical black Prichard. Work was stopped in the crosscut and a drift was run for 310 ft. along the shear zone, without encountering any ore. At the breast a crosscut was started north and immediately entered a mineralized zone carrying fair values in lead and zinc sulphides scattered thru the cracks and in the solid quartzite for a distance of 15 ft., at which point the beds took a sharp turn upwards and then flattened out in the face. The breast is in very hard quartzite with no sign of mineral. At 50 ft. further east another crosscut was driven and the same mineralized zone was encountered. No further work was done on this level.

In sinking the shaft from the 200 level the shear zone should have been cut about 25 feet above the 300 ft. level. It failed again and the 300 level drift was swung to the northwest on the assumption that they were on the hanging wall side of the shear zone. At 380 feet some disseminated sulphides of lead and zinc were cut. The drift passed thru these and 70 feet further on a 15 ft. crosscut was made to the south, where a fair showing of lead and zinc sulphides was cut.

At 40 ft. beyond this another shorter crosscut was run south with the same result. From here to the breast, a distance of 80 feet, disseminated sulphides of lead and zinc in a hard quartzite were encountered. The breast itself does not show much ore, being apparently on the footwall side of the zone.

As will be seen from the map, the strike of the ore on the 200 level does not correspond with that in the north tunnel, nor does it correspond in vertical position with that on the 300 level, figuring on the dip obtained in the north tunnel. The ore zone on the 200 and 300 ft. levels appears to be an entirely different zone from that in the tunnel. It has a N. 65° W. strike and is approximately vertical. If projected west from the 200 level the line would pass thru a surface showing, opened by trenching some 400 ft. west of the 200 breast.

GENERAL:

The property is owned locally, a majority of the stock being held by H. Pearson and J. P. Hall of Wallace.

At present Stratton has an option but is not operating, only two men being kept at the mine to operate the pumps.

No samples were taken as the ore is too irregular to permit hand sampling. A round or two would have to be broken and the whole thing sent to a sampling mill in order to get an average value.

CONCLUSIONS:

The mine lies in a Prichard formation and this makes it very doubtful if a continuous ore body of any size will be found, the general rule for this formation being lenses of irregular shape and size lying in the quartzite beds or ribs which traverse this formation.

Not enough work has been done on the property to determine the size or extent of the quartzite rib in which the ore lies.

Snow prevented examination of any surface showings which might indicate the probable extension of the ore to the west.

Future underground development should consist of drifts on the 200 and 300 levels west, on the ore, with a raise from the 300 to the 200 and a raise for 100 ft. above the 200. This development would establish the real strike and dip of the ore, which to date is very much in doubt.

The present showing of ore warrants further development.

Respectfully submitted: /s/ H. GIBBS

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COPY

July 15, 1929

RECONNAISSANCE REPORT

NEW JERSEY - KING OF PINE CREEK CONSOLIDATED M. CO.

This property is situated on the west side of Pine Creek 3/4 of a mile below the forks of the creek.

Harry Pearson bought the property from the original owners and has presumably given a lease and bond to the Stratton interests who are said to be in charge of present development.

Visitors are not allowed to view the underground operations but my wide acquaintance among the employees enabled me to obtain a comprehensive description regarding disclosures and general underground conditions.

A mineralized fissure striking N. 52° W. with 65° ∠ S. W. dip occupies what is apparently a faulted contact between Prichard slate (Hanging wall) and Burke formation (footwall).

A shaft has been sunk to a depth of 210 feet below the level of Pine Creek and a crosscut from this shaft has cut through a 9 foot vein.

A streak of galena 8 inches in width occurring in this vein is said to have shown 45% lead and 15 oz. in silver. Several smaller stringers containing lead and zinc are also present in this vein but I was unable to obtain any data concerning possible values across the vein.

I was told that the management does not intend to do any development on the 200' level other than to prove the downward continuation of the vein to this point.

They are going to sink the shaft to the 400 foot point and explore the vein on that horizon.

The operation is well financed and it is apparent that the management has decided to take a chance on deep exploration before any development is attempted on intermediate horizons.

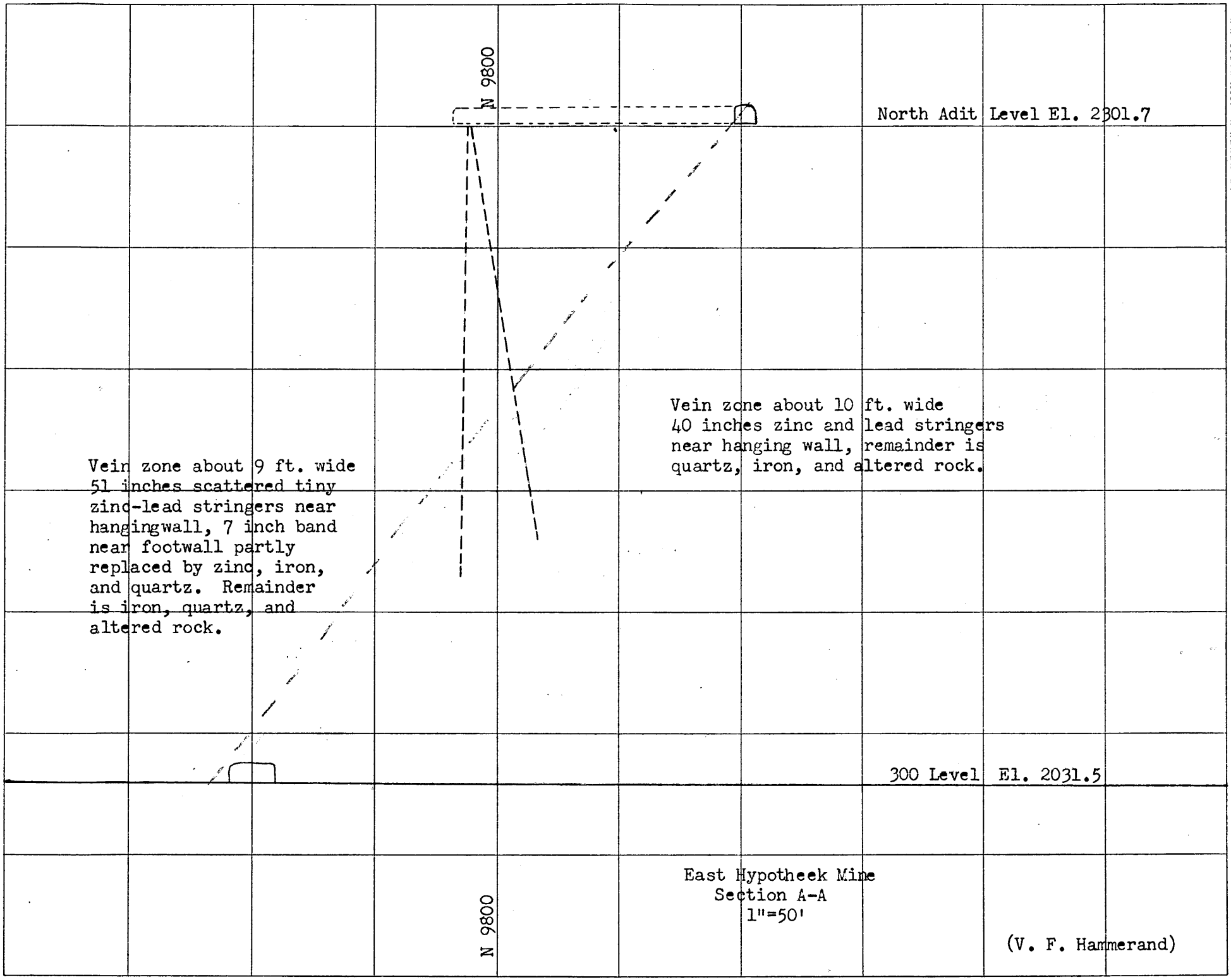
Due to my inability to gain admission to the underground workings I am unable to make any definite comment regarding possibilities.

The Company is conducting a development campaign which is very interesting from a geological view point and it is always possible that something of value will be disclosed.

I have arranged to keep in general touch with developments.

Respectfully submitted,

S/ JOHN L. STONE



"ALBANENE" NO. 185M K&E CO., N.Y.
REG. U.S. PAT. OFF.

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U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 7/14/53

Document Title: Soil Samples Collected in five Traverses across Surface project of "South vein.

Document Author: Harry E. Crowe
Leonard B. Riley

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palat.

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

9-011

Soil samples collected in five traverses across surface projection of "South" vein.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Report No. GCD-396 For Arthur B. Campbell Date 7-14-53

Requested by

Lot No. _____

Twenty-three (23) samples from South Vein at the East Hypotheek Mine, Yreka Mining District, Shoshone County, Idaho.

Serial No.	Field No.	ppm Pb	ppm Zn
53-719	1 EH 53	<20	100
53-720	2 EH 53	<20	70
53-721	3 EH 53	100	50
53-722	4 EH 53	50	70
53-723	5 EH 53	<20	60
53-724	6 EH 53	<20	50
53-725	7 EH 53	<20	50
53-726	8 EH 53	<20	40
53-727	9 EH 53	<20	70
53-728	10 EH 53	50	80
53-729	11 EH 53	40	80
53-730	12 EH 53	40	60
53-731	13 EH 53	20	60
53-732	14 EH 53	40	150
53-733	15 EH 53	50	130
53-734	16 EH 53	60	70
53-735	17 EH 53	50	100
53-736	18 EH 53	100	70
53-737	19 EH 53	100	80
53-738	20 EH 53	70	70
53-739	21 EH 53	120	60
53-740	22 EH 53	100	70
53-741	23 EH 53	300	50

Method: Field

Date received: 7-7-53

Leonard B. Riley

Geochemical Prospecting Analytical Laboratory
By Harry E. Crowe, Analyst

Leonard B. Riley
Denver Coordinator

Geochemistry and Petrology Branch

H W Kulin by H Blom

Project Leader

☆ U. S. GOVERNMENT PRINTING OFFICE: 1951 - 974763

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 5/18/55

Document Title: DOCKET NO. DMSA-2400 (lead-zinc) HYPOTHEEK MINING & MILLING CO. SHOSHONE COUNTY, IDAHO CONTRACT NO. IDM-E380

Document Author: A.G. WEISSENBORN
W.G. AGNEW

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALCOT.

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

May 18, 1955

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

Re: Docket No. DMEA-2420 (lead-zinc)
Hypotheek Mining & Milling Company
Shoshone County, Idaho
Contract No. Idm-1980

Dear Mr. Selfridge:

The Field Team feels that this office already has all pertinent maps and information on the project covered by the cited contract, and that a final report by the Operator would serve no useful purpose. Therefore, the requirement for a final engineering and geological report from the Operator, as called for in the contract, is hereby waived.

The exploration was relatively unsuccessful but a Certification of Discovery or Development was issued October 29, 1954.

By Field Team, Region 1, NW District

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

_____
[illegible] G. [illegible], Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (D)
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI – SOL, WASH DC

Document Date: 3/8/55

Document Title: Document No. DMEA-2424 (lead-zinc) Hypothek Mining and Milling Co. Shoshone County, Idaho Contract No. Ioim-E380

Document Author: A.E. Weissenborn
W. G. Agnew

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Palut.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

March 8, 1955

Mr. Ray H. Kingsbury
Hypothesis Mining and Milling Company
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2424 (lead-zinc)
Hypothesis Mining and Milling Company
Shoshone County, Idaho
Contract No. Idm-2380

Dear Mr. Kingsbury:

The Field Team is currently reviewing the status of contracts which are inactive but which have not been officially terminated. No more contract work remains to be done but a review of the East Hypothesis docket shows that the last "Operator's Monthly Progress Report", Form MF-164, was submitted by you for the period July-August 1953. If an accounting for any approved work accomplished since that report is not received by April 1, 1955, the Field Team must assume that no obligation to you is outstanding and will initiate proceedings to terminate the contract on the basis of claims already submitted by you.

We should like to remind you also that until payment of $473.21 is received by the Government or until that amount is deleted from a sum properly claimed by you in an invoice, a receipt cannot be issued assigning jointly-owned equipment to you.

By Field Team, Region I, NW District

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

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

cc: DMEA (2)
USBM (2)
USBM(AD)
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 12/28/58

Document Title: ~~Docket B Camp~~ No. DMEA-2400 (lead-zinc), Interim Report, Hypothek Mining & Milling Co. Shoshone County, Idaho, Contract No. Idm-E380

Document Author: A.B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Palutsi

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xxxxxxxxxxxxxxx
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

Subject: Docket No. DMEA-2420 (lead-zinc), Interim report, Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract No. Ida-8380

Mr. Roy K. 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 (AB)
Docket
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI – SOL, WASH DC

Document Date: 12/10/54

Document Title: DOCKET NO. DMEA-2420 (lead-zinc) Hypothreek mining & milling Co. EAST Hypothreek mine Shoshone County, IDAHO Contract No. IDM-E380

Document Author: A.E. WEISENBORN
W.G. AGNEW

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUT:

STATUTORY PRIVILEGE OF
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XXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

December 10, 1954

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

Re: Docket No. DMEA-2420 (lead-zinc)
Hypothesk Mining and Milling Company
East Hypothesk Mine
Shoshone County, Idaho
Contract No. Idm-E580

Dear Mr. Belfridge:

In an interim report dated November 19, 1954, to the Field Team concerning the subject property, E. G. Erickson, Bureau of Mines, stated that "it is not clear what is considered production from a mine as would apply to a DMEA contract." We wish to submit more detailed information regarding the current situation at the East Hypothesk property and to request that the phrase "mined or produced from the land," as used in Article 9 of the contract, be more precisely defined.

The drift at the East Hypothesk mine was being driven on ore at the time application was made for DMEA assistance and this development ore was being stockpiled on the dump. Prior to the signing of the contract, the vein was found to terminate against a fault, and at the time the contract was signed the drift was following an unmineralized shear.

The initial step of the DMEA work was to rehabilitate, straighten, and enlarge the first 320 feet of the drift. In so doing, a small tonnage of low-grade development ore was mined. The operator, following instructions of the Field Team, kept this muck separate in the dump area.

In February 1954 lessors shipped 184 tons of muck from the stockpile made prior to the signing of the contract. Net smelter returns from this shipment totaled $516.34. Milling and hauling charges were considerably more than the smelter returns so that a loss was realized on the venture. None of the DMEA development ore was included in the shipment. As a matter of fact, the DMEA stockpile will run lower grade than the "ore" that was shipped so there is little possibility that it will be milled in the foreseeable future.

The question arises whether such stockpiled ore mined prior to the contract date but sold during the repay period is subject to royalty payment to the Government. We would appreciate a ruling on this particular case and on a general clarification of the intent of the phrase "mined or produced from the land" as it applies to a DMEA contract. Specifically, is ore "produced" when it is severed from the place where it was found and brought to the surface or is it "produced" when it is sold and removed from the property?

By Field Team, Region II

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

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

cc: USBM (2)
USBM (AD)
Campbell

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Repository Location: SPOKANE, WASHINGTON

File Bates Number: USGSPD 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/29/54

Document Title: Docket No. DMEA-2420 (lead-zinc) EAST HYPOTHEEK mine Shoshone County Idaho Contract Jdm-6380

Document Author: A. E. Weissenborn W. G. Agnew

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Pacut.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

XXXXXXXXXXXXXXX
No. 157 Howard Street
Spokane 4, Washington

September 29, 1954

Mr. Roy H. Kingsbury, Secretary
Hypothesis Mining and Milling Company
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420 (lead-zinc)
East Hypothesis Mine
Shoshone County, Idaho
Contract Idm-8330

Dear Mr. Kingsbury:

Reference is made to your letter of September 20, 1954.

Mr. Arthur B. Campbell has informed us that he talked with you on September 22, 1954, and explained to you why the Defense Minerals Exploration Administration cannot participate in the cost of drilling to the south. Therefore, this letter will merely confirm what he told you; namely, that we feel that there is no significant target to the south which is worth the cost of the drilling and, moreover, one drill hole intersection would be an inconclusive test of the structure.

By Field Team, Region II

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

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

cc: DMEA (2) w/2 cys incoming
USGM (2)
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSDO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 11/19/54

Document Title: Interim Report, Hypothbeek Mining & Milling Co. Shoshone County, Idaho Contract No. Idm-E380, Docket No

Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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. C. Erickson, Mining Engineer, Bureau of Mines

Subject: Interim report, Hypothesis 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 compresserman.

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. Mittenderf 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 Hypothesis 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

E. G. Erickson

MINER FM 692 8M 11 52

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'se 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.	0.3	% 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.	$	71.399
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 1844 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

Pm 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 ¢ @ $ 2.30	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 @ $		4	81		
Switching			14		
Federal Tax					
				4	95
BALANCE DUE				316	01

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

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File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 10/2/54

Document Title: Docket No. DMEA-2480 (lead-zinc) EAST HYPOTHECK Mine Shoshone County, Idaho Contract IdM-E380

Document Author: Roy H. Kingsbury

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palut

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

Hypotheek Mining & Milling Company

OFFICE: WALLACE, IDAHO MINES: KINGSTON, IDAHO

Wallace, Idaho October 2, 1954

A. E. Weissenborn
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-2420 (lead-zinc)
East Hypotheek Mine
Shoshone County, Idaho
Contract Idm-E380

Dear Mr. Weissenborn:

I have your letter of September 29th, and we understand the reason why DMEA does not wish to participate is the cost of drilling to the south.

We are still drilling on the 30° down hole to the north from the face of the north surface tunnel and are in over 400'. Our objective is 450' which we hope to conclude under our contract.

Thanking you.

Sincerely,

Roy H. Kingsbury

Roy H. Kingsbury

RHK/ca

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OCT 5 1954

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U.S. v. ASARCO

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File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/27/54

Document Title: INTERIM REPORT, DOCKET NO. DMEA 2420 (lead-zinc) Hypothecek Mining & Milling Co., Shoshone County, Idaho Contract Idm-E360

Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALLOT.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

Campbell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 27, 1954

MEMORANDUM

To: DMEA Field Team, Region II

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

Subject: Interim report, Docket No. DMEA 2430 (lead-zinc), Hypothesis Mining & Milling Co., Shoshone County, Idaho, Contract Idm-2360

Mr. Roy N. Kingsbury 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.

Orig. & 3 cys - Wash.
USGS (2)
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E. G. Erickson

RECEIVED
SEP 28 1954
U. S. G. S.
SPOKANE, WASH.

XXXXXXXXXXXXXXXXXX

No. 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, Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract No. IDm-2380.

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 400 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)
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Campbell

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Repository Name USGS

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File Bates Number: USGSPO 0001007

File Owner: W. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/20/54

Document Title: Docket No. DMEA-2420 (lead-zinc) EAST Hypotheek mine Shoshone County, Idaho Contract No. Idm280

Document Author: Roy H. Kingsbury

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: Colette Paluti.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

COPY

Ar C.

HYPOTHEEK MINING & MILLING COMPANY

Wallace, Idaho

September 20, 1954

A. E. Weissenborn
Executive Officer, DMEA
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-2420 (Lead-Zinc)
East Hypotheek Mine
Shoshone County, Idaho
Contract No. Idm-R380

Dear Mr. Weissenborn:

We have your letter of September 10th, and I am wondering whether these formal papers are the final word on this project.

On August 7th, I attempted to contact Mr. Erickson to see if we could transfer from the item of drifting in the contract sufficient funds to cover a 700' diamond drill hole southerly from the face of the south crosscut from the north drift. This is the same south crosscut from which the two down holes were driven nearly vertical to a 150' depth. Mr. Erickson was on vacation and a couple weeks later I contacted him and he said he would review the situation to see if it will be possible to conform to our wishes. Since then I have not heard from Mr. Erickson and I assume that he might run into opposition based on the last paragraph of your letter, advising that the Government will not participate in any south drilling.

We anticipate that Hypotheek will drill this horizontal hole to the south whether or not the Government participates. We should like to have the Government participate, and one of the reasons is that should the drill hole encounter ore, there would be no problem of whether or not Hypotheek should pay the Government a royalty on production.

We appreciate that there must be a reason why the Government wishes to eliminate their participation on any south drilling, and perhaps it would be to our advantage to learn why the Government will not participate in south drilling.

From the evidence, we believe two vein structures lie to the south. The former operators, King of Pine Creek extended a south drift westerly which branched off from the first course about 175' from the portal continuing in a more northerly direction for more than 200'. When we acquired this ground, we diamond drilled southerly from a point about 300' from the portal to determine whether the vein persisted on its first course, with the possibility that the drift, when it changed course, followed a branch. At about 75' this diamond drill hole picked up the vein structure which was 10 to 14' wide. The proposed south hole which we projected would cut the structure at about 1000' from the portal if it persisted. The second vein structure is indicated by surface croppings and other indications

apparently following a more northerly course and should be cut at around 660' in the same proposed southerly diamond drill hole.

We are grateful to you and we are signing and returning the copies of the Amendment No. 5. We have not yet completed the 30° down hole to the north which we started in June, because we found the drilling machine was unable to complete the hole stopping at 340' with the drill bit in the quartzite. We planned this hole to go through the quartzite to the contact with the slate. As we at that time planned to drill the south hole with a larger machine, the contractor planned to finish the north hole when he brought in the larger machine for the south drilling. At that time he was using the larger machine elsewhere, I believe at Highland Surprise. The contractor is now moving in the larger machine to finish the north hole which we estimate will be something over 400'.

Sincerely,

/s/ Roy M. Kingsbury

Roy M. Kingsbury

RMK/ca

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Document Date: 9/10/54

Document Title: Docket No. DMEA 2420 (lead-zinc) EAST Hypothesis mine Shoshone County Idaho Contract No. Idm-#380

Document Author: A.E. Weissenborn

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Paluti

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

XXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

September 10, 1954

Mr. Ray H. Kingsbury
Hypothesis Mining & Milling Company
Wallace, Idaho

Re: Docket No. DMEA-2420 (lead-zinc)
Hunt Hypothesis Mine
Shoshone County, Idaho
Contract No. Idm-8380

Dear Mr. Kingsbury:

Enclosed are the original and 6 copies of proposed Amendment No. 5, with Annex II, which extends the completion date of the above-cited contract for two months. If the terms and conditions of this amendment meet with your approval, please sign all copies, retain that copy marked for the Operator and return the remaining copies to this office.

This will also notify you that the Government will participate in north drilling to the extent of remaining contract funds, but will not participate in any south drilling.

Sincerely yours,

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

Enclosures

cc: DMEA (2)
USBM (2)
Campbell

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File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 8/10/54

Document Title: Docket No. DMEA-2420 (Lead Zinc) Interim Report Hypotheek Mining & Milling Co. Shoshone County, Idaho Contract No. Idm-E388

Document Author: A.B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palutis

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

XXXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

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, Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-2380

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-feet 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.

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Document Date: 8/4/54

Document Title: TELETYPE

Document Author: GEORGE SELTRIDGE

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C PALUT

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File Owner: N. EADES

File Location: DOI – SOL, WASH DC

Document Date: 8/4/54

Document Title: Docket DMEA2420 (lead-zinc) HyPothCreek Mining & Milling Co. Shoshone County, Idaho Contract No. Idm E380

Document Author: A.E. Weissenborn

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C. Alut.

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

[illegible] Howard Street
Spokane 4, Washington

August 4, 1954

Mr. Roy H. Kingsbury
Hypotheek Mining & Milling Company
[illegible] Bank Street
Wallace, Idaho

Re: Docket [illegible] 2423 (Destruction)
Hypotheek Mining & Milling Co.
Shoshone County, Idaho
Contract No. IDa-[illegible]53

Dear Mr. Kingsbury:

We have just received a teletype from our Washington office stating that they will prepare an amendment extending the completion date of the above cited contract for two months.

We trust that this is sufficient time to complete the amount of drilling remaining on your contract.

Yours sincerely,

A. E. Weisenborn
Executive Officer, DMEA
Field Tech. Region II

cc: DMEA(2)
USBM(2)
Campbell

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U.S. v. ASARCO

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Document Date: 8/3/54

Document Title: DOCKET NO. DMEA-2420 (lead-zinc) Hypothecate Mining & Milling Co Shoshone County, Idaho Contract Idm-E380

Document Author: AE. Weissenborn

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Palati

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

No. 207 Howard Street
Spokane 8, Washington

August 3, 1954

Mr. Roy E. Kingsbury
Hypotheek Mining & Milling Company
Wallace, Idaho

Re: Docket No. DMEA-2420 (Renewal-Line)
Hypotheek Mining & Milling Co.
Shoshone County, Idaho
Contract IDm-2300

Dear Mr. Kingsbury:

This will acknowledge receipt of your letter of July 28, 1954.

In vouchers previously submitted, the Hypotheek Mining & Milling Company claimed to have diamond drilled 957 feet under the above-cited contract. This leaves only 543 feet to be drilled under the contract, which called for a total of 1,500 feet of diamond drilling. The 1,000 feet of drilling planned, as stated in your letter, is therefore in excess of the amount allowed under the contract, and the Government cannot share in the cost of any drilling in excess of the original 1,500 feet.

We are asking our Washington office to extend the completion date of your contract to October 4, 1954, assuming that this gives you sufficient time after June 14, 1954, the date you resumed drilling, to complete 543 feet of drilling.

By Mell Ferm, Region II

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

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

cc: DMEA(2)
USGS(2)
Campbell

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Document Date: 8/2/54

Document Title: TELETYPE

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUT.

STATUTORY PRIVILEGE OF
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T E L E T Y P E AUGUST 2, 1954

MR. GEORGE C. SELFRIDGE, CHAIRMAN
OPERATING COMMITTEE, DMEA
DEPARTMENT OF THE INTERIOR
WASHINGTON 25, D.C.

HYPOTHEEK MINING & MILLING COMPANY, DOCKET DMEA-2420, CONTRACT IDM-E380, 24-MONTH COMPLETION DATE IS AUGUST 4, 1954. COMPANY NOW DIAMOND DRILLING AND WOULD LIKE AN EXTENSION OF TIME. HAS ONLY 543 FEET DIAMOND DRILLING LEFT ON CONTRACT AS OF AUGUST 4, 1953. FIELD TEAM SUGGESTS AMENDMENT EXTENDING COMPLETION DATE TO OCTOBER 4, 1954 (2 MONTHS ADDITIONAL).

A. E. WEISSENBORN
EXECUTIVE OFFICER, DMEA
FIELD TEAM, REGION II

cc: Confirmation
UERM
Campbell

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP0000001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 6/6/54

Document Title: Interim Report, Docket No. DMEA 2420 (Zinc - Lead) Hypothecek Mining & Milling Co Shoshone County, Idaho Contract Idm-E380

Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palutis

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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), Hypothesis Mining & Milling Co., Shoshone County, Idaho, Contract Idm-2980

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 bound; 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.

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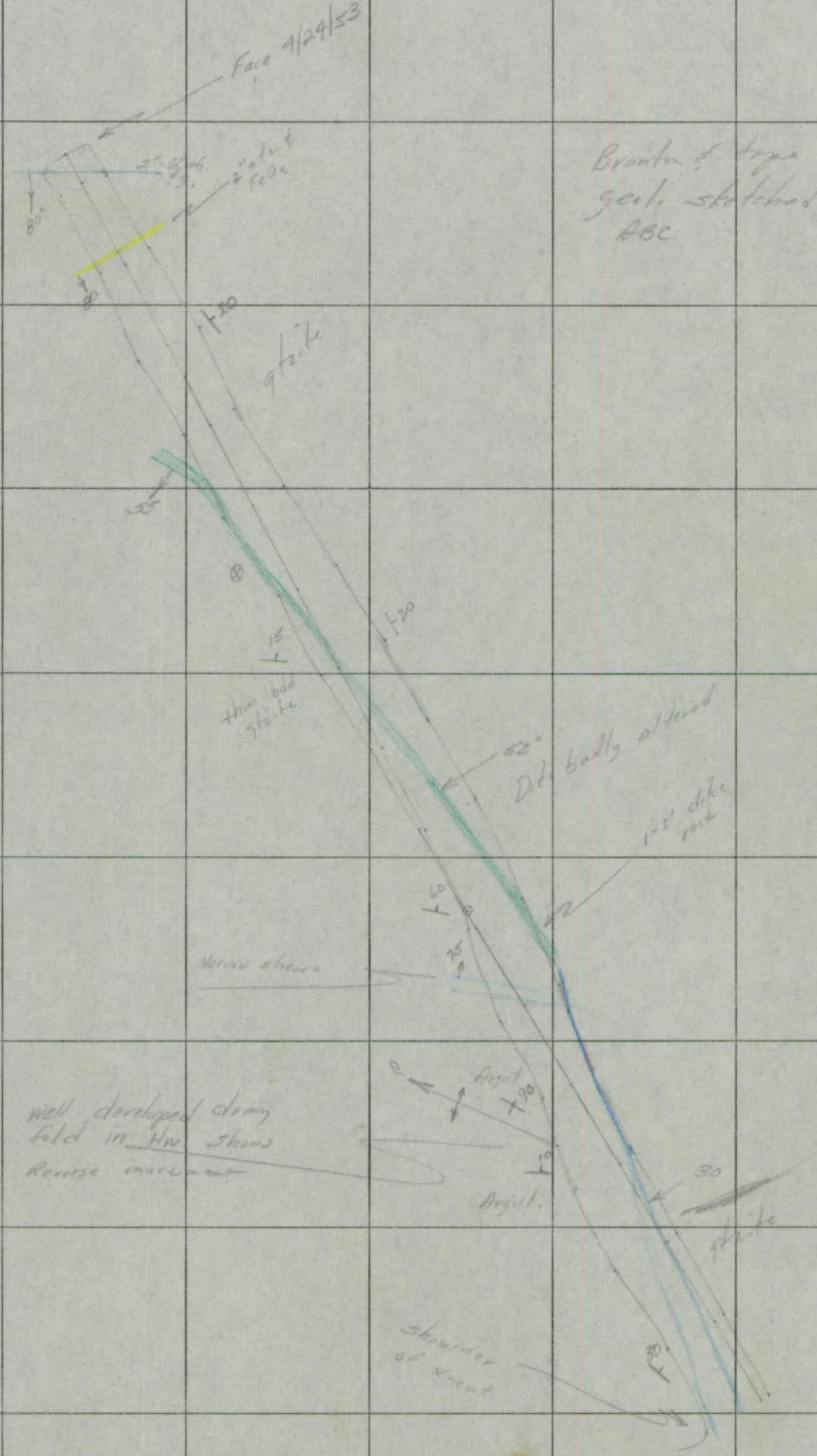
M/D
AD
EGE/he

E. G. Erickson

East Hypotheek Mine
1"=20'

Sheet No. 8



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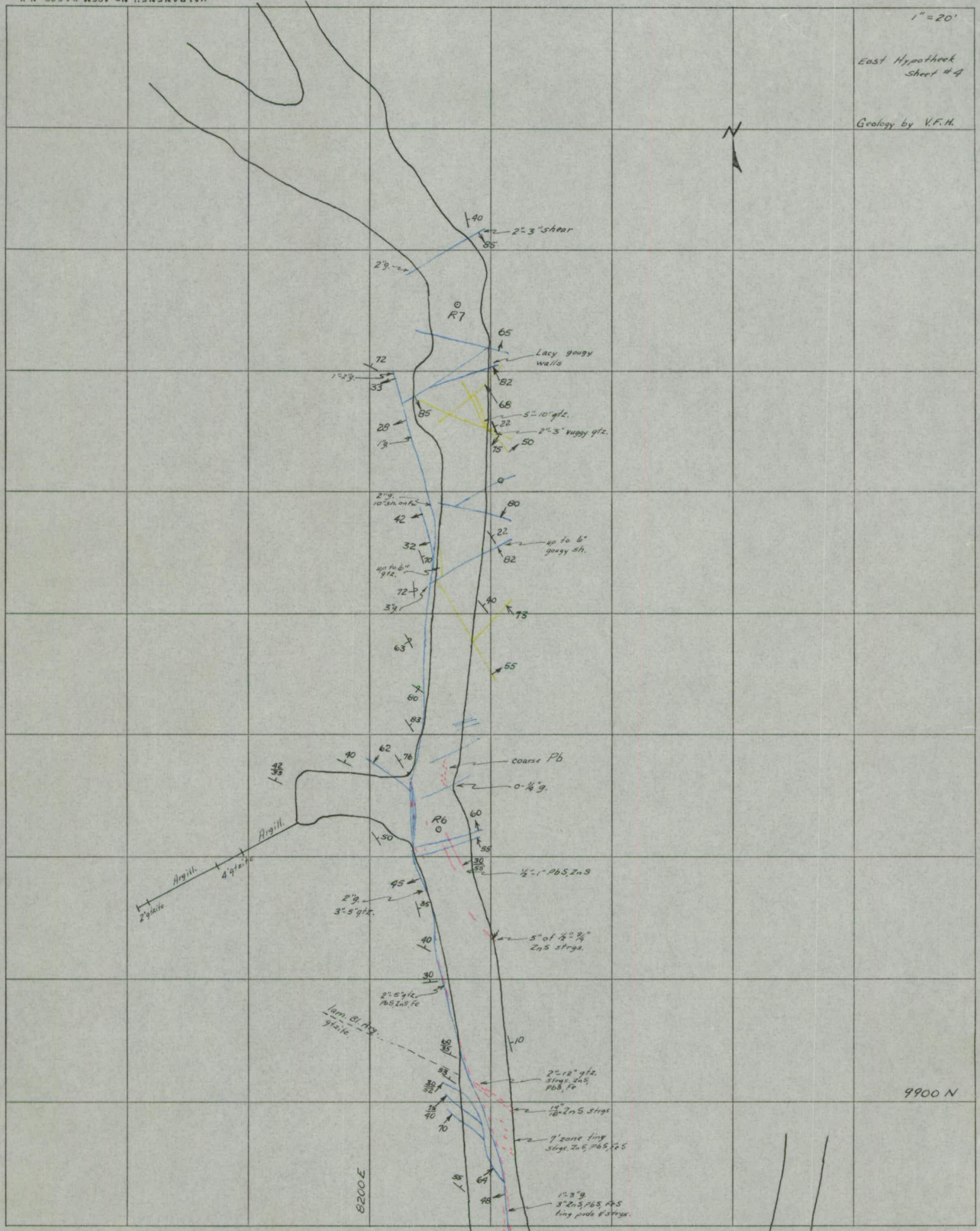
REG. U.S. PAT. OFF.



East Hypotheek Mine
1"=20'

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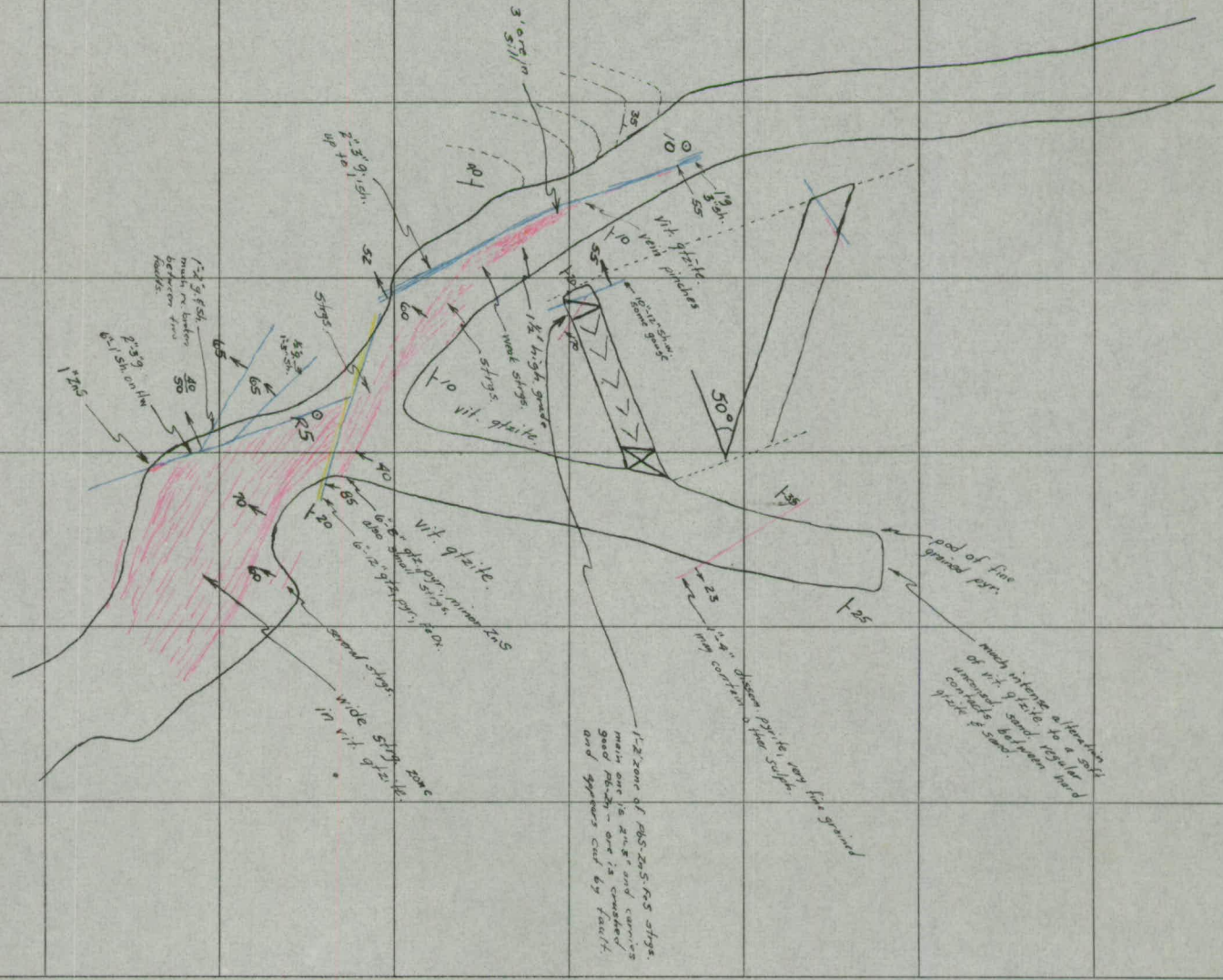

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East Hypotheek Mine
1"=20'

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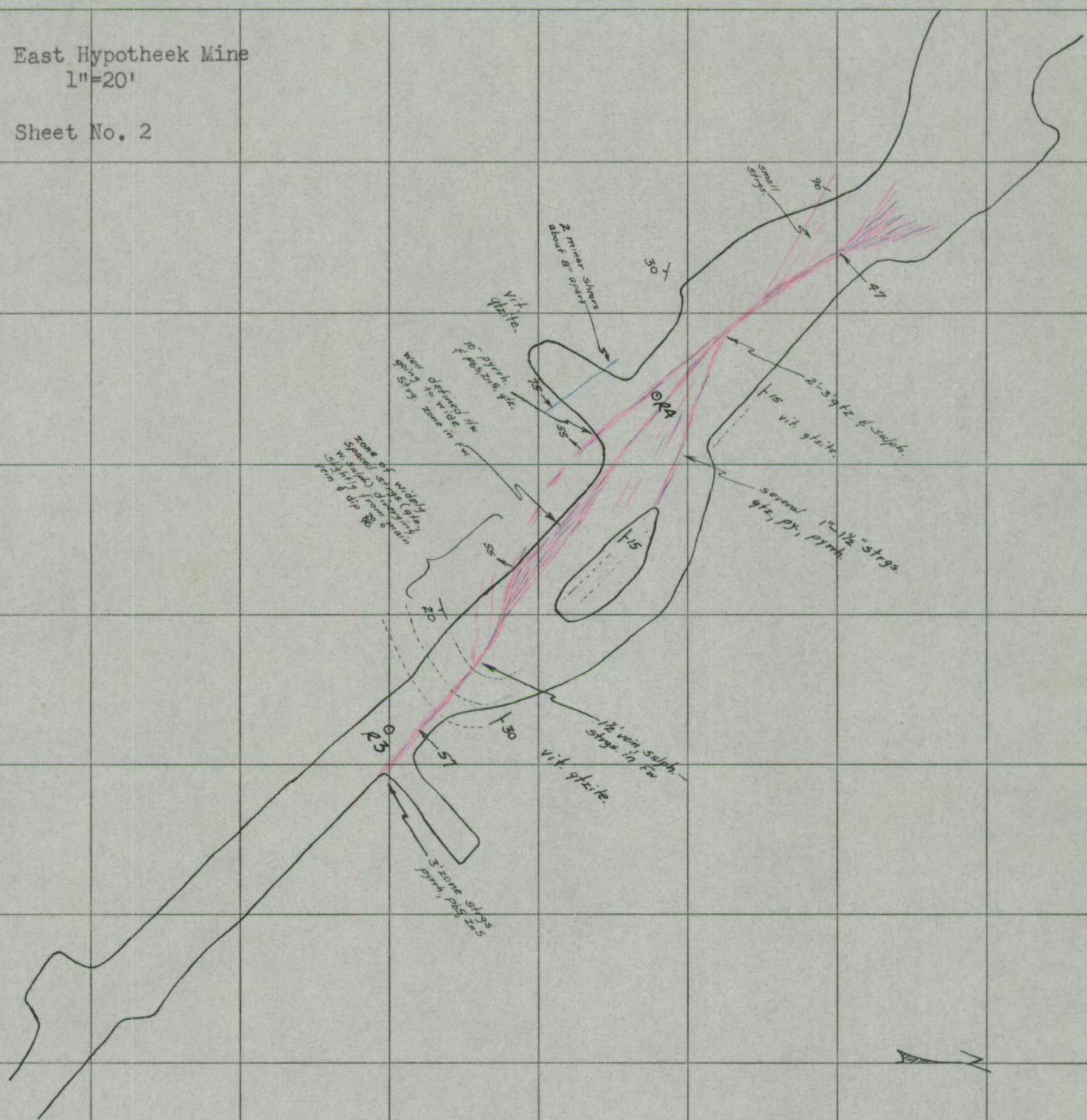

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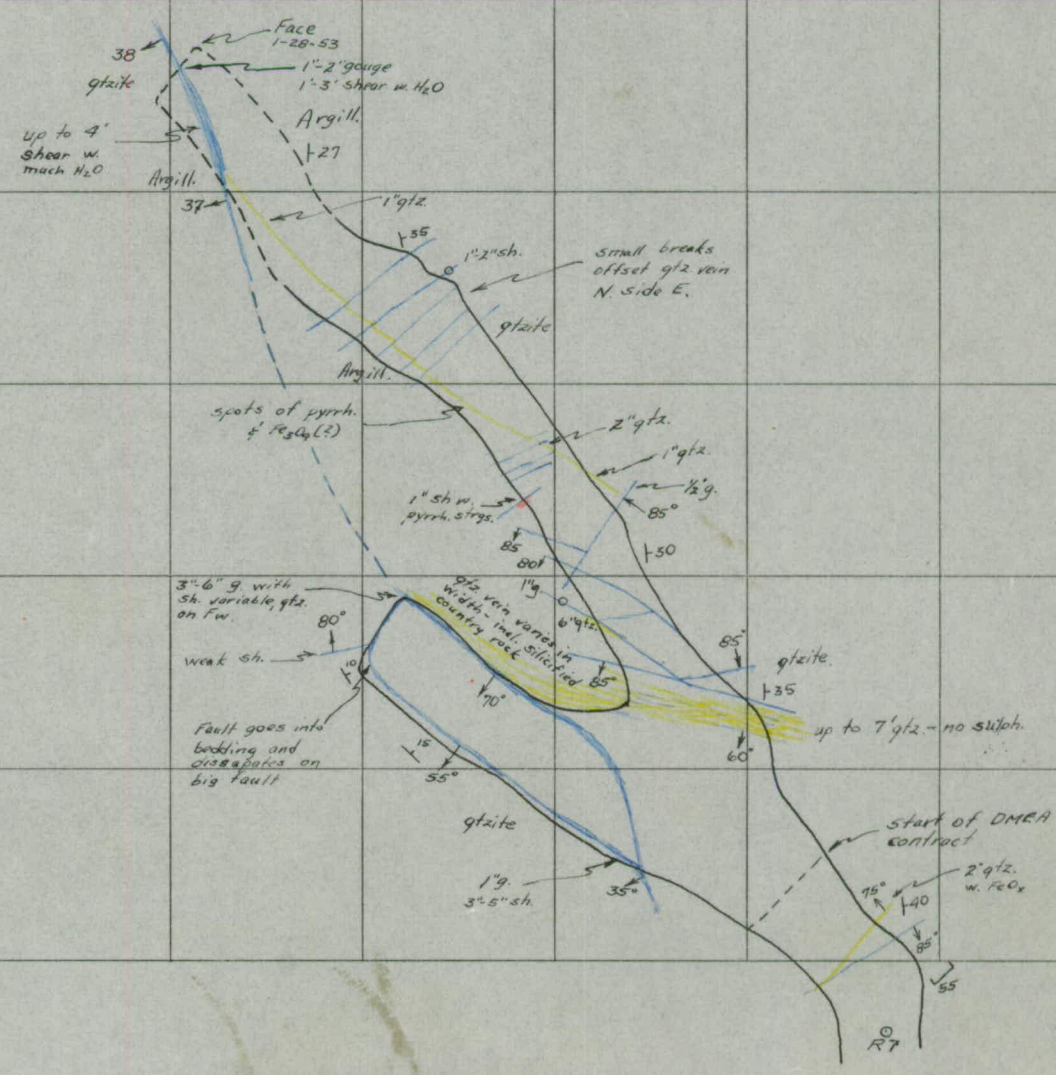
1" = 20'

East Hypothesis Mine

Sheet #5

Geology by A.B.C.



East Hypotheek Mine
1"=20'

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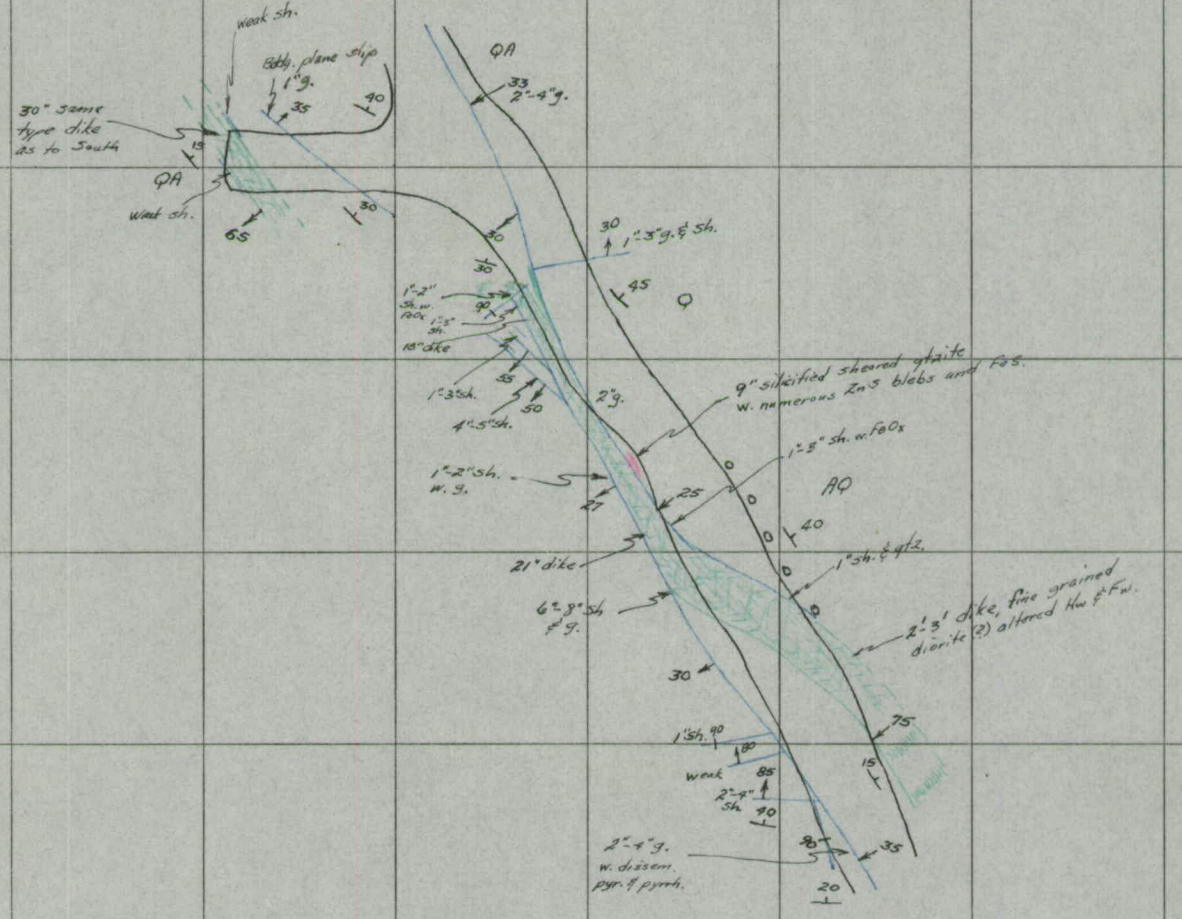

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East Hypotheek Mine
1"=20'

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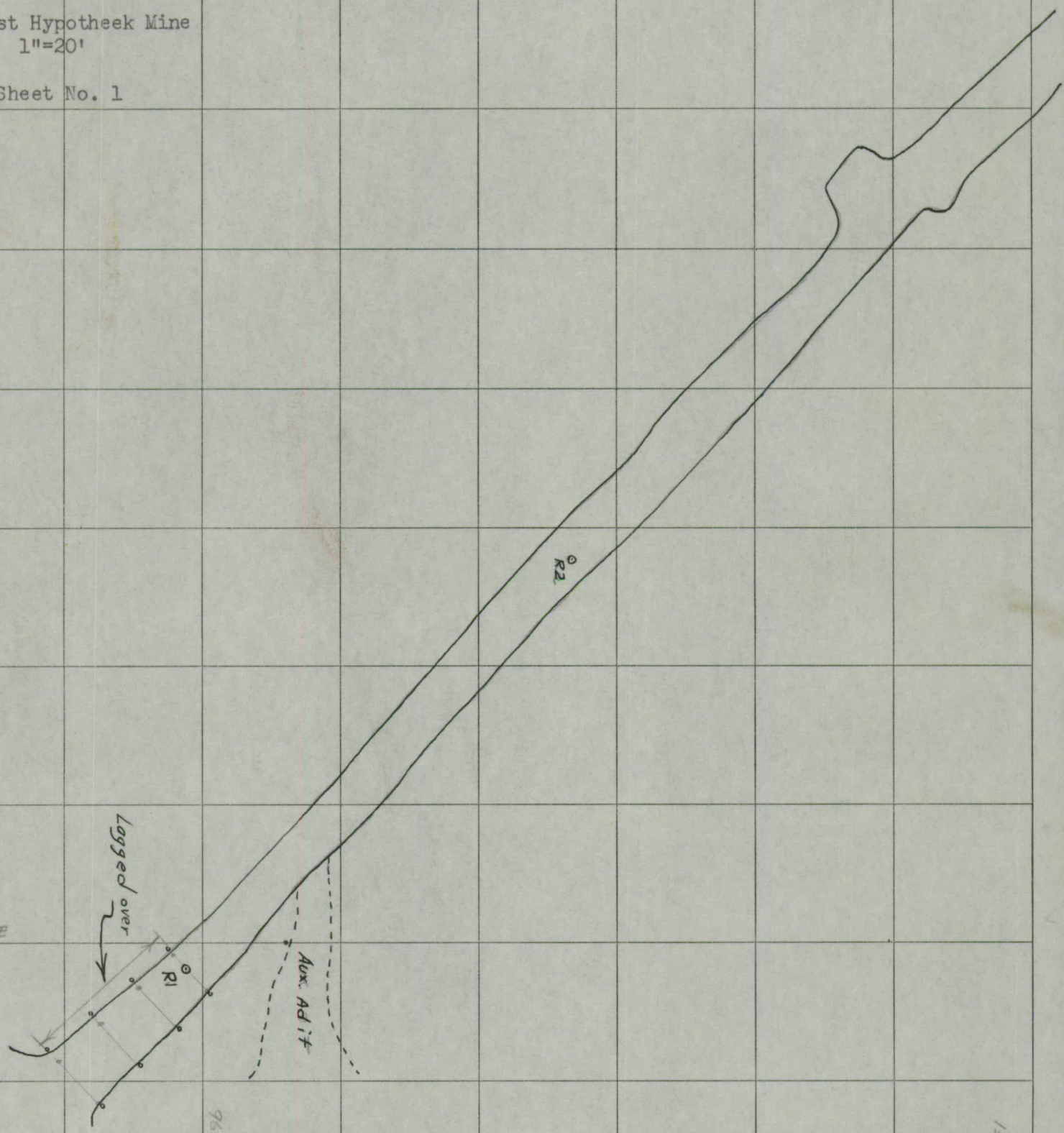

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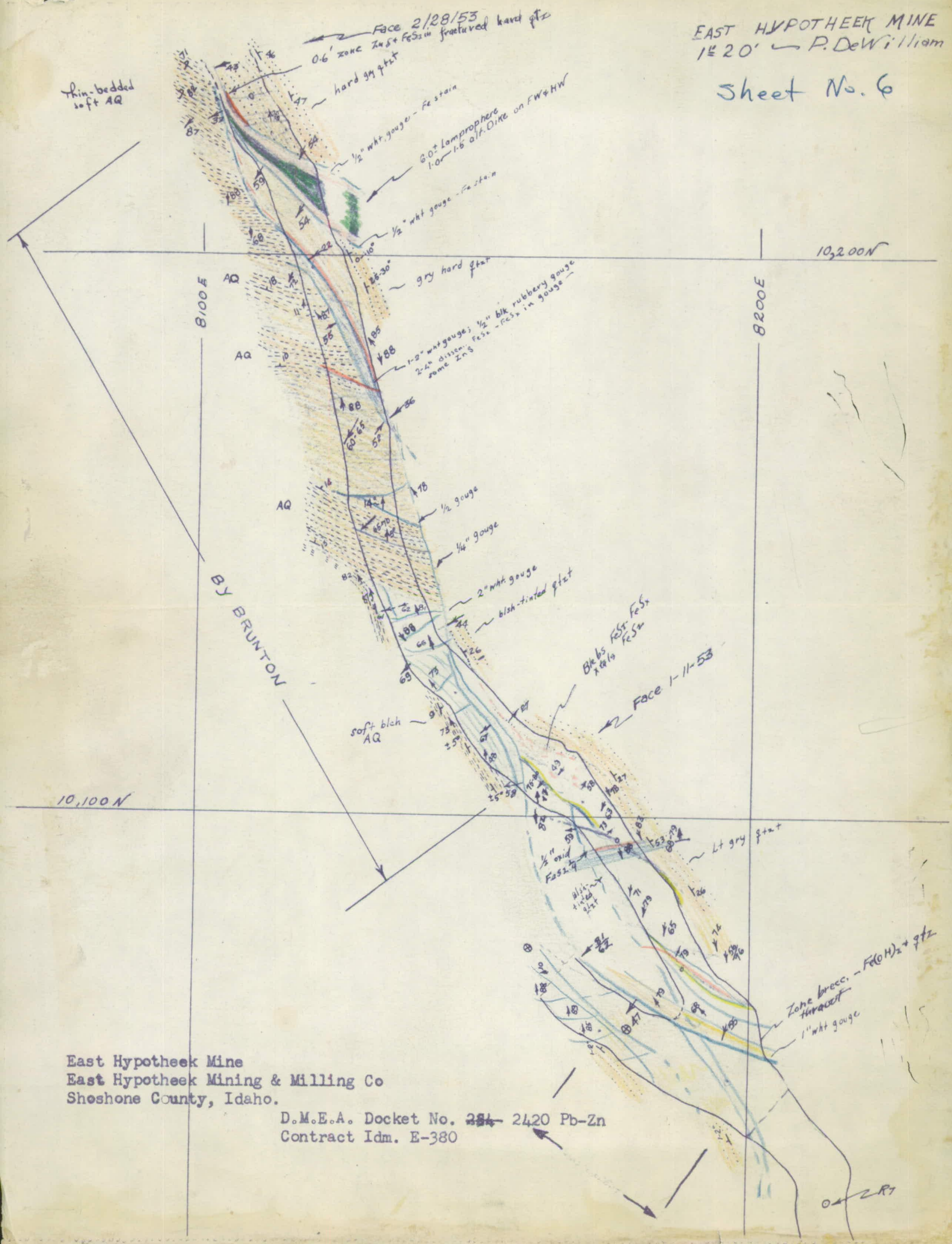
REG. U.S. PAT. OFF

EAST HYPOTHEEK MINE
1" = 20' — P. DeWilliam

Sheet No. 6



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

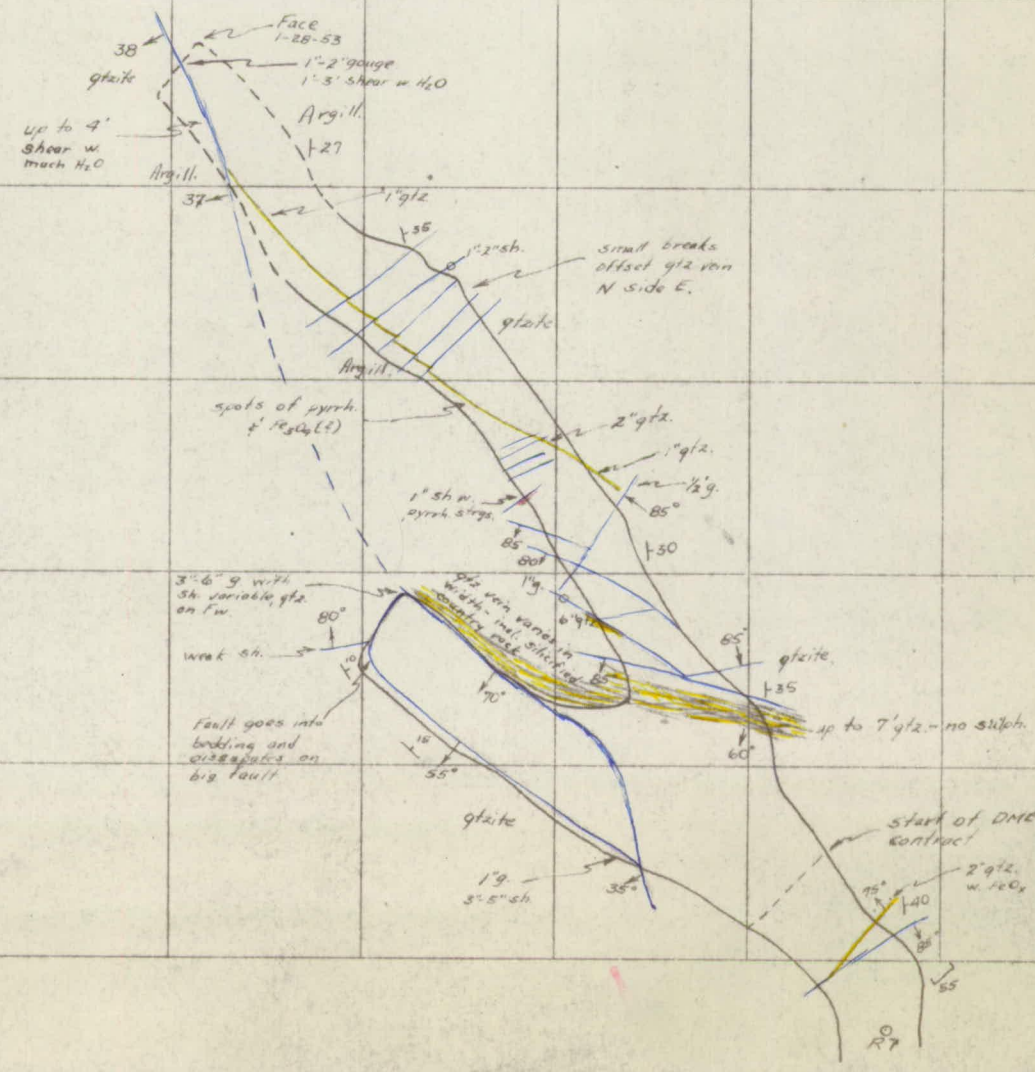
"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF.

1" = 20'

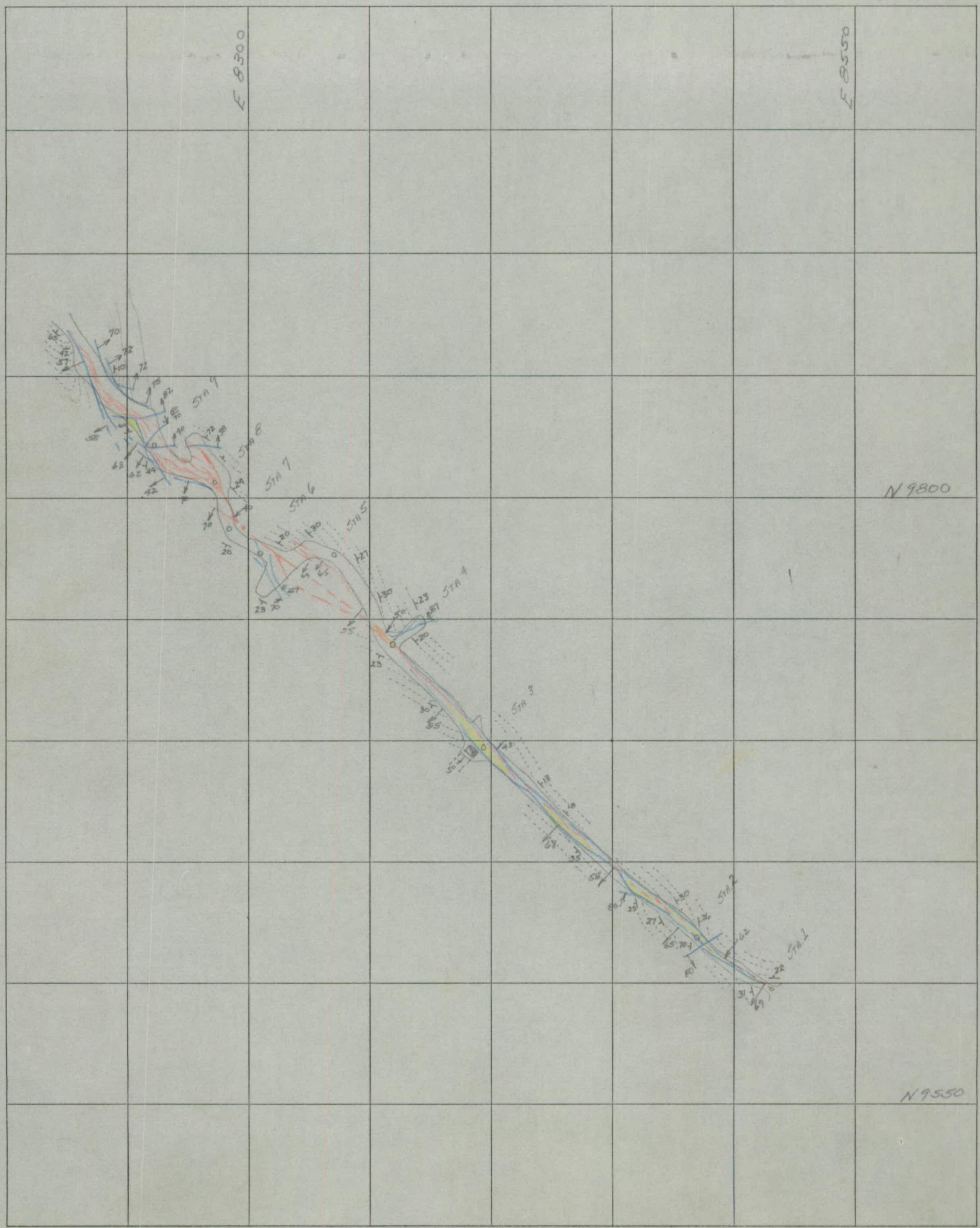
East Hypotheck Mine

Sheet #5

Geology by A.B.C.

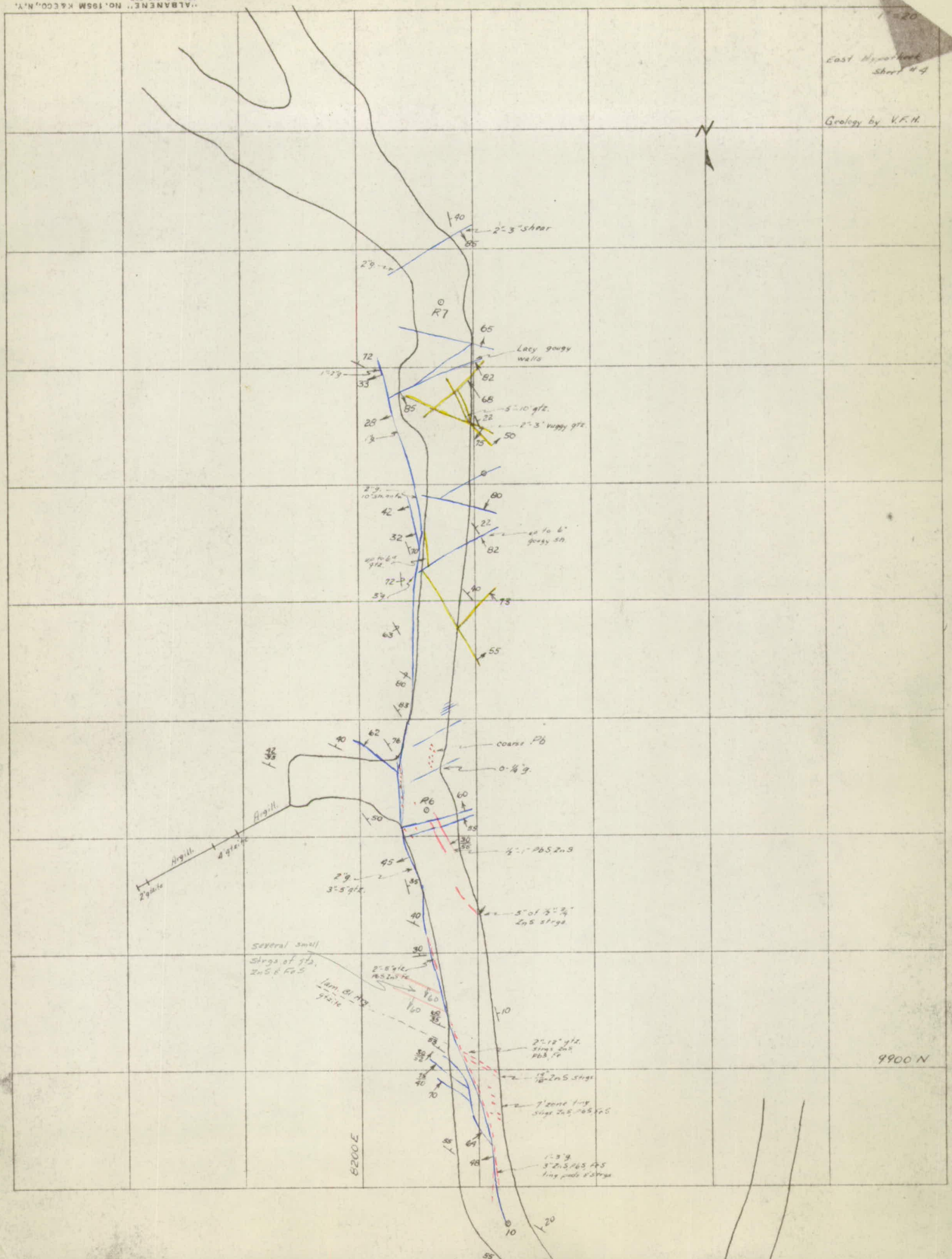


East Hypothesis Mine
North Adit
Scale 1" = 50'
Geology by. V.H.



"ALBANENE" NO. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF

"ALBANENE" NO. 195M K&E CO., N.Y.
MADE IN U.S.A. PAT. OFF.



60°
56°30'
45°
45°
60°
52°

SCAN COVER SHEET ONLY

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 6/28/54

Document Title: Docket No. DMEA 2424 (lead-zinc) Hypothecik Mining & Milling Co. Shoshone County Idaho Contract No. Idm[illegible]

Document Author: AE, Weissenborn

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palut

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
~~XXXXXXXXXXXXXXXXXX~~
No. 157 Howard Street
Spokane 4, Washington

June 28, 1954

Mr. Roy R. Kingsbury
Hypothesis Mining & Milling Company
Wallace, Idaho

Re: Docket No. [illegible] (Idaho-[illegible])
Hypothesis Mining & Milling Company
Shoshone County, Idaho
Contract No. [illegible]

Dear Mr. Kingsbury:

This will acknowledge receipt of your letter of June [illegible], 1954, in which you offer to purchase the Government's equity in all jointly-owned equipment bought for the above contract. As we understand your letter, you are offering $[illegible],000.00 for the Government's interest in jointly-owned equipment and in salvageable supply items. Of this amount, $[illegible],426.[illegible] is to be taken from funds currently being withheld from payment to you with the remainder, or $[illegible], being remitted by you.

Your offer is hereby accepted. We shall accordingly deduct $[illegible],426.[illegible] from payment to you and upon receipt of your check for the remaining amount, will issue a release assigning to you all of the Government's interest in jointly-owned equipment. If, instead of a check, you wish to pay the remaining $[illegible] by having us delete this amount from forthcoming invoice reports of the diamond drilling now in progress at your mine, please advise and we will make this adjustment.

We wish to thank you for your offer and to wish you every success in your current drilling program.

Sincerely yours,

[illegible]
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
DMEA (2)
Cert. Officer
Campbell

July-Aug. 1953

Campbell

Hypotheek Mining & Milling Company

OFFICE: WALLACE, IDAHO MINES: KINGSTON, IDAHO

Wallace, Idaho June 12, 1954

Thor
ah
Campbell
USBM
DMEA

WEEK TO	NOTED	DATE
ANSWERED		

Mr. A. E. Weissenborn,
Executive Officer, DMEA,
Bureau of Mines,
So. 157 Howard St.,
Spokane 4, Wash.

Docket DMEA 2424
Contract Idaho E380.

Dear Sir:-

Referring to amendment No. 4 of April 15, 1954, under which work on contract was suspended, not later than July 1, 1954, we expect to resume June 14, 1954, by starting a northerly drill hole under the supervision of Mr. Veril Hammerand, of the Bunker Hill staff. We have had Mr. M. W. Gjerning, of Osburn, a competent mechanic, start up the compressor, etc., and Mr. C. L. Shepherd, of Silverton, will do the diamond drilling under contract with us at $3.25 per foot, a 30° down hole. Both Mr. Art Campbell and Mr. Erickson are familiar with our plans.

We have under consideration the matter of buying at this time the government's half interest in the equipment bought by us during the life of the contract, and submit to you the following list of purchases, with a price set by an appraiser, which we offer you for your half interest. If you accept, we would desire to apply in payment the sum of $2426.79 due from you, which you held up when we suspended work, and will remit the difference.

Purchases.		Appraisal.	Half price.
Compressor and installation,	3422.74	2200.00	1100.00
Eimco B-12 mucker	2500.00	1900.00	950.00
Drill and bar	553.00	300.00	150.00
4 cars	1550.00	1000.00	500.00
	8025.74	5400.00	
Salvage value track, pipe, etc.			200.00
We offer,			2900.00

Our title to this equipment is complete, and everything is paid for in full. We have recently gotten squared up with Vivian Bros., but they are now drilling in Utah. We originally expected to pay them from the $2426.79 due from the government. We do not contemplate the purchase of other equipment under the contract.

Yours truly,

Hypotheek Mining & Milling Company,

Roy H. Kingsbury Secy.

RECEIVED
JUN 14 1954
U. S. G. S.
SPOKANE, WASH.

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U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 5/19/54

Document Title: MEMO - Docket No DMEA 2420 (Lead-Zinc), Interim Report Hypothetic Mining & Milling Co. Shoshone County Idaho, Contract No. Idm-E380

Document Author: Arthur B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

xxxxxxxxxxxxxxxxxx
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

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 4/19/54

Document Title: Docket No. DMEA 2420 (lead-zinc) Hypothecek Mining & Milling Co. Shoshone County, Idaho Contract No. Idm-E380

Document Author: T. H. Kilsgaard.

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Pallot

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

April 19, 1954

Hypothesis Mining & Milling Company
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420 (Lead-Zinc)
Hypothesis Mining & Milling Company
Shoshone County, Idaho
Contract No. Idm-E380

Gentlemen:

Enclosed herewith are several copies of proposed Amendment No. 4 to the above-captioned contract, signed by the Administrator for the Government. If the terms and conditions of this amendment meet with your approval, please see that all copies are properly signed, retain that copy marked for the operator and return the remaining copies to this office.

The amendment allows that work under the contract shall be suspended during the period beginning April 1, 1954, the date upon which work was to be resumed under Amendment No. 3, and ending not later than July 1, 1954. During this period, of course, the Government will not participate in any costs incurred by the operator, nor will it contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work. If work is not resumed by July 1, 1954, there is a provision in the amendment whereby the contract is terminated.

Sincerely yours,

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

Enclosure
cc: DMEA (2)
USBM (2)
Campbell

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 3/31/54

Document Title: DOCKET NO DMEA 2424-HYPOTHEEK MINING & MILLING CO. Shoshone County Idaho CONTRACT NO. - Idm-E380

Document Author: A.E. WEISSENBORN.

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: A PALAY.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

o. 157 Howard Street
Spokane 4, Washington

March 31, 1954

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

Re: Docket No. DMEA 2424
Hypothesis Mining & Milling Co.
Shoshone County, Idaho
Contract No. Idm-[illegible]

Dear Mr. Selfridge:

The recess granted to the Hypothesis Mining and Milling Company is up April 1, 1954, and our field men have reminded company officials of this fact. As a result, we have a letter from Mr. Kingsbury requesting an extension of the recess for an additional 90 days. It is our understanding that the company has raised money through assessments, but that possibly some of it may have been expended on a uranium prospect on which they are interested with other companies in the Colorado Plateau. This, of course, is not directly our business, although it does indicate that money would be available if the company wanted to continue the Hypothesis work badly enough.

Since the recess period, which is now coming to an end, did not carry with it an automatic termination provision, we recommend that the additional 90 days be granted and that attached to this be a provision to automatically terminate the contract if work is not resumed at the end of the 90-day period.

By Field Team, Region II

A. [illegible] Weissenborn, Area Officer
Geological Survey

cc: USBM (2)
Hindman
Campbell

[illegible] Agnew
Bureau of Mines

Hypotheek Mining & Milling Company

OFFICE: WALLACE, IDAHO MINES: KINGSTON, IDAHO

RECEIVED
BUREAU OF MINES
MAR 30 1954
SPOKANE, WASH.

Wallace, Idaho March 29, 1954.

A. E. Weissenborn, Exec. Officer,
Defense Minerals Exploration Adm.,
1201 N. Division St.,
Spokane 2, Wash.

Docket No. DMEA-2424.
Contract Idm-8380.

Dear Sir:-

Referring to Amendment No. 3 to our contract, dated Sppt. 28, 1953, under which contract was extended 12 months, and recessed from Aug. 4, 1953, to April 1, 1954.

We are in difficulty about financing renewal on April 1st, and ask an extension of the recess of 90 days. We anticipate being able to resume prior to July 1st, and if able to do so, if agreeable to you, we will start as soon as possible.

The work we had planned would be diamond drilling, and we should like to have Vivian Bros. do the work for us, but we have been unable to get them paid up for the last work. One of our troubles was that you withheld payment of our last July-August invoice, and we now understand this may be paid after we resume work.

Thanking you for your many previous courtesies, we are

Sincerely,

Hypotheek Mining & Milling Co.

Roy H. Kingsbury Secy-Treas.

RECEIVED
MAR 31 1954
U. S. G. S.
SPOKANE, WASH.

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGS-0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 3/29/54

Document Title: Docket No. 2420 (Lead-Zinc) Interim Report Hypothek Mining & Milling Co. Shoshone County, Idaho Contract No. Idm-E380

Document Author: Arthur B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Palati

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

XXXXXXXXXXXXXXXXXX
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)
UHBM (2)
Docket
Campbell ✓

ABC/fw

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U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPD 000/001

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 2/18/54

Document Title: Registered letter

Document Author: R.H. Kingsbury

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Palati

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: NEALES

File Location: DOI - SOL, WASH DC

Document Date: 1/18/54

Document Title: Docket NO DMEA 2420 (lead-zinc) Sho Shone County, Idaho

Document Author: A.E. Weissenborn Contract NO. Idm.E380

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUT.

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

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

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 18, 1954

Mr. Roy H. Kingsbury, Sec'y-Treas.
Hypotheek Mining and Milling Company
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420 (lead-zinc)
Shoshone County, Idaho
Contract No. Idm-3380

Dear Mr. Kingsbury:

A recent review of our files concerning your DMEA exploration contract at the East Hypotheek property indicates that you have not yet complied with the DMEA Field Team's request of August 19, 1953, that you submit up-to-date geologic maps of the mine.

As Mr. Veral Hammerand's services were under the terms of the exploration contract, it is required that copies of his maps and drill core logs be submitted to the Government. Until copies of all maps and logs are submitted, it will be impossible for the Field Team to evaluate the possibilities of further exploration at the mine following the current recess.

If extra copies of such maps and drill logs are not readily available to you, one copy should be sent to this office for reproduction and could then be returned to you.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Campbell

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 1/15/54

Document Title: Docket No. SMEA2420- Interim Report, Hypotheek Mining Co. & Milling Co. Shoshone County Idaho County, Contract No. Idm-E380

Document Author: A. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Palati

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

xxxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 15, 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, Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-2380.

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✓

TELEPHONE 3-3302

Hand Sample Serial 41345-46

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

J. V. SADLER, President
A. C. SELBY, Vice-Pres. & Treas.
A. C. SELBY, JR., Secretary

Salt Lake City 10, Utah

Mine U.S.Department of the Interior
South 157 Howard Street
Spokane 4 Washington - Mr.Arthur B.Campbell

RESULTS PER TON OF 2000 POUNDS

Jan.8,1953

NO.	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent	VA[illegible] GOLD
DMEA- 2420-1		0.1	0.5	None		5.7						
DMEA- 2420-2		0.5	2.5	None		11.0						

Remarks

Charges $ 8.00

J. V. Sadler

TELEPHONE 3-3302

Hand Sample Serial 41345-46

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

J. V. SADLER, President
A. C. SELBY, Vice-Pres. & Treas.
A. C. SELBY, JR., Secretary

Salt Lake City 10, Utah

Mine U.S. Department of the Interior
South 157 Howard Street
Spokane 4 Washington - Mr. Arthur B. Campbell

RESULTS PER TON OF 2000 POUNDS

Jan. 8, 1953

NO.	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent	V[illegible] GOLD
DMEA- 2420-1		0.1	0.5	None		5.7						
DMEA- 2420-2		0.5	2.5	None		11.0						

Remarks

Charges $ 8.00

J. V. Sadler

TELEPHONE 3-3302

Hand Sample Serial 41345-46

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

J. V. SADLER, President
A. C. SELBY, Vice-Pres. & Treas.
A. C. SELBY, JR., Secretary

Salt Lake City 10, Utah

Mine U.S. Department of the Interior
South 157 Howard Street
Spokane 4 Washington - Mr. Arthur B. Campbell

RESULTS PER TON OF 2000 POUNDS

Jan. 8, 1953

NO.	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent	VALUE GOLD
DMEA- 2420-1		0.1	0.5	None		5.7						
DMEA- 2420-2		0.5	2.5	None		11.0						

Remarks

Charges $ 8.00

J. Sadler

SCAN COVER SHEET ONLY

U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 1/4/54

Document Title: Letter RE. Rock Samples

Document Author: A.B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4 Washington

January 4, 1954

Union Assay Company
Box 1538
Salt Lake City 10, Utah

Gentlemen:

Under separate cover I am sending two rock samples, labeled DMEA-2420-1 and DMEA 2420-2, to be assayed for lead, zinc, silver, and copper.

Please forward assay results and bill to me at the above address.

Very truly yours,

Arthur B. Campbell
Geologist

cc: Separate cover
Erickson, DMEA

A.B/sb

Sample No.

DMEA-2420-1 -------- Hypothesis Hole No. 3 --- split from 150'7" to 153'6" (35" width)

DMEA-2420-2 --------- Hypothesis Hole No. 2 --- split from 141'9" to 145'1" (40" width)

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 11/23/53

Document Title: INTERIM REPORT, HYPOTHEK MINING & MILLING CO, SHOSHONE COUNTY, IDAHO CONTRACT IDM-E 380

Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Pakat

STATUTORY PRVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

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, Hypothesis Mining and Milling Co., Shoshone County, Idaho, Contract Idm-K380, 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.

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

E. G. Erickson

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP00001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/25/93

Document Title: Docket No. DMEA-2420 (lead-zinc) Hypothecr Mining & Milling Co. Shoshone County, Idaho Contract Idm-E380

Document Author: T.H. Kiilsgerd

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Pakuti

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP00001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/24/53

Document Title: TELETYPE

Document Author: George C. Selridge

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP0000100 7

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/9/53

Document Title: LETTER REQUESTING APPROVAL FOR RECESS. FROM Operating Commitee

Document Author: T. Kiilsgaard

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C Pallut.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

September 25, 1953

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

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

Dear Mr. Selfridge:

Reference is made to your telegram of September 24, 1953, concerning the Hypotheek Mining & Milling Company, and to the request for assay information on the two diamond drill holes completed by the DMEA work.

We have previously requested the Operator to assay the core from the two ore intersections of the referred drill holes, but he has not submitted this assay data to us. We shall consequently contact the Operator as early as possible next week and gather splits from the core for assay. We shall forward this information to you as soon as it is available.

Our field men who have examined the core state that the ore as shown in the core consists largely of small stringers of sphalerite and pyrite with subordinate amounts of galena. They recognize it as a possible extension of the ore shoot found in the upper adit level, but they did not believe it to be sufficiently mineralized to be considered as ore. For this reason, we had no intentions that the project be certified as a discovery.

We shall keep you informed of further developments on this property as information is acquired.

Sincerely yours,

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

cc: USBM (2)
Campbell

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

September 9, 1953

Mr. Ernest W. Ellis, Acting Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2420(Lead-Zinc)
Hypotheek Mining & Milling Co.
Shoshone County, Idaho
Contract Idm-E380

Dear Mr. Ellis:

We have been informed by the Operator that he wishes to recess project work until next spring. He states that he is financially unable to continue at this time but believes that his financial condition will have improved by next March or April.

The project is only partially completed and to date has not yielded sufficient information to warrant Certification of Discovery. We believe, however, that the target has not been adequately tested and that more work should be done.

As we do not have authority to grant such an extended recess, we are hereby requesting approval for the recess from the Operating Committee.

Sincerely yours,

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

cc: USBM(2)
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/9/53

Document Title: LETTER RE: ROYALTY PAYMENT

Document Author: T. H. Kiilsgaard

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUT

STATUTORY PRIVILEGE OF
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Campbell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

September 9, 1953

Hypotheek Mining & Milling Co.
510 Bank Street
Wallace, Idaho

Re: Docket No. DMEA-2420(Lead-Zinc)
Contract Idm-E380
Shoshone County, Idaho

Gentlemen:

We have been advised by our field man, Mr. Art Campbell, that you intend to lease that part of the Hypotheek mine including the shaft and the lower levels to another party. Mr. Campbell states that you have inquired of him as to whether you should pay royalty on ore which might be extracted during this leasing agreement.

To date, we do not believe that DMEA exploration at the Hypotheek mine has exposed sufficient ore to warrant Certification of Discovery. However, as the contract is not completed and as we are informed that you intend to do additional work both to the north and to the south, there remains the possibility that a discovery may be made. As the contract covers the entire mine and not certain areas within the mine, certification would pertain to all production from the mine. Such certification would, of course, cover that ore pierced by the two diamond drill holes put down below the DMEA level and from which, as we understand it, the lessees propose to mine ore.

It is, therefore, suggested that your company keep account of all ore mined by these lessees both by tonnage and grade so that if a certification is made as a result of future work, you will be prepared to make royalty payments to the Government on all ore extracted from the mine since the date of the contract.

Mr. Campbell has also informed us that you wish to recess work on your project until next spring. We do not have authority to grant such a recess and, therefore, are referring to our Washington office for their approval. We shall advise you of the outcome of this correspondence.

Very truly yours,

Thor H. Kiilsgaard
for A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

cc: USBM(2)
DMEA(2)
Campbell

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 8/.9/53

Document Title: LETTER RE: CHANGE IN HYPOTHEEK CONTRACT

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUT.

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

So. 157 Howard Street
Spokane 4, Washington

August 19, 1953

Mr. Roy H. Kingsbury, Sec'y-Treas.
Hypothesis Mining & Milling Company
Wallace, Idaho

Re: Docket DMEA-2420 (Zinc-Lead)
Shoshone County, Idaho
Contract No. Idm-E380

Dear Mr. Kingsbury:

This will acknowledge your letter of August 1 in which you ask for a change in the Hypothesis contract to permit the unwatering of a shaft and the mapping and sampling of the old 300 level, after which the plans would be reappraised, and drilling, drifting or raising as warranted would be undertaken.

As Mr. Campbell pointed out in his letter of August 14, we are somewhat handicapped in our consideration of this proposal because of the lack of adequate maps, and I would like to urge you to provide these maps as soon as possible. However, based on our present knowledge of the property, it is, in my opinion, very unlikely that DMEA would go along with your proposal. The oreshoot you propose to test has been opened on the adit level, the 300 level, and was also cut again in the drill holes which you mention in your letter. The work you propose is undoubtedly good operating procedure but it is almost certain that DMEA would regard this as development rather than exploration and therefore outside the scope of the program. I call this to your attention so that in your planning you do not count too heavily on assistance from DMEA which they may not be able to provide.

Our discussions with Verle Hammerand suggest that there are exploration possibilities in which DMEA could participate which have not yet been tested at the mine and which could be tested under the terms of the contract by a slightly revised drilling program. We would be glad to discuss this with you as soon as you can provide us with the maps which may form a basis for such a discussion.

Sincerely yours,

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

cc: DMEA (2); USBM (2); Campbell

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U.S. v. ASARCO

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Repository Name: USGS

Repository Location: SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 8/13/53

Document Title: INTERIM REPORT HYPOTHECKING CO, SHOSHONE COUNTY IDAHO DOCKET NO. 2420X, ~~JULY 1, 1953 TO AND AUGUST~~ (PB-ZN), CONTRACT II Idm-E380

Document Author: E. G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

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

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001004X

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 8/14/53

Document Title: LETTER RE: REQUEST for Complete geological MAP of the ADIT LEVEL

Document Author: A.B. CAMPBELL

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C PALUTI

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Repository Name: USGS

Repository Location: SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 8/12/83

Document Title: LETTER REQUESTING A COPY OF the geologic MAP OF WHAT HAS been done on the project.

Document Author: T.H. KILLSGOARD

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. ALLAT.

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO000100 7

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 7/23/53

Document Title: INTERIM REPORT DOCKET NO. DME-2430 (lead-zinc) HYPOTHECK MINING Co. Shoshone COUNTY, IDAHO CONTRACT NO. Idm-6380

Document Author: A.B. CAMPBELL

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

xxxxxxxxxxxxxxxxxx
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), Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract Idm-2380.

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 Hammarand, 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.

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Docket
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Repository Location: SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 7/16/53

Document Title: INTERIM REPORT HYPOTHEEK MINING AND MILLING CO. SHOSHONE COUNTY IDAHO, DOCKET NO. DMEA2420 (lead-zinc), CONTRACT NO. Idm-E350

Document Author: E. G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

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Reviewer: C. PALUTI

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Campbell

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

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, Hypothesis Mining and Milling Co., Shoshone County, Idaho, Docket No. DMEA 2420 (lead-zinc), Contract Idm-5380

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.

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

E. G. Erickson

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U.S. v. ASARCO

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 6/17/53

Document Title: INTERIM REPORT, DOCKET NO. DMEA-2420 (lead-zinc) HYPOTHECK MINING & MILLING CO. SHOSHONE COUNTY, IDAHO CONTRACT NO. IDM-E380

Document Author: A.B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUT.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

No. 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), Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract Ida-2380.

The subject property was visited on June 11, 1953, accompanied by the operator and Mr. Veral Hammarund, 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:
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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 5/29/53

Document Title: INTERIM REPORT, HYPOTEEK MINING & MILLING CO. SHOSHONE COUNTY, IDAHO CONTRACT Idm-E380. DOCKET. NO DMEA 2420, (ZINC-LEAD)

Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

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Reviewer: C PALUT.

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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, Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract No. Id-[illegible]330, 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

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

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 000100 7

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 5/11/53

Document Title: INTERIM REPORT, HYPOTHEEK MINING & MILLING CO. SHOSHONE COUNTY, IDAHO CONTRACT NO. ~~IDM~~ - E380 DOCKET NO. DMEA 2420 (ZINC - lead)

Document Author: E.G. Ericksoal

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUT.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS 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, Hypothesis 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.

E. C. Erickson

Orig. & 3 cys - Wash.
USCS (2)
DMEA
M/D
ECE/he

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U.S. v. ASARCO

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Repository Name USGS

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File Bates Number: USGSP0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 5/14/53

Document Title: INTERIM REPORT DOCKET NO. DMEA 24201X (ZINC-lead) HYPOTHECK MINING & MILLING CO. SHOSHONE COUNTY, IDAHO CONTRACT NO. IDM-E380

Document Author: A.B CAMPBELL

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUT.

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

xxxxxxxxxxxxxxxxx
No. 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), Hypothesis Mining and Milling Company, Shoshone County, Idaho, Contract No. Idm-2380.

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

Distribution:
DMEA (Orig. & 3)
[illegible] (2)
Docket
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U.S. v. ASARCO

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Document Date: 4/9/53

Document Title: LETTER RE: SIGNED Copies of Amendment No 2

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

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Reviewer: C. PALUTI

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File Owner: N. EADES

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Document Date: 2/5/53

Document Title: INTERIM REPORT

Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C. PALUTI

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PROPRIETARY INFO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
1201 WASHINGTON Avenue, N.W. Street
Spokane 2, Washington

February 5, 1953

MEMORANDUM

To: DMEA Field Team, Region II

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

Subject: Interim report, Hypothesis 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, 23, 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.

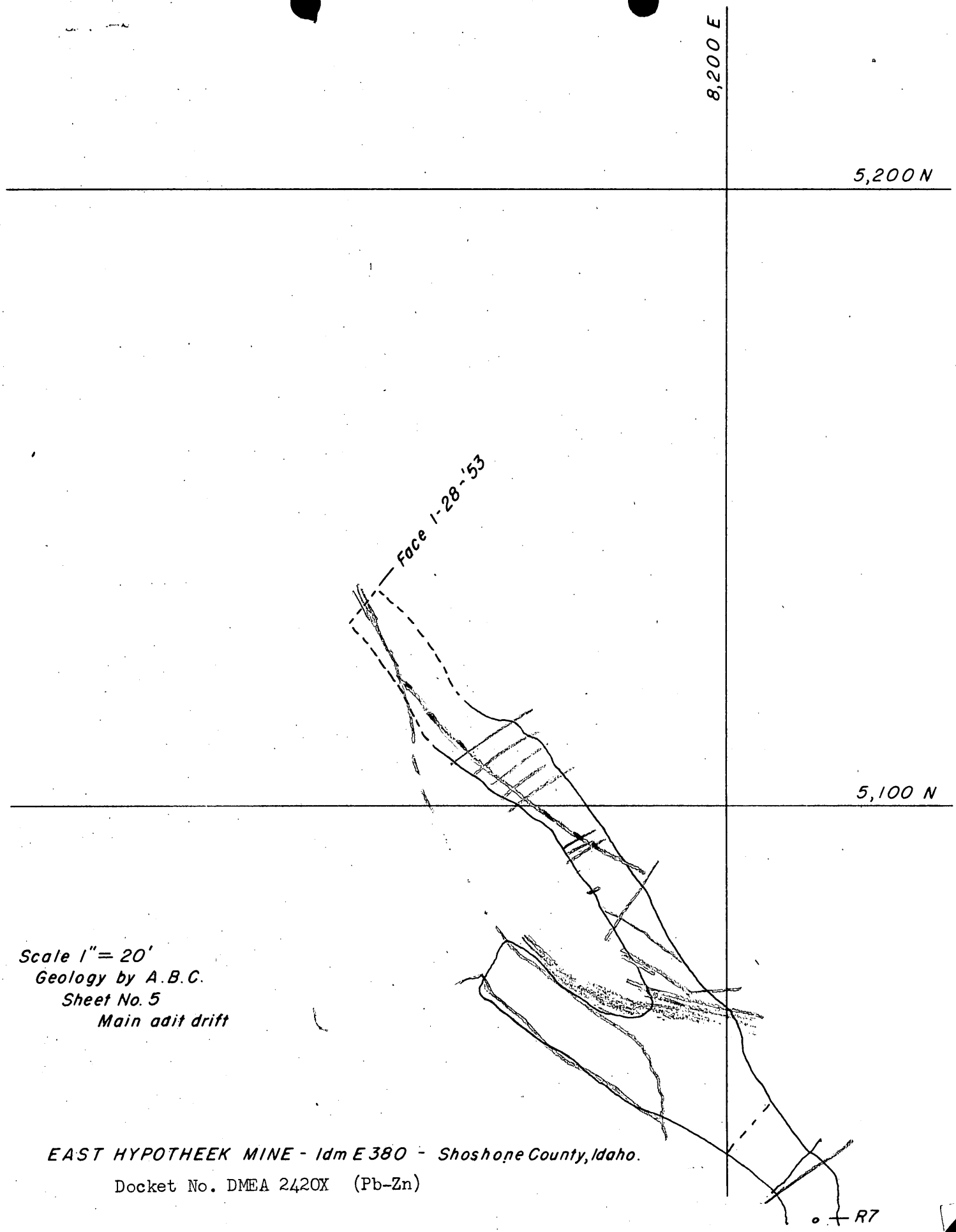
The project has not been progressing as rapidly as expected. I believe that the main reason is lack of finances. The work accomplished has been done in a workmanlike manner. The Operator is trying to hold expenses down but as is so often the case, when there is a shortage of working capital operation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

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)

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U.S. v. ASARCO

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File Location: DOI - SOL, WASH DC

Document Date: 3/19/53

Document Title: RE: AMENDMENT NO. 2 CONTRACT # ~~[illegible]~~ 14-E80

Document Author: T.E. HOWARD

Original Document Attached: Y (N)

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Reviewer: C. PALUTI

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Document Title: INTERIM REPORT

Document Author: A. B. Campbell

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C. PALUTO

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
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xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

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.

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Docket
Campbell ✓

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U.S. v. ASARCO

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File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 2/2/53

Document Title: INTERIM REPORT

Document Author: A. B. CAMPBELL

Original Document Attached: Y (N)

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(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

xxxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

February 2, 1953

MEMORANDUM

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

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USBM(2)
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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 12/5/52

Document Title: REPORT ON PROGRESS AT HYPOTHECK MINE

Document Author: A.B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Reviewer: _____

STATUTORY PRIVILEGE OF
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xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

December 5, 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-E300.

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
USM (2)
Docket
Campbell

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPD 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 11/7/52

Document Title: RE: Copy of Amendment No. 1

Document Author: A.E. Weissenborn

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C. PALUTI

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 11/7/52

Document Title: RE: Signed ORIGINAL Copies of Amendment No. 1

Document Author: A E. WEISSENBORN

Original Document Attached: Y (N)

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Reviewer: C. PALUT.

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File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 10/27/52

Document Title: INTERIM REPORT

Document Author: E. G. ERICKSON

Original Document Attached: Y (N)

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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. PALUTI

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

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 242OX (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

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

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U.S. v. ASARCO

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Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 10/22/52

Document Title: REPORT ON Progress of the Hypothecek Mine

Document Author: A B. Campbell

Original Document Attached: Y (N)

If not attached, Original Document Current Location
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Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer: C. Palutti

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

So. 157 Howard Street
Spokane 4, Washington

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 Hypothesis 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

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U.S. v. ASARCO

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Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0001007

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 9/10/52

Document Title: MEMO RE: SUMMARY of Captioned Contract

Document Author: DMEA FIELD TEAM

Original Document Attached: Y (N)

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Reviewer: C. PALUT.

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Frykland

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

1201 N. Division St.
Spokane 2, Wash.
September 10, 1952

VIA AIR MAIL

MEMORANDUM

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

From: DMEA Field Team, Region II

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

Under the "Summary" of the captioned contract, the following paragraph is quoted for your attention:

> "Although the Government will contribute only on the basis of actual costs, the only items estimated on that basis are set forth in the schedules above and brought forth into this summary in the last four items thereof. The first five items of the summary estimated in terms of units of work include all costs of the work specified other than those costs estimated in terms of actual costs set forth in the last four items of this summary."

This contract was discussed with Mr. G. C. Selfridge during his recent visit to Region II. His interpretation, as we understood it, was that the first five items designated in the summary are "unit cost" items, with reimbursement to be made on unit performance at the unit price stated, while reimbursement on the last four items would be made on actual costs incurred up to the amounts set forth in the contract.

The Field Team interprets the questioned paragraph to mean that all items will be reimbursed on the basis of actual costs incurred but that the first five items cannot exceed the unit costs set forth. We believe that Mr. Lee, the Regional Finance Officer, will have a similar interpretation of the contract in its present form, and regulate reimbursements accordingly.

If the intent of the contract is according to Mr. Selfridge's interpretation, the Field Team suggests that the wording be appropriately amended to clarify the meaning so as to avoid any misinterpretation by

either the Finance Officer or the Operator. If the Field Team interpretation is correct, please notify us at once so that we can correctly assist the Operator in preparing his monthly vouchers for reimbursement.

By Field Team, Region II

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

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

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

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U.S. v. ASARCO

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File Location: DOI - SOL, WASH DC

Document Date: 9/30/52

Document Title: LETTER IN RESPONSE TO memo of 9/10/52

Document Author: F. E. JOHNSON

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C PALUTI

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Hobbs

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

SEP 30 1952

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

Re: Docket No. DMEA-2420 (Lead-Zinc)
Contract Idm-E380
Hypotheek Mining & Milling Co.
Shoshone County, Idaho

Dear Mr. Weissenborn:

This is in response to your memorandum of September 10, 1952, in which you make inquiry regarding an interpretation of the above cited contract. You no doubt have already received our letter of September 25, 1952 relative to the same subject which was sent you at the suggestion of Mr. Selfridge who had previously conferred with you regarding this and other matters during his visit at your office.

So that there may be no misunderstanding there follows a detailed interpretation of the terms of the contract.

In paragraph (2) under "Details" the $420.00 is an allowable maximum for supervision and consultants. In item (4) Operating Equipment, the rental of $250.00 a month with the total of $2,500.00 for the period of ten months is an allowable maximum under Article 6-(a) (4), which provides that "Any items listed as owned and to be furnished by the Operator, and related allowable depreciation, are allowable maximums." Item (4) Operating Equipment to be purchased in the amount of $12,200.00 is an allowable maximum. Item (7) Miscellaneous, $1,000.00, and item (8) Contingencies, $5,000.00, are both allowable maximum. The contract itself makes the total estimated costs of the project an allowable maximum.

All expenditures under this contract are on an actual cost basis.

It is suggested that a copy of this letter be furnished

Mr. Hull, Auditor for the Contract Administration and Audit Division, and Mr. Lee, Finance and Certifying Officer of your region.

Sincerely yours,

Frank R. Johnson
Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

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U.S. v. ASARCO

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Document Author: E.G. ERICKSON

Original Document Attached: Y (N)

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Type of Privilege:

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Reviewer: C. ALLUT

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

1201 N. Division St.
Spokane 2, Wash.

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.

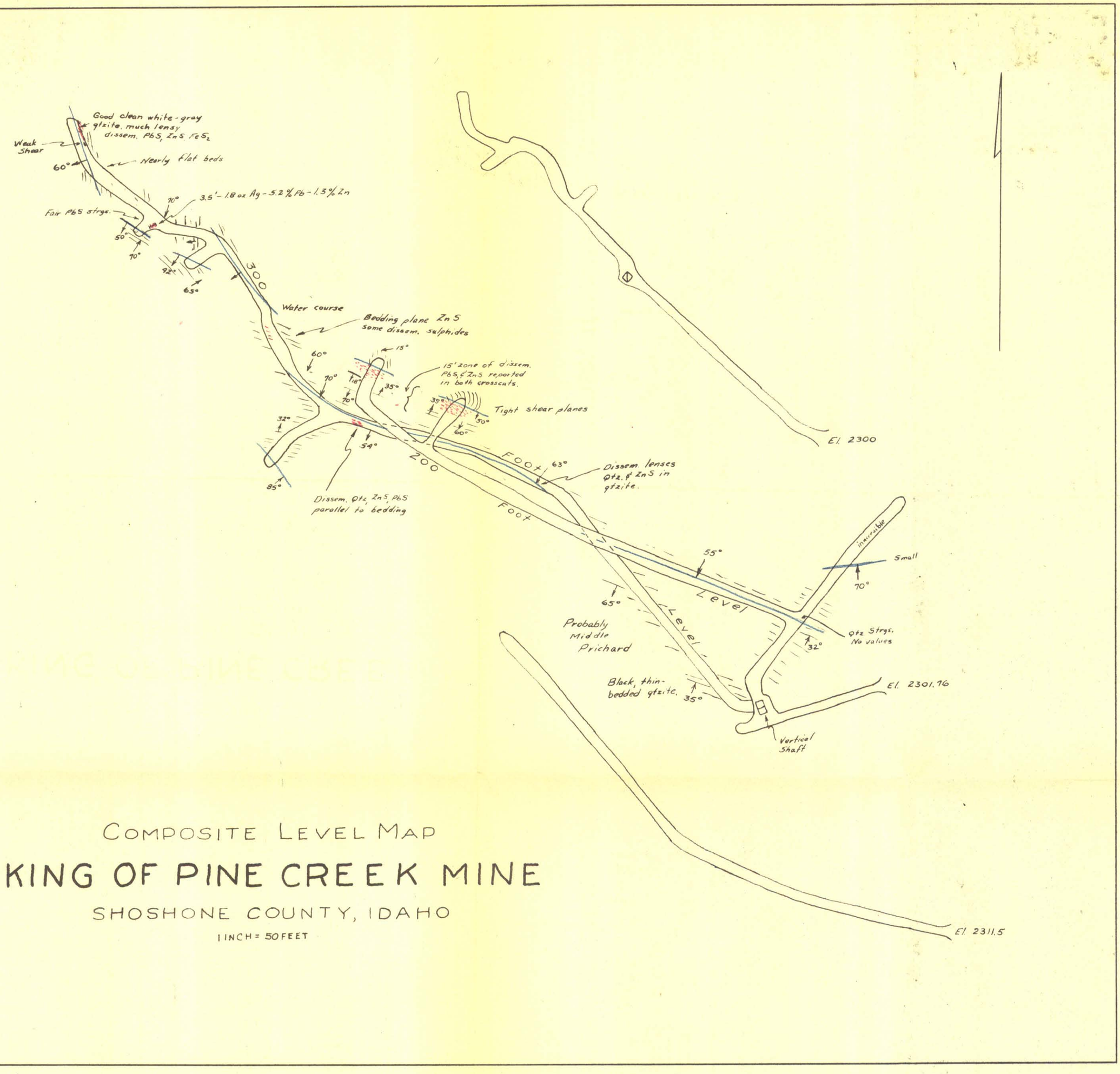
The project site was visited September 11, 1952, with Mr. Kingsbury, Jr. supervisor. Progress and terms of contract were discussed. Later the same day Mr. Ray H. Kingsbury, operator under the contract, was contacted in Wallace, Idaho. Invoicing procedure was discussed in view of a unit cost contract 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

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

To accompany 1930 report
by H. Gibbs.



COMPOSITE LEVEL MAP

KING OF PINE CREEK MINE

SHOSHONE COUNTY, IDAHO

1 INCH = 50 FEET