UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated [X] Cancelled [ ] Withdrawn [ ] DMEA No. 2562

This is the official contract file of a project closed without certification. It contains all official records of the project arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

✓ Report of Review.

✓ Closing Letter

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

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

Right Side

✓ Project summary.

✓ Work completed analysis.

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

✓ Final Field Team Report. (Tab)

✓ Operator's Final Report.

✓ Interim Reports.

✓ On-Site Exam Report(s). (Tab)

Settlement Sheets.

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

Maps in folder number ____

Operator's Monthly Reports in folder number ____

E R 1-26-57
Reviewer's Initials and Date

10390

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Joseph L. Ausich, Michael E. Ausich, and Ann Ausich, Partners
D/B/A The Champion Mine
Box 281
Mackay, Idaho

pertaining to Exploration Project Contract No. Idm-E361, Docket No. DMEA 2502, including Amendments Nos. 1 and 2, for the period of June 30, 1952 to July 12, 1954, covering a project for the exploration of lead and zinc on property known as the Champion Mine, located in Custer County, Idaho.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

(a) All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the Contractor:

Total Cost as billed by Contractor		$39,510.00
Less Proceeds from property disposition		None
Net Cost as claimed by Contractor		$39,510.00
Exceptions (Schedule attached)		
By DMEA Finance Officer	$ 778.50	
Herewith	None	778.50
Total Accepted Cost		$38,731.50

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Nineteen thousand three hundred sixty-five and 75/100 Dollars

--$19,365.75--

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

C. A. Turner, Auditor

August 27, 1954

Schedule of Exceptions

Joseph L. Ausich, Michael E. Ausich and Ann Ausich, Partners
D/B/A The Champion Mine
Mackay Idaho

Unit Costs Claimed on Final Report June 1954 MF-104

Adit #3 Enlarge and Rehabilitate	137 ft. @	$12.50 per ft.	$ 1,712.50
Adit #3 Timbering	19 ft. @	11.00 per ft.	209.00
Crosscutting	668 ft. @	31.20 per ft.	20,841.60
Drifting	327 ft. @	31.20 per ft.	10,202.40
Raising	75 ft. @	39.30 per ft.	2,947.20
Timbering	450½ " @	8.10 per ft.	3,597.30
Total			$39,510.00

Units of Work Authorized by the Contract

Adit #3 Enlarge and Rehabilitate	137 ft. @	$12.50 per ft.	$ 1,712.50
Adit #3 Timber	19 ft. @	11.00 per ft.	209.00
Crosscutting	668 ft. @	31.20 per ft.	20,841.60
Drifting	307 ft. @	31.20 per ft.	9,578.40
Raising	75 ft. @	31.20 per ft.	2,340.00
Timbering	500 ft. @	8.10 per ft.	4,050.00
Total			$38,731.50

Disallowed by Audit

Drifting	20 ft. @	$31.20 per ft.	$624.00
Timbering	25½ " @	8.10 per ft.	206.55
			$830.55

Less Operators Errors June 1954 MF-104

Raising	75 ft. @ $39.30 per ft.	$2,947.50		
	Claimed MF-104	2,947.20	.30	
Timbering	450½ ft. @ $8.10 per ft.	$3,649.05		
	Claimed MF-104	3,597.30	51.75	52.05
Total Disallowance				$778.50

C. A. Turner, Auditor

August 27, 1954

File Copy
Surname

J. W. Alt
Swisswold
Chambers
Selfridge
Hoffland (see memo)
Fitzsimon

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

MAR 1 0 1955

Mr. Joseph L. Ausich
Box 281
Mackay, Idaho

INTERIOR DEPT.
MAR 3 - 1955
SOLICITOR

Re: Docket No. DMEA-2502 (Lead-Zinc)
Joseph L. Ausich, Michael E. Ausich and Ann Ausich
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Ausich:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the Contract which require the Operator to keep and preserve certain records for the period indicated.

The Government waives its right to a royalty on that ore produced within the time that it had the right to collect royalty.

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

JWAlt/er 3/1/55

Copy to: Docket
Admr. R. File
Region I, NW Dist. (2)
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.
Mr. Jay Chambers

R.C.S.

Government's copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 15 1954

EXPLORATION PROJECT CONTRACT
CHAMPION MINE
DOCKET NO. DMEA-2502

AMENDMENT NO. 2

It is agreed this 17th day of March, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Champion Mine, a partnership, that Contract Idm-E361 (Docket No. DMEA-2502), dated June 30, 1952, as amended, is further amended, effective June 30, 1952, as follows:

1. In Exhibit "A":

a. Under the heading "Description of the Work," add:

"Additional Work

"In order to explore, more extensively, the Champion Deposit on the No. 3 level, not to exceed an aggregate of 200 feet of additional drifting and crosscutting shall be performed at locations, in directions, and to the extent approved, in advance by the Government. The drifts and crosscuts shall be timbered as necessary, including timber sets, and lagging."

b. Under the heading "Estimated Costs of the Project," before the "Total Cost of the Project," add:

"Estimated Costs of Additional Work

"200 feet of drifts and crosscuts @ $31.20/ft.	$6,240.00	
200 feet of timbering @ $8.10/ft.	1,620.00	
Agreed Estimated Total Cost of Additional Work		$7,860.00
Government Participation @ 50%		$3,930.00"

c. Delete the figures "$31,650.00" and "$15,825.00" at the end of Exhibit "A", and substitute the figures "$39,510.00" and "$19,755.00," respectively.

2. In Article 4 of the contract form, delete the figures "$31,650.00" and "$15,825.00" and substitute the figures "$39,510.00" and "$19,755.00," respectively.

3. Annex I, attached hereto and made a part hereof, is substituted for Article 6 of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O Mitchendorf
Administrator, Defense Minerals
Exploration Administration

CHAMPION MINE

By Jos. L. Hurwich (Partner)
Michael E Hurwich by Jos. L. Hurwich atty in fact Book #3
By Page 147 #84942 - 2/8-44 (Partner)
Ann Hurwich by Jos. L. Hurwich atty in fact Book #3 Page 169
By #100850 1/28-49 (Partner)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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APR 15 1954

ANNEX I

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 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. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net 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:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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.

Government Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

AMENDMENT NO. 1

It is agreed this 14th day of December 195 3, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Champion Mine, a partnership composed of Joseph L. Ausich, Michael E. Ausich, and Ann Ausich, Box 281, Mackay, Idaho each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 361 of June 30, 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 December 1, 195 3.

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.

CHAMPION MINE
(Operator)

By Joseph L. Ausich
Joseph L. Ausich, Partner

Michael E. Ausich by Jos. L. Ausich
Book #3, Page 147
By Atty in Fact - No. 84942 - 2/8-44
Michael E. Ausich, Partner

Ann Ausich by Jos. L. Ausich, atty in Fact.
By Book #3, Page 169 # 100850 1/28-44
Ann Ausich, Partner

THE UNITED STATES OF AMERICA

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 15 1954

ANNEX I

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 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. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net 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:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other 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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

Government Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

AMENDMENT NO. 1

It is agreed this 14th day of December 195 3, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Champion Mine, a partnership composed of Joseph L. Ausich, Michael E. Ausich, and Ann Ausich, Box 281, Mackay, Idaho each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 361 of June 30, 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 December 1, 195 3.

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.

CHAMPION MINE
(Operator)

By Joseph L. Ausich
Joseph L. Ausich, Partner

Michael E. Ausich by Jos. L. Ausich
By Book #3, Page 147 Atty in Fact - No. 84942 - 2/8-44
Michael E. Ausich, Partner

Ann Ausich by Jos. L. Ausich, atty in Fact.
By Book #3, Page 169 # 100850 1/28-44
Ann Ausich, Partner

THE UNITED STATES OF AMERICA

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

DEPARTMENT OF THE INT
Defense Minerals Administration
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DEC 28 1953

Champion Mine
Exploration Project Contract No. Idm-E361
Docket No. DMEA-2502

Amendment No. 1

Exhibit "F"

Changes and modifications:

1. In Exhibit "A" under the heading "Description of the Work," after the first paragraph, insert

"Raise a maximum of 103 feet from the north drift at a point 78 feet from the adit crosscut. Crosscutting and drifting from the raise may be done at the same unit cost allowed on the No. 3 level, with the approval of the Field Team."

2. In Exhibit "A" under the heading "Estimated Costs of the Project,"

delete

"850 feet of drift and crosscut @ $31.20 per foot	$26,520.00
300 feet @ $8.10 for timbering drifts and crosscut	2,430.00"

add

"850 feet of drift, crosscut and raise @ $31.20 per foot	$26,520.00
300 feet @ $8.10 for timbering drifts, crosscut and raise	2,430.00"

3. In Article 3 of the contract form, the words "eighteen months" are deleted and the words "twenty-four months" are substituted therefor.

Defense Minerals Administration
RECEIVED
DEC 28 1953

Exploration Project Contract No. Idm-E361
Champion Mine
Docket No. DMEA-2502

Justification for Amendment No. 1

Due to the radical change in the dip of the granite body from 65° to the west on the No. 2 level to 65° to the east on the No. 3 level, it is apparent the granite body has intersected the oreshoot exposed on the No. 2 level someplace to the west and above the No. 3 level. Raising will be necessary from the No. 3 level to intersect the projected oreshoot exposed on the No. 2 level. The raise will be driven N. 62° W. at a 60° incline. Crosscutting and drifting from the raise may be necessary, depending upon the change in the dip of the granite body. Any unexpended raising footage should be made allowable for this purpose.

Due to change of contract miners, delay due to breakdown of machinery, and recess due to bad weather during winter of 1952-1953 it will be necessary to extend the completion date from December 30, 1953, to June 30, 1954.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2502

COMMODITY Lead-Zinc

Government Copy
Idm-E361

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 30th day of June, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Champion Mine, A partnership composed of Joseph L. Ausich, Michael E. Ausich, and Ann Ausich
Box 281
Mackay, 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 Custer, described as ~~[illegible]~~ set forth in Appendix I

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

~~(If the Operator is less than owner in possession and entitled to possession, and the Operator's interest is held under a lease 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 15 days from the date of this contract shall commence work on a project of exploration for[5] Lead and zinc

in or upon the described land; and shall bring the project to completion within a period of eighteen 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $15,825.00 which is 50 percent of $31,650.00 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] [illegible], address, and nature of organization if any.
[3] [illegible] legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible] 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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

CHAMPION MINE

By Joseph L. Amsel
~~OREGON~~ Partner

Michael E. Amsel, By Joseph L. Amsel, attorney de facto.
By Book #3, page 147, # 84942 - 2-8-44
Partner

Ann Amsel, By Joseph L. Amsel, attorney de facto.
By Book 3, Page 169, # 100850 1-28-49
Partner

THE UNITED STATES OF AMERICA

By C. B. Mitterdorf
Acting Administrator
Defense Minerals Exploration
Administration

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

_____

SEAL

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

CHAMPION MINE
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2502

EXHIBIT "A"

Description of the Work

Rehabilitate and enlarge No. 3 Adit in the New Hope Claim approximately 150 feet by putting in track, ties and pipes for water and air and doing whatever else necessary to put the adit in good condition until the dike as shown on the accompanying map entitled "Champion Mine, Custer Co., Idaho" which is attached hereto and made a part hereof is reached. Crosscut through the dike to the limestone on the west side of the dike. The crosscut when it has reached the limestone shall be turned to an approximate S. 70° W. bearing and continued on this bearing until the deposit is intersected. Upon the intersection of the deposit, drifting shall proceed to the north and south.

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

Timbering shall be done where necessary in connection with all rehabilitation, crosscutting, and drifting work. Timbering shall include timber sets and lagging and excavation for timber sets.

Estimated Costs of the Project

150 feet of enlarging and rehabilitation of the No. 3 Adit @ $12.50	$ 1,875.00	
75 feet @ $11.00 per foot for timbering adit	825.00	
850 feet of drift and crosscut @ $31.20 per foot	26,520.00	
300 feet @ $8.10 for timbering drifts and crosscut	2,430.00	
Total Cost of the Project		$31,650.00
Government Participation @ 50%		$15,825.00

APPENDIX I

Victory Claim No. 1 recorded 7/26/43, instrument No. 84432 in Book 12 of Quartz, page 571.

Victory Claim No. 2 recorded 7/26/43, instrument No. 84433, in Book 12 of Quartz, page 572.

Money Getter Claim recorded 7/6/43, instrument No. 84361, in Book 12 of Quartz, page 568.

New Hope Claim recorded 7/8/41, instrument No. 52234, in Book 12 of Quartz, page No. 393.

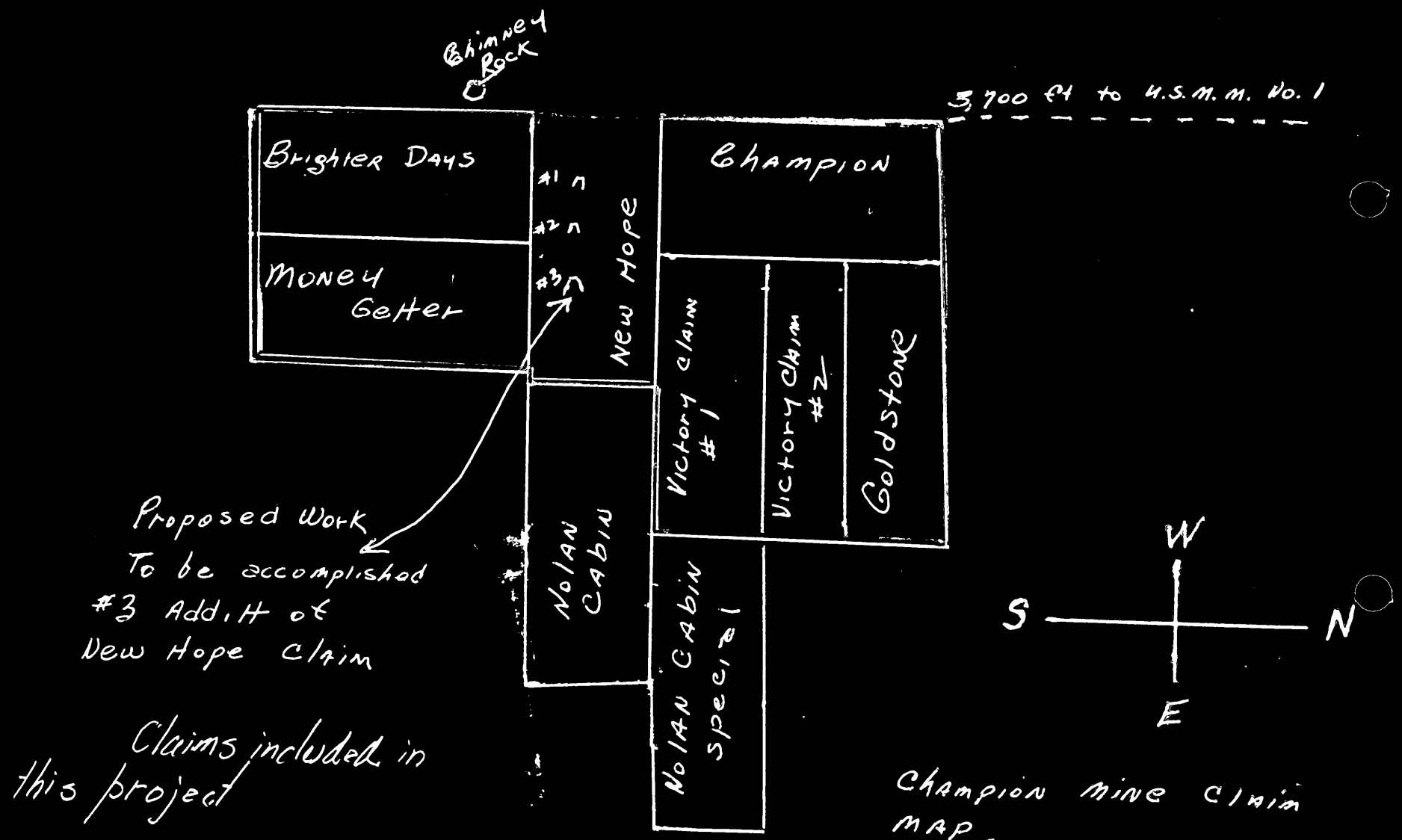
Champion Claim recorded 7/8/41, instrument No. 52235, in Book 12 of Quartz, page No. 393.

Brighter Days Claim recorded 7/8/41, instrument No. 52233, in Book 12 of Quartz, page No. 392.

Goldstone Claim recorded 8/25/41, instrument No. 52402, in Book 12 of Quartz, page No. 412.

All recorded at the County seat in Challis, Custer County, Idaho.

These claims are indicated on the map attached hereto and made a part hereof and entitled "Champion Mine Claim Map - Docket No. DMEA-2502" dated May 31, 1952.



Champion mine claim map.

Docket #D.MEA 2502

MAY 31, 1952

Form MF-103
(April 1951)

U. DEPARTMENT OF THE INTERI
DEFENSE MINERALS ADMINISTRATION

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

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

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2502

Date received 4-28-52

Participation

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 28 1952

Joseph L. Ausich
Champion Mine
Box 281
Mackay, Idaho

Name and address of applicant

Date March 24, 1952

FILL IN THIS BLOCK

Date of application March 24, 1952

Estimated cost

Mineral or metal Lead-Zinc

Percentage of Government participation

Location of mine Mackay, Custer County, Idaho

Alder Creek Mining District Section 12., Township 6 North., Range 23 East.

Date of filing MF-100 3/24-52

DMA Docket Number, if available 1091

INSTRUCTIONS

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

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

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

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

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

*11. State the present and former names of the property, if any.

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

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

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

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

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

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

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

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

THE EXPLORATION

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

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

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

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

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

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

CERTIFICATION

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

Champion Mine
(Name of company)

By Jos. L. Russell
(Signature of authorized official)

March 24, 1952
(Date)

Owner & Mgr. & Agent
(Title)

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

*Same as footnote on page 1.

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

Supplement to Form MF-100
DMA Docket No. - 1091

March 24, 1952
Jos. L. Ausich
Box 281
Mackay, Idaho

1. Applicant is a partnership.

2. Partners names are, viz:

Ann Ausich V. A. Dom. Center Clinton, Iowa	2/9 % interest or ownership
Michael E. Ausich Mackay, Idaho	2/9 % Interest " "
Jos. L. Ausich	5/9 % interest " "

Applicant has power-of-attorney on record to execute any type contract, loans etc. pertaining to Champion Mine.

3. Not a corporation

4. This question answered on Form M.F-100

5. See question 2 above.

6. There are no claims, liens or encumbrances against this property

7. Not a lessee, but owner and operator of property.

8. Inapplicable

9. The applicant is prepared to invest one-half the cost of the proposed project. It will be sufficient to carry out the project.

10. The description of the real property is on record at the County Seat in Challis, Idaho., known as the Champion group of mining claims and the individual claims are called., Champion., New Hope., Brighter Days., Money Getter., Nolan Cabin., Goldstone., Nolan Cabin Special.

(b) The legal description of the exact parcel or area whereby the exploration is to be conducted is called NEW HOPE., Instrument No. 52234 in Book 12., page No. 393 and recorded upon 7/8/41., and to be performed upon what is known as the No. 3 level, same on record in County Seat in Challis, Idaho.

11. The present and former names of the property was always known as the Champion Group., it is also mentioned in Prof. Paper No. 97. U. S. G. S. Report by Joseph B. Umpleby.

12. This question is answered on from MF-100

13. " " " " " " " "

14. " " " " " " " "

15. The ore can be shipped in crude form to the smelters in Salt Lake City, Utah.

16. (a) Ore was discovered upon the surface and a shaft of some 30 ft. sunk upon the ore., then at an elevation of some 60 ft. vertical an addit was driven, which is known as the No. 1 level and the ore was encountered and the early day shipments were taken from this level as evidenced by U.S.G.S. report by Umpleby in Prof. paper No. 97 page no. 101 therein, no records are available on this operation, a shaft 30 ft. deep was sunk below the No. 1. level and stoping accomplished as well.
Then addit No. 2. was driven some 375 linearal ft. and the ore intersected at that point, the No. 2 level being 148 vertical feet below the No. 1 level. In this No. 2 level some 32 Railroad cars of crude were shipped to the smelters in Salt Lake City or roughly 1,603.306 tons of ore which would avge approx. 11.875% lead, this not being a wet lead avge., same being mine run and not hand sorted. Under-handed stopeing below the No. 2 level of some 32 vertical feet was accomplished., thereby indicating that the same ore zone is still extending downward., the present operations from a period of 10/19-51 to 12/10-51., 2 men produced 2,150,712 lbs. of crude ore, or in other words 44 working shifts. At present operator is mining ore verticaly toward the No. 1 level and two headings of ore are being mined which will average approx. 8 ft. widths., I would estimate that some 1,500 tons of ore has been by-passed, reason being to intersect No. 1 level for ventilation purposes. Upon the No. 2 level an early day shaft was sunk approx. 60 ft. below the No. 2 level at the ~~north~~ west addit and driven east and the same ore zone encountered at that elevation. Since the property was acquired by the applicant the suspensions were governed chiefly due to Market price of Lead as well as lack of proper mining equipment, which now has been overcome., and when operations are resumed with the ore in sight, one can very easily produce an average of 120 tons of ore per week with 2 men and increased with the addition of more labor.
The applicant wishes to extend the present face of addit No. 3., which would give an additional vertical distance below the No. 2 level the distance of 198 ft., the No. 3 addit is in approx. 152 toward the ore zone as proven on the surface, the No. 1 and No. 2 level.

(b) The ~~only~~ neighboring property is the Empire mine and reference thereto can be made by Prof. Paper No. 97 therein, plus recent U.S.G.S. information now known as the Mackay Exploration Co.

(c) The following information may be noteworthy as to reports etc.

1. Joseph B. Umpleby., U. S. G. S. per Prof. Paper 97., Page No. 101 This is an early day report as much development work has been accomplished since that time.

2. Several Engineers & Geologists examined this property of the R.F.C. and granted a $5,000.00 loan to Lessee David E. Bell upon May 1943., reference thereto is made to David E. Bell., Lessee., Docket No. B-ND-4736 (R.F.C.) Salt Lake City, Utah

3. Lessee D. E. Bell made application for mine access road., which had to be passed upon and approved by the U. S. Bureau of Mines. Mr. John W. Taber., mining Engineer along with his Chief Mr. S. H. Lorrain passed on the mine prior to the mine access road which was constructed by the Bureau of Mines approval.

Jos. L. Ausich
Box 281
Mackay, Idaho

16. (c) 4. The U. S. Bureau of Mines at Albany, Ore., specificaly Mr. S. H. Lorrain stated in his letter of 5/12-48 "that the Champion mine is of such interest that it is currently set up in their files for a "Drilling Project" and same is kept in their active files pending possible appropriation sufficient to undertake it.

5. Mr. Elton C. Youngberg, formerly of the Howe Sound Mining Co. and a Mining Engineer & Geologist at present with the U. S. G. S. in Spokane, Wash. passed the Champion Mine along with other's for Lessee Cascade Exploration, Inc., of Holden, Wash.

6. A copy of Geological Report is enclosed herewith., data compiled by Mr. A. K. Guard., Mining Engineer & Geologist at present employed by Monsanto Chemical at Soda Springs, Idaho.

17. (A) Please refer to Question No. 16-a herein and for MF-100

18. (a) Please refer to Question No. 16-a herein and form MF-100

(b) Find enclosed herein separate mine maps and assay data.

(c) With what development accomplished, would estimate approx. 9,000 tons of crude ore., approx. 14.2 % to 13.2% lead.

19. No comment

20. The exploration program will be conducted to Lead, Zinc and Copper ores with object in mind to mine same for market when encountered.

21. Re-habilitation of the first approx. 152 ft. of Addit No. 3 from portal to widen and heighten present addit which is approx. 3½' x 5'10" high which should be accomplished from period June-July 1952. Period Aug. through Dec. 1952 (5 mo.) the actual cross-cutting of approx. 500 ft. continued from present face of adit No. 3. Then from Jan. 1953 to March 1953 to suspend project not knowing the snow conditions that far into the future. Then period from April 1953 through to Dec. 1953 should finish the project. The thought in mind to try to average approx. 100 ft. per month and if, and when feasible to add an additional shift that should cut the project time in half.

22. The exploration project is to explore the granite-limestone contact mineralized zone at the depth of about 185 ft. below the addit No. 2 of Champion Mine of which has produced several hundreds of tons of Lead-Zinc ores and which is still producing from this No. 2 level., it is estimated that it will take approx. 800 ft. of cross-cutting to reach the ore zone., then to drift ~~some~~ 100 ft. each way when encountered or a total of 200 ft. of drifting upon the ore zone. The operator believes that upon further depth that the ore values will increase, inasmuch as the ores going down from the No. 2 addit are increasing in values and of course getting closer to the secondary enrichment zone. Find enclosed herein a copy of smelter settlement sheets which should serve in lieu of assay reports, as same are mine run and several thousands of tons ore.

23. (a) (b) Labor

	3 miners @ 2.00 per hr. equals 400.00 per mo. or a grand total of -	1200.00
	Supervisor 1/2 time to project -	300.00
	Engineer part time	100.00
	Total labor costs	1600.00
	1600 @ 112 ft. equals cost labor	14.28 per ft.
(12.7%)	Employers S.S. tax and Insurance	1.81 " "

(c) None

(d) None

(e) None

(f) (g) Following is a detailed list of operating equipment to be rented, purchased or furnished by the operator with allowable rental as per reasonable rental value.

		Cost value	Rental Value per Mo.
1	Compressor, Schramm, Diesel., Portable 314 c.fm.	8,000.00	400.00
2	Truck, 4-wheel-drive., 1 ton, Willy's	2,300.00	100.00
3	Jack-hammer., Ingersol-Rand., wet type	300.00	20.00
4	Drifter, I-R.-DA-35 hand crank	400.00	30.00
5	Fan, ventilation w/20 Horse-power Gas Motor	440.00	10.00
6	Tank, air receiver	125.00	5.00
7	4 ea. Mine Cars, 1 ton capacity	400.00	20.00
8	Water pressure tank, 20 gal, capacity	60.00	3.00
9	100 ft. rubber air hose	100.00	10.00
10	50 ft. rubber water hose	50.00	5.00
11	1 column 3½", complete	100.00	5.00
12	Pneumatic Saw	300.00	10.00
13	1-complete Blacksmith equipment	300.00	10.00
14	Chain Saw, gasoline operated	300.00	10.00
15	Relay Rails, switches, fish-plates, bolts, spikes	800.00	12.50
16	Pipes, 2"., w/fittings, valves etc. for entire project	1600.00	25.00
17	Ventilation Pipe, 8"., 1,000 ft., new	1000.00	20.00
18	Eimico, 12-B Mucking Machine	straigth rental	300.00 (?)
19	1 stoper, R-91 self-rotating	400.00	30.00
20	20 pcs. drill steel, threaded, various lengths	150.00	15.00
	TOTAL RENTAL EQUIPMENT COST PER MONTH - - -		$ 1040.50

23. (h) Material and supplies

Powder, 40 lbs. per round., @ 24.00 9.60 per day or	2.40	per	ft.
Caps, blasting., 14 ea. @ 2.85 per 100	.10	"	"
Fuse, 84 ft. @ 1.60 per 100 - 1.34 or	.35	"	"
Carbide, 2 lbs per shift @10.25	.05	"	"
Fuel, Gasoline, Diesel., motor & Lub.oil,&grease for power, ventilation and transportation	1.40	"	"
Timbering, 30 sets @8.47 -254.10	.25	"	"
Ties, 333 @ 3.25 BM ea. 1082 @50	.05	"	"
Bits, timken, detachable 75¢ per round of 4ft.	.19	"	"
Total cost Supplies & Materials	4.79	"	"

(i) None, costs shown hereinabove.

Summary of costs for item 23, viz:

LABOR	14.28 -
12.7% Employrs SS & Insur.	1.81 -
Equipment Rental (see listing) 1040.50 over 112 ft.	9.29 (?)
Material and Supplies	4.79
Contingency costs 10%	3.01 (?)
Total cost per foot of project - -	33.18

The cost of $33.18 per foot includes the following proposed items, viz:

150	ft.	of re-habilitation
650	"	of Cross-cutting
200	"	" Drifting
1000	ft.	of exploration

24. Project to be completed in 16 months working time after approval. Expect maximum progress of 112 ft. per month on one shift per day basis., which will cost estimated 33.18 per foot or $3,716.00 per working month.

Following is a copy of Smelter Settlement sheets from American Smelting & Ref., International Smelting & Ref., and U.S.Smelting & Ref. Co. of Salt Lake City, Utah of the Champion Mine. please note that Lead is dry lead assay or one can add 1.5% to get wet lead assay., all these shipments were taken from No. 2 level., viz:

Weight lbs.	% Lead	oz. Silver	% Zinc	% Copper	% Iron	Lot No.
90900	12.55	1.475	1.1	.25	31.85	1
44380	12.375	1.475	1.0	.2	32.3	2
~~39200~~	~~8.45~~					
39200	12.8	8.45	1.4	.65	28.15	3
117720	14.2	3.53	3.55	.40	26.85	4
108890	14.2	3.530	3.55	.40	26.850	5
105220	10.65	2.58	3.8	.30	33.4	6
115580	13.1	2.3	2.5	.25	35.2	7
113612	11.8	2.53	3.2	.30	29.3	8
110920	13.0	3.43	3.2	.30	24.5	9
129880	13.65	3.25	1.9	.35	26.05	10
99700	9.5	2.73	3.0	.35	24.15	11
108500	6.45	2.0	3.6	.40	26.45	12
118400	11.00	3.03	3.5	.25	26.35	13
106980	15.00	2.88	2.9	.35	26.85	14
22040	13.8	26.4	7.6	1.2	15.8	15
118440	7.30	2.95	2.85	.50	35.5	16
92680	9.55	3.93	5.35	.25	18.65	17
42380	13.80	4.63	5.0	.25	17.45	18
110300	10.15	2.695	1.6	.15	33.8	19
112420	19.20	3.05	.95	.64	29.55	20
106940	7.25	1.75	2.40	.40	31.90	21
126800	10.15	2.25	1.7 2.82	.64	32.55	22
126600 2 61.09	6.4	1.7 2.92	2.35	.175	22.7	23
121540	4.8	1.225	3.2	.225	18.35	24
113860 11.87	7.9	1.975	2.95	.35	22.15	25
122560	13.9	3.225	3.5	.5	19.45	26
97500	17.3	3.5425	1.85	.4	17.9	27
115640	13.70	3.45	2.90	.35	20.45	28
24380	15.8	3.2	2.25	.325	19.6	29
111880	12.55	4.25	3.75	.40	20.55	30
116240	11.9	3.575	3.8	.3	18.8	31
20451	14.3	3.795	3.1	.275	18.9	32

The following samples taken by RFC Mining Engineer 10/27-43 in present inacessable stope below No. 2 level (Norman N. Blye., Supr. Engineer)

Description	No.	Cut	oz. Silver	% Wet Lead	% Copper	% Zinc
South Face, E. 1/2	2	5.5'	1.58	9.45	0.67	7.00
" " , W. 1/2	3	5.5'	2.40	12.52	0.52	3.50
North Drift - Top	4	4.0'	2.80	14.12	0.41	5.50
" " - Face	5	4.0'	4.48	11.55	0.41	7.90

The above information is supplement to Question 18 (b) Form MF-103

I, a Notary Public, hereby certify that the above information is a copy from records of the Champion Mine of Jos. L. Ausich and represents a true copy as per said documents,

Form MF-103
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA-2502

Date received 4-28-52

Defense Minerals Administration
APR 28 1952
Received

Joseph L. Ausich
CHAMPION MINE
Box 281
Mackay, Idaho

Name and address of applicant

Date March 24, 1952

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   ☒ Owner.
   ☐ Lessee.
   ☐ Contractor.
5. Number of years in production 10 years

   If not in production or operation, estimated date when production will begin Production to resume May, 1952
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
~~Joseph L. Ausich~~	~~Owner Manager~~						
Jos. L. Ausich	Owner Manager						
M. E. Ausich	partner						
ANN M. Ausich	partner						
	This is not a stock or corporation but a partner set-up.						
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

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

*Indicate period covered.

10. Production: From period Oct. 19, 1952 to Dec. 10,1952 incl. a total of 1,056,000 lbs. of lead ore

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Lead Ore			233,740#	240,000 lb
2. Quantity of product processed (specify unit of measure and type of process)	no mill				
3. Quantity and grade of product sold or shipped (specify units of measure)	Crude Lead-Zinc Ore				

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. will try to average 240,000 lbs per month

12. Ore or Mineral Reserves:

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

Present ore being mined will average approx. 8 ft. wide - 2 headings with a vertical distance of 148' and no lenghth as yet determined.

16—63792-1

Supplement to Form MF-100 (5-51). Dated March 24, 1952

Joseph L. Ausich Champion Mine Box 281 Mackay, Idaho

1. (a) Lead, Zinc, Copper and silver, Iron
   (b) " " " " "

2. Champion Mine
   (a) a total of 172 linear ft. of shafts
   (b) " " k 1,374 linear ft. of drifts and crosscuts
   (c) " " 984 " " " tunnels or adits
   (d) " " " 237 " " " Stopes
   The mine is not flooded., therefore, no pumping problems are present. The mine has produced 3, 206, 712 lbs of crude ore, or a gross total of 1,603.306 tons notwithstanding earlier day production of which the writer has no records.

3. (a) The mine is located approx. 8 miles from the railhead at Mackay, Idaho south of Mackay.
   (b) The mining district is 'Alder Creek Mining District'
   (c) The Champion Mine is located in Section 12., Township 6 North., Range 23 East.
   (d) County of Custer., State of Idaho

4. (a) The property will be in operation approx. the 15th of April, 1952 and is operated by Jos. L. Ausich, Owner.

5. The property has produced ore intermittenly by the owner the past 10 years. Present plans are to start production from April 15, 1952 or May 1, 1952., Operations were suspended this year due to unusual snow conditions which are the highest ever noted by the writer or recorded in this area.

6. The operator has been mining xxxxx for a period of 24 years, having worked his own properties, other mining companies and leasing of other companies. The operator is at present operating the Champion Mine.

7.(aBriefly, since the applicant acquired the Champion Mine., much work was accomplished in re-habilitation., road construction., ore bins, surface bldgns., In this period a total of 32 RR cars of ore has been shipped from the No. 2 level., reasons of suspensions have been due primarily to the market price of lead, which has been to many extremes over this period of time., and lack of necessary mining equipment.

8. (b) The neighboring property which is the Empire Mine which has produced several millions of dollars in the past.
   (c) Find enclosed herein data, Geologists Report., and History of which are accompanied with Form MF-103

Questions Numbered 8., 10., 11., 12., 13., 14., 15., 16., 17 and 18 are answered on Form MF-100 therein.

Question No. 9 is inapplicable.

(*b*) If deposit is other than pla

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve. Ore shipments will avge approx. 14.8% pb.

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

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	Unknown	14.8%	35.964	35.964	1.85
Indicated (probable)	11,964	14.88%	35.964	35.964	2.01

(*c*) If placer:

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

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

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

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

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

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

13. Access Roads: 8 mile truck road to RR not over 10% grade, very good

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

14. Water Supply:

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

Water could be piped approx. 800 ft. to source of operations

15. Power:

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

None

16. Labor:

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

At present one miner, timber-man and trammer

17. Equipment and Facilities:

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

Complete mining equipment w/315 c.f.m. compressor

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

No.

CERTIFICATION

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

Champion Mines
(Name of company)

By Jos. L. Ausich
(Signature of authorized official)
Jos. L. Ausich

March 24, 1952
(Date)

Owner & Mgr.
(Title)

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

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

A REPORT on THE CHAMPION MINE Mackay, Idaho by A. K. Guard
Boise, Idaho April 10, 1951.

THE CHAMPION MINE

Summary

The Champion Mine has development work on four levels-- two of which develop a thirty-foot ore zone adjacent to a highly mineralized granite-limestone contact zone. A record of ore shipments made from No. 1 and No. 2 levels shows good values present. Geologic conditions for valuable ore deposition below the present exploration are favorable.

In considering No. 4 Tunnel versus No. 3 Level for an exploration program the choice falls on the No. 3 Level for ecomic reasons which need not be set out in detail here.

It is therefore recommended that the No. 3 Level be extended to the ore zone, a distance of about six hundred feet, and that the drifting of two hundred feet in each direction be undertaken.

Most of the equipment for carrying out this program is available at the mine.

Conclusion

The Champion Mine is located on a favorable ore zone and warrants a definite program of exploration. It has a better than average chance of paying off the investment required for the exploration recommeded herein.

THE CHAMPION MINE

LOCATION

The Champion Mine is located in Alder Creek Mining District, Custer County, eight miles south-westerly from the railhead at Mackay, Idaho. The group comprises eleven claims and lies mostly on the eastern slope of a southern shoulder of White Knob Mountain at an elevation of about 8,000 feet.

ACCESSIBILITY

The Champion Mine is owned jointly by Jos. L. Ausich & Ann Ausich of Mackay, Idaho and Michael Ausich of Las Vegas, Nevada. Jos.L. Ausich is Mgr.

CLIMATE and VEGETATION

The precipitation of the Mackay area is scant. Sage bush grows on the lower slopes and in the valley where crops are supported by irrigation. The high mountain slopes, with peaks reaching 10,000 to 11,000 feet altitude has a heavier precipitation much of which is in the form of snow. Some of these slopes support a good growth of timber including lodge pole, yellow pine, and some spruce and fir.

An adequate supply of mine timber from one of these slopes is a valuable asset of the Charmion Mine.

Water

Water could be piped from Tuscarora Creek to the mine but the supply

Water

would not be sufficient the year around to supply a mill. During spring and early summer, drips in the mine give enough water to run one or two drill; but it is generally found more convenient to haul the water for this purpose. Near the No. 4 Tunnel is a spring which feeds into Cliff Creek. This may become important in future development of this mine.

Regional Geology

The regional country rock is limestone cut by a few trachite porphyry dikes capped by rhyolite lava. The lava-capped limestone is marked by a local uplift due to the intrusion of a granite-porphyry stock, dikes of which cut the adjacent limestone.

Contact Mineralization

The contact zone of granite-porphyry with lime-stone shows typical skarn mineralization of garnet, epidote and magnetite. A little copper and some flourite occurs in most of the skarn. In places considerable copper deposition is present.

On the north eastern contact zone, for example, the Empire Mine developed sizeable gold-bearing copper ore bodies with occasional shoots containing mineable scheelite and minor flouite content.

In some places along the contact the magnetite deposition assumes massive proportions of potential economic importance.

In one place an alteration deposit close to the contact zone consists of massive siderite crystals of enormous size. Interstitial among these crystals are pods of coarsely crystalline silver-bearing galena.

Further away from the immediate contact zone are fissures containing complex lead ores, mostly carbonates, but with an occasional pocket of galena. The walls of some of these lead-carbonate fissures frequently have massive lenses of reddish-brown jasper or chert in which are enclosed minute well-preserved galena crystals and fragments of other lead, zinc and iron minerals. Most of the lead fissures also carry zinc.

Occasional lenses of nearly pure zinc minerals occur in fissures similar to those in which the lead ores lie.

The zinc ores also are complex. Smithsonite, and calamine are common with occasional remnants of sphalerite.

All the ore deposits so far explored along this contact zone a distance of several miles, have been marked by a common feature of unpredictable irregularity with reference to both size and shape. Generally speaking, if an ore deposit is lenticular the thickness of the lens gives a clue to length and depth. This is not true of the irregular bodies along this contact zone.

Another common feature observed in all these deposits is extreme alteration marked by ground water activity. There has been some hydro-thermal activity and later downward redeposition of what appears to have been at one time massive sulphide ore bodies containing gold, silver, copper, lead, zinc, and other associated minerals.

Contact Mineralization

No part of the contact zone, even at the Empire Mine, has ever been explored at depth.

Champion Mine Workings

The Champion Mine workings consist of tunnels on four levels. The adit of No. 1 Level is 1, 150 feet horizontally distant from the adit of No. 4 tunnel and is 730 feet vertically above the No. 4 Tunnel. No. 1 Level consits of about 370 feet of drifts, shafts and raises. No. 2 Level is about 140 feet vertically below No. 1 Level and consists of more than 1,500 feet of crosscuts, drifts, shafts and raises. No. 3 Level is about 185 feet vertically below No. 2 Level and consists of 154 feet of crosscut. The No. 4 Tunnel is 400 feet vertically below the No. 3 Level and consists of seventy-three feet of crosscut.

Ore Zone and Mineralization

The Ore zone is about thirty feet wide. It cuts limestone with a sixty degree westerly dip and strikes nearly due north. It is well exposed on both the No. 1 and No. 2 Levels. It is marked by faulting and brecciation and a few completely decomposed granite-porphyry dikes ranging in thickness from one inch to ten inches except in the walls of the ore zone where indications are that these dikes may be considerably thicker.

There is no conclusive proof that those dikes are the mineralizers. They may, indeed, be much older than the sulphide mineral injections. The zone is further marked by limestone boulders and re-mineralization solution cavities in limestone. Some stratification of material filling thses cavities in in evidence. Other caves appear to have been filled with sulphides and could possibly be of replacement origin although the outline of the sulphide bodies has an abrupt termination against irregular walls such as are commonly derived from water action in limestone. In places remnants of the original sulphides remain, but generally speaking most of the sulphides, lead and zinc, are altered to secondary minerals which consist predominantly of carbonates with a ~~xxxxxxxxx~~ complexity of other lead and zinc minerals of which no complete petrographic and mineralogic study is available. Along the walls occasional massive lenses of reddish-brown iron-stained jasper enclose minute galena crystals and here and there a few sphalerite crystals. Some of this jasper carries enough lead to have made shipping ore in the past on the No. 1 Level. A.K.S.

The matrix of the ore zone contains ~~xxxxxxxxx fromlone to lixdpercent~~ from one to six percent lead and undetermined amount of zinc. The irregular pockets within the zone contain complex lead ores assaying from nine to thirty-four percent lead. It is from these irregular pockets within the zone that shipments have been made in the past. Smelter return statements covering values of ore shipped are in the possession of Mr. J.L.Ausich.

Throughout the zone, iron gossan is present and some of this is concentrated into a silicious limonitic iron on the walls of the zone. The evidence of strong leaching is plain throughout.

Ore Deposition Possibilities

The general appearance of the ore and its subtle change downward from the No. 1. Level to No. 2 Level shows a trend which is an indication that the more

Ore Deposition Possiblities

massive deposits are to be found lower in the Zone. Definitely, downward leaching has occured; and it is to be expected that enrichment zones of redeposition will be found at a lower level.

The regional geologic history of uplift, either as a continuous gradual uplift or a succession of uplifts, will probably be found to have affected this redeposition. There may have been a gradual changing upwardly of a water table, or there may, on the other hand, have been a succession of water tables each of which remained static for a long enough period to effect separate enrichment zones. Exploration at depth may reveal which of these conditions prevailed.

It is the writer's opinion that the No. 3 Level offers a good possibility of uncovering valuable ore pockets; but he is inclined to believe that the No. 4 Level will, when eventually driven to intercept the ore zone, offer the best possibilities for uncovering substantial ore bodies and give the most economic adit for developing a good mine.

Proposed Development

The No. 3 Level is the only one which has a road directly to the tunnel portal. There, too, several useable buildings are on the road adjacent to the portal.

By extending the No. 3 Level a distance of six hundred feet the ore zone will be pierced.

To further explore the ore zone a minimum of two hundred feet of tunnel whould be driven in each direction from the crosscut.

This development work is recommended bocause it is the most immediately economic program on the property and its chance of paying off is very good.

I wish to stress, that while ore may be encountered immediately upon piercing the ore zone, the two hundred-feet drifts in each direction should be completed before stoping of the ore is undertaken. This is suggested as a safeguard in order that a proper long-range program of economic development of the mine can be carried through.

A diamond drilling program to explore the ore zone has been considered from the present face of the No. 3 Tunnel; but due to the extreme irregularity of the ore pockets the information gleaned through diamond drilling could prove very misleading. Crosscutting and drifting on the ore zone is preferable.

There are several points in favor of exploring the No. 4 Tunnel:

1. Near the No. 4 Tunnel water is available.

2. It is situated at the head of a gulch readily accessible from the road at Cliff Creek. This would shorten access to the mine by more than two miles and give a better year-around road.

3. It offers an ideal site for mill and mine buildings and yet has enough slope to make waste disposal from development work easy.

Ore Deposition Possibilities

4. The greatest depth possible for exploring the ore zone without sinking a costly shaft would be from this point--four hundred feet vertically below the No. 3 Tunnel.

The main objection to undertaking exploration from the No. 4 Tunnel is the cost of driving a crosscut which might have to be more than fifteen hundred feet long. However, the possiblity of encountering other hitherto unknown ore bodies does exist because the granite contact at that depth might turn out to be considerably less than fifteen hundred feet away.

Buildingsand equipment

At the Number 2 portal is a small but fairly well-equipped blacksmith shop. Access to this level is given by a one hundred and forty-foot long slide-skip operated by a small tugger. A trestle-supported chute transfers the ore from this level to the sixty-ton-capacity ore Bunker on the road. Adjacent to the ore bunker is a serviceable compressor shed where also is housed a large pressure tank.

On the road extending past the number three portal are three, more or less, habitable buildings and one compressor shed.

The rail tracks and air pipes in No. 2 Tunnel are ample and in good shape. On the No. 3 Level the tracks are in good shape. A considerable amount of extra one-and-one-half and two-inch pipes are available.

There is a one-hundred and five c.f. compressor in good working order. There are also two Jack-hammers, a stoper, tugger, three, three-quarter ton end-dump mine cars, a good supply of hoses, and a considerable amount of tools and small equipment.

Summary

The Champion Mine has development work on four levels--two of which develop a 30 foot ore zone adjacent to a highly mineralized granite-limestone contact zone. A record of ore shipments made from No. 1 and No. 2 Levels shows good values present. Geologic conditions for valuable ore deposition below the present exploration are favorable.

In considering No. 4 Tunnel versus No. 3 Level for an exploration program the choice falls on the No. 3 Level for economic reasons which need not be set out in detail here.

It is therefore recommended that the No. 3 Level be extended to the Ore Zone, a distance of about 600 ft, and that drifting of 200 ft. in each direction be undertaken.

Most of the equip. for carrying out this program is available at the mine.

Conclusion

The Champion Mine is located on a favorable ore zone and warrants a definite program of exploration. It has a better than average chanse of paying off the investment required for the exploration recommended herein.

/s/ A. K. Guard A. K. Guard
Boise, Ida., 4/10-51
Box 1732

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. W

Bu. Vou. No. 1281

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

Voucher prepared at Spokane 9/17/54
(Give place and date)

PAID BY
(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm-E361

To Champion Mine
(Payee)

Box 281 Mackay, Idaho
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1954	Balance withheld from amount approved for June 1954. Partial payment of $1,153.33 was made under Voucher 1216, 7/20/54.				200.00	
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 200.00

(Payee must NOT use this space)

Differences

Account verified; correct for 200.00

(Signature or initials) MGP

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

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Minerals Production Act.	$200.00	$200.00

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 1216

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

Voucher prepared at Spokane 7/20/54
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-B361

To Champion Mine
(Payee)

Box 281 (Address) Mackay, Idaho (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1954	Partial payment June 1954 MP-104. Balance is being withheld pending final audit as project is nearing completion. ($200.00 withheld)				1,153.	33
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 1,153.33

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,153.33

(Signature or initials) MAP

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

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Minerals Production Act.	$1,153.33	$1,153.33

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

Budget Bureau No. 42-R1036.5

"FINAL REPORT"

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

Month of June, 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $39,510.00 Government Participation: 50 % Amount, $19,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Enlarge Contracts: & Short Form		1,712.50				
~~Drift~~ Re-Hab.	- -	&	1,712.50		1712.50	1712.50
TIMBER ~~Bulldozing~~ Addit	- -	209.00	209.00		209.00	209.00
Crosscutting	- -	20,841.60	20,841.60		20841.60	20841.60
Drifting	2964.00	7,238.40	10,202.40	2340.00	7238.40	9578.40
TIMBER ~~X-C & Drift~~	531.45	3,065.85	3,597.30	376.65	3065.85	3442.50
(2) ~~Labor & Supervision~~:						
~~Labor~~ RAISING	- -	2,947.20	2,947.20		2947.50	2947.50
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3495.45	36014.55	39,510.00	2716.65	36014.85	38731.50

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

Date 6-29-54 *Payee Champion Mine

Per Joe L. Jewell Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 1153 33

Signature MJP
(Authorized Certifying Officer)

Date 7/20/54 Vou. No. 1216

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature (S) Verdo Z Johnson Title Mining Engr Date 7/8/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Stephen W Zeldok Title Mining Engr Date 7/8/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

"FINAL REPORT"

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	2964.00	95	10,202.40	427	31.20	1095	31.20
Crosscutting	"	- -	--	20,841.60	668			
Raising	"	- -	--	2,947.20	75	39.30	103	39.30
Shafts	"	- -	--	1,712.50	137	12.50	150	12.50
Winzes	"	- -	--	209.00	19	11.00	75	11.00
Drilling: Core								
Auger	"	531.45	72	3,597.30	450½	8.10	500	8.10
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3495.45	167	39,510.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3495.45	167	39,510.00				

Enlarge&Re-Hab. Timber Addit Timber Drift X-C & Cross

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

Date June 29th, 1954 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

July 2, 1954
Box 281
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

FINAL REPORT

Subject: June 1954 Report - Cont. # E-361
Champion Mine DMEA No. 2502

Progress for the month of June, 1954 amounted to 95' of drifing and 72' of timber. Drifing to the north was continued during the first part of June along granite and through talc. Small pods of limestone were encountered, but very little minerlization was seen. The ground was very heavy and spiling was necessary at times.

Mr. Howard Nickelson visited the property about the middle of June & drifking was then commenced southward through a large limestone pod that showed considerable minerlization. Drift was turned east of south in an attempt to emerge from limestone, but was not successful due to termination of project., the structure here was however, seemed to show more promise than elsewhere.

This being the final report., all maps & data of the like are with both the Bureau of Mines & U.S.G.S. offices in Spokane., as the personell of both offices inspected & mapped the progress & accomplishments of this project at least once a month during it's inaugartion.

No ore of marketable grade was encountered on the project to date. The various contractors employed on the project did exceptionable good work under the existing conditions.

In reviewing the project 427 ft. of drifing., 668 ft. crosscutting., 75 ft. of raising., 137 ft. of enlarging and re-habiliation., 19 ft. of timbered addit an 450-1/2 ft. of timbering in cross-cuts and drifts, was accomplished. No equipment or material was purches with govt. funds etc.

The matter of the $5.00 over-payment by the disbursement agent., as called to your attention as per my letter of 12/2-53., papa. No. 4 therein., has not to date been taken care of and would appreciating in same being deducted in the final payment.

The writer herewith wishes to render his thanks to the personnel of both offices as to the courteous and efficient manner upon which the duties of the project were discharged.

I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich
Champion Mine

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encl. 14

Amount submitted		$3,495.45
Less:		
20 ft. of drift at $31.20/ft	$624.00	
25.5 ft. timbering at $8.10/ft	206.55	
Amount claimed in excess of contract allowance		830.55
		$2,664.90
Mathematical error in amount claimed by operator for timbering:		
72 ft. of timber at $8.10	583.20	
Claimed by Operator	531.45	
Difference		51.75
Approved amount June 1954 final report		$2,716.65
50%		$1,358.33
Less error in payment on October 1953 MF-104		5.00
		$1,353.33
Withheld pending final audit		200.00
Check to Operator		$1,153.33

Form MF-10 (Rev.)
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho
Contract Amount, $39,510.00 Government Participation: 50 % Amount, $19,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: ENLARGE &						
~~Drilling~~ Re-Hab.	- -	1,712.50	1,712.50			
~~TIMBER~~ ~~XXXXXX~~ Addit	- -	209.00	209.00			
Crosscutting	- -	20,841.60	20,841.60			
Drifting	2,090.40	5148.00	7,238.40			
Timber X-C & Drift	648.00	2417.85	3,065.85			
(2) ~~Labor and Supervision~~ ~~Labor~~ RAISING	- -	2,947.50	2,947.50			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2738.40	33276.45	36014.85	2738.40	33276.45	36014.85

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

Date 6-5-54 *Payee Champion Mine

Per Jos. L. Jurach Title Partner & Agent
Jos. L. Ahaich

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
1369.20
500.00 withheld
869.20 $ 869 20

Signature MJP
(Authorized Certifying Officer)

Date 6/23/54 Vou. No. 119
(See other side)

Project nearing Completion

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E261 in accordance with the terms of the contract.

Signature /S/ Stephen W Zoldok Title Mining Eng Date 6/15/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Eng Date 6/15/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	2090.40	67	7,238.40	332			
Crosscutting	"	- -	--	20,841.60	668)	31.20	1050	31.20
Raising	"	- -	--	2,947.50	75	39.30	103	39.30
~~Shaft~~ Enlarge&Re-hab	"	- -	--	1,712.50	137	12.50	150	12.50
~~XXXX~~ TIMBER addit	"	- -	--	209.00	19	11.00	75	11.00
~~XXXXXXX~~ TIMBER								
X-C ~~Shaft~~ & Drift	"	648.00	80	3,065.85	378½	8.10	500	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2738.40	147	36,014.85				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2738.40	147	36,014.85				

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

REMARKS:

Date 6-5-54 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

June 5, 1954
Box 281
Mackay, Idaho

Mr. Tom Howard - Mining Engr.
Bureau of Mines - Dept. Of the Int.
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: xxxtixx May 1954 Report-Cont. / E-361
Champion Mine DMEA No. 2502

Progress for the month of May, 1954 amounted to 67 ft. of drifting and 30 ft. of timbering.

Drifting is being advanced toward the north and present mater al being very soft., entailing the use of pneumatic spade., timber must be immediately installed., as the the ground slacks when exposed to air and takes weight immediately. Some mineralization is detected in the gangue like materila in the way of iron and small minute blebs of lead at times is noted, however no significant mineralization has been encountered to date., have encountered limestone on the footwall., ie interm ttenly.

Thanking you,
I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich
Champion Mine

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encl. 14.

N.B. Contractor Taylor has added another man to the crew, due to the long trum.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 1228

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

Voucher prepared at Spokane 7/20/54
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E361

To Champion Mine
(Payee)

Box 281 (Address) Mackay, Idaho (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	May 1954	Partial Payment withheld from May 1954 MF-104- balance paid under Voucher 1195- 6/23/54				500.00	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 500.00

(Payee must NOT use this space)

Differences .....

Account verified; correct for 500.00

(Signature or initials) MFP

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

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Minerals Production Act, Interior	$500.00	$500.00

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

104 (Rev.)
ril 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
MAY 20 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 39,510.00 Government Participation: 50% Amount, $ 19,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: Enlarge &						
~~Drifting~~ Re-Hab.	- -	1712.50	1712.50		1712.50	1712.50
TIMBER ~~Xc~~ ADDIT	- -	209.00	209.00		209.00	209.00
Crosscutting	1872.00	18,969.60	20,841.60	1872.00	18470.40	20342.40
Drifting	- -	5,148.00	5,148.00		5148.00	5148.00
TIMBER X-C & DRIFT	145.80	2,272.05	2,417.85	145.80	2223.45	2369.25
(2) ~~Management Supervision~~ ~~Shaft~~ RAISING	- -	2,947.50	2,947.50		2947.50	2947.50
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2017.80	31258.65	33276.45	2017.80	30710.85	32728.65

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

Date 5-8-54 *Payee Champion Mine

Per Joe L. Ausich Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 1008.90

Signature (Authorized Certifying Officer)

Date 5/14/54 Vou. No. 1156
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Verdo Z. Johnson Title Mining Engr. Date 5/13/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldoke Title Mining Engr. Date 5/13/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 4 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	- -	- -	5,148.00	165)	31.20	1050	31.20
Crosscutting	"	1872.00	60-	20,841.60	668)	31.20	1050	31.20
Raising	"	- -	- -	2,947.50	75	39.30	103	39.30
ENLARGE ~~Shafts~~ & RE-HAB.	"	- -	- -	1,712.50	137	12.50	150	12.50
~~Timber~~ TIMBER ADDIT	"	- -	- -	209.00	19	11.00	75	11.00
~~Drifting Cut~~ TIMBER								
XC and ~~Crosscut~~ Drift	"	145.80	18	2,417.85	298½	8.10	500	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,017.80 2k	78	33,276.45				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,017.80	78	33,276.45				

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

Date 5-8-54 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

(Instructions on reverse)

REMARKS:

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

May 8, 1954
Box 281
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: April 1954 Report-Cont#E-361
Champion Mine DMEA # 2502

Please be advised that progress for the month of April., 60 ft. of cross-cutting and 18 ft. of Timber.

Upon April 8th the road to the mine was cleared of snow by a bull-dozer crawler tractor and operations were resumed the following day. Cross-cutting was driven into the granite to the West. Approx. 30 ft. of material was cross-cutted in this drive, that appeared to be of vein like nature.

Timbering was installed at points were needed. Upon Mr. Nikleson's recent examination, it was decided to ~~dr~~ drift on the vein interestected therefore, this is now under progress.

I wish to take this opportunity to remind you that the sum of $273.90 that was with-held for the month of Feb. 1954 has not as yet been received and would greatly appreciate in your routing same as soon as convenient.

Thanking you,
I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich
Champion Mine

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encl. 14

Form MF-10½ (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 20 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 221 Hackney, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form						
Drilling Re-hab.	--	1712.50	1712.50			
Bulldozing Timber	--	209.00	209.00			
Crosscutting	499.20	18470.40	18969.60			
Drifting	--	5148.00	5148.00			
Timber X-C & Drift	48.60	2223.45	2272.05			
(2) Labor and Supervision:						
Labor Raising	--	2947.50	2947.50			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	547.80	30710.85	31258.65	547.80	30710.85	31258.65

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

Date 3-2-54 *Payee Champion Mine

Per [signature] Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 273.90

Signature
(Authorized Certifying Officer)

Date Vou. No. 1156

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-361 in accordance with the terms of the contract.

Signature /S/ Verdo Z Johnson Title Mining Eng Date 3/4/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 5/14/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 20 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 1954 Docket No. DMEA 2502 Contract No. E-261
Operator's Name Champion Mine Minerals Lead
Address Box 281 Hecla, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	--	--	5,145.00	165))	31.20	850	31.20
Crosscutting	"	499.20	16	18,960.60	608))			
Raising	"	--	--	2,967.50	75	39.30	105	39.30
Shafts	"	--	--	1,712.50	137	12.50	150	12.50
Winzes	"	--	--	209.00	19	11.00	75	11.00
Drilling: Core								
Churn	"	48.60	6	2,272.05	280½	8.10	300	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		547.80	22	31,256.65				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		547.80	22	31,256.65				

Zn-Max Iron Sto-hub.
X-C & Drift

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

Date 3/2-54 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

March 2, 1954
Box 2 1
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: Feb. 1954 Report Cont.# E-361
Champion Mine MMRA # 2602

Progress for the month of ~~March~~ Feb. 1954 amounted to 16 ft. of cross-cut and 6 ft. of timber.

We were experiencing such mild weather the fore-part of Feb. that contractor Ivan Taylor had the mine road re-opened and the amount of above progress was accomplished before the road again became inaccessible due to snow conditions.

The 16 ft. of cross-cut was run in a westerly direction at a point of intersection of the drifts. At first the granite face was extremely hard however, after one round it softened up and is very similiar to the material encountered in the raize., it appears to be a granite gnegue and possibilities look very encouraging.

Due to the extreme heavy condition of the ground, plus the water, the drift to the north required much additional bracing to preserve it for future accessibility.

We are again experiencing mild weather this early this March and when feasible another attempt perhaps will be made to re-open the road., therefore, will not state that we plan to recess the project, it all depends upon the wather conditions.

I remain,

Respectfuly yours,

Jos. L. Jusich

Jos. L. Jusich
Champion Mine

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encl. 14

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 1102

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

Voucher prepared at Spokane 3/9/54
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E361

To Champion Mine
(Payee)

Box 281 Mackay, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Jan. 1954	Balance of amount withheld from the January 1954 MF-104				250.	00
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	250.	00

(Payee must NOT use this space)

Differences .....

Account verified; correct for 250.00

(Signature or initials) R.J.H.

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

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	$250.00	$250.00

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

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

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

Month of January, 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: Enlarge &						
~~Drilling~~ Re-Hab.	--	1712.50	1712.50		1712.50	
Timber ~~Bulkheading~~ Addit	--	209.00	209.00		209.00	
Crosscutting	312.00	18158.40	18470.40		18158.40	
Drifting	--	5148.00	5148.00		5148.00	
Timber X-C & Drift	--	2223.45	2223.45		2223.45	
(2) ~~Labor and Supervision~~:		1965.00				
~~Lab~~ RAISING	982.50	~~1964~~	2947.50		1965.00	
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1294.50	29416.35	30710.85			
~~TOTALS~~	~~1294x~~			1294.50	29416.35	30710.85

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-27-54 *Payee Champion Mine
Per Jos. L. Ausich Title Partner & Agent

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $
647.25 amt approved
250.00 amt withheld
397.25 amt paid 2/1/54
Signature (Authorized Government Officer)
Date 2/1/54 Vou. No. (See other side)

Partial payment of $397.25 made 2/1/54. Project inactive until Spring.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1954 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	--	--	5,148.00	165))	31.20	850	31.20
Crosscutting	"	312.00	10	18,470.40	592))			
Raising	"	982.50	25	2,947.50	75	39.30	103	39.30
Shafts ~~Enlarge &~~								
~~Re-hab.~~	"	--	--	1,712.50	137	12.50	150	12.50
Drilling, Core ~~Timber~~								
Churn ~~Addit~~	"	--	--	209.00	19	11.00	75	11.00
Timbering ~~X-C~~								
Stripping ~~and Drift~~	"	--	--	2,223.45	274½	8.10	300	8.10
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1294.50	35	30710.85				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1294.50	35	30710.85				

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

REMARKS:

Date 1-27-54 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Jan. 27, 1954
Box 231
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: Jan. 1954 Report Cont.# E-361
Champion Mine DMEA # 2502

For subject month of January, 1954., 25 ft. of timbered raize., plus 10 ft. of un-timbered cross-cut accomplished.

No work has been accomplished since January 16th, 1954., inasmuch as the recent heavy snow-fall prevented contractor Ivan Taylor to return to the project. Inasmuch as the snow-fall has caught the contractor with in-adequate provisions and supplies., it has been decided to recess the project until weather conditions permit, which perhaps, might be sometime this forthcoming spring.

Much difficulty was experienced in holding the raize, as the material is very talcky and soft., water was encountered causing much spalling and sloughing.

It was decided to follow the gangue material and only 10 ft. was cross-cutted when the contractor was snowed out., however, the material so far exposed is representative in percentage as at the time of visit of Mr. Howard B. Nickleson of the U.S.G.S.

The writer is of the opinion that if more drifting could be accomplished to the north on the level horizon that perchance the structure as encountered on the No. 2 level would be intersected, so far the appearance and structure does not resemble the ore zone at the No. 2 level.

If an additional 200 ft. of drift & X-C could be secured, would definately prove the project.

I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich
Champion Mine

a
encl. 14

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 1067

U. S. Bureau of Mines, Defense Minerals Exploration Administration
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 1 February 1954
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. ~~[illegible]~~ Idm-E361

To Champion Mine
(Payee)

Box 281, Mackay, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Jan 54	Partial payment on attached certified MF-104 dated 1/27/54.				397.25	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	397.25	

(Payee must NOT use this space)

Differences .....

397.25

Account verified; correct for .....

(Signature or initials) .....

Contract No. Idm-E361 Date Req. No. Date Invoice Rec'd.

397.25

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Minerals Exploration Administration (Defense Minerals Production Act), Interior	397.25	397.25

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

Form MF-1[illegible] (Rev.)
(April 1952)

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

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

Month of December, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $31,650.00 Government Participation: 50 % Amount, $15,825.00

RECEIVED JAN 18 1954 Defense Minerals Administration

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: Enlarge &						
~~Drift~~ Re-Hab	--	1712.50	1712.50			
Timber ~~Raise~~ Addit	--	209.00	209.00			
Crosscutting	--	18158.40	18158.40			
Drifting	--	5148.00	5148.00			
Timber X-C and Drift	332.10	1891.35	2223.45			
(2) ~~Labor and Supervision~~			1965.00			
~~Labor~~ Raising	1965.00	--	~~1965.00~~			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2297.10	27119.25	29416.35	2297.10	27119.25	29416.35

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

Date 1-2-54 *Payee Champion Mine

Per Jos. L. Fausch Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 1148.55

Signature [illegible]
(Authorized Certifying Officer)

Date 1/11/54 Vou. No. 1047
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Verdo Z Johnson Title Mining Engr. Date Jan 11-1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr. Date Jan 11-1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Minerals Administration
RECEIVED
JAN 18 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	--	--	5148.00	165	31.20	850	31.20
Crosscutting	"	--	--	18158.40	582			
Raising	"	1965.00	50	1965.00	50	39.30	103	39.30
Enlarge & Re-hab.	"	--	--	1712.50	137	12.50	150	12.50
Winzes	"	--	--	209.00	19	11.00	75	11.00
Timber Addit								
Drilling: Core								
Churn								
X-C Timber Drift	"	332.10	41	2223.45	274½	8.10	300	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2297.10	91	29416.35				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2297.10	91	29416.35				

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

Date 1/2-54 Operator Champion Mine

Per Jos. L. Ausich Title Parnter & Agent

Jos. L. Ausich

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Jan. 2, 1954
Box 811
Mackay, Idaho

Bureau of Mines - Mineral Administration
RECEIVED
JAN 18 1954

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division Str.
Spokane 2, Washington

Dear Mr. Howard:

Subject: Dec. 1953 Report Cont.# E-361
Champion Mine DMEA # 2502

For month of Dec., 1953., 41 ft. of drift timber north heading and 50 ft. of timbered Riase.

Work on south drift was suspended last month and it required 41 ft. of timbering to catch up the north drift, before raising operations could be started.

The raise is being driven N. 62° W. at 60° incline., this was decided to pick up the vein structure in the Bell Shaft area, which so far has not been intersected and also due shortage of ~~xx~~ funds left in the project.

At a point approx. 30 ft. in the raize low grade ore was encountered, however at the inclination set it was by-passed., contractor Taylor informs the writer that ~~xxxxxx~~ the raize is now entirely in the granite at a ~~xin~~ point 50'., present plans are to continue another 15 ft. and if no change is encountered., to suspend operations until Geologists appear.

I remain,

Respectfully yours,

Jos. L. Ausich

Jos. L. Ausich
Champion Mine

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encl. 14

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of NOVEMBER, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: Enlarge &						
~~Drilling~~ Re-Hab.	--	1712.50	1712.50			
Timber ~~Bulldozing~~ addit	--	209.00	209.00			
Crosscutting	--	18158.40	18158.40			
Drifting	2090.40	3057.60	5148.00			
Timber X-C & Drift	567.00	1324.35	1891.35			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2657.40	24461.85	27119.25	2659.40	24461.85	27119.25

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

Date 12-2-53 *Payee Champion Mine

Per Jos. L. Jusich Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 1328.70

Signature (Authorized Certifying Officer)

Date 12/9/53 Vou. No. 997
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Verdo Z Johnson Title Mining Engr Date 12/8/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 12/8/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of NOVEMBER 195 3 Docket No. DMEA 2502 Contract No. E-361

Operator's Name Champion Mine Minerals Lead

Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	2090.40	67	5148.00	165)	31.20	850	31.20
Crosscutting	Ft.	---	---	18158.40	582)			
Raising ~~xxxx Enlarge &~~								
Shafts ~~xxxx Re-hab.~~	Ft.	---	---	1712.50	137	12.50	150	12.50
Winzes ~~xxxx Timber -Addit~~								
Drilling: Core ~~xxxxxxxx X-C &~~								
Churn ~~xxxxDrift.~~	Ft.	567.00	70	1891.35	233½	8.10	300	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2657.40	137	27119.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2657.40	137	27119.25				

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

REMARKS:

Date 12-2-53 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Dec. 2, 1953
Box 281
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division Street
SPOKANE 2, Washington

Dear Mr. Howard:

Subject: Nov. -53 Report Cont.# E-361
Champion Mine - DMRA 2502

Drifting advance amounted to 67 ft. south and 70 ft. of timbering.

At the advice of the U.S.G.S. drifting south on the contacte has been suspended and to advance North., a swithh is now being installed and timbering to be accomplished in north drift.

It has been suggested by the U.S.G.S. that a raize be commenced at the north drift.

I would like to call attention to the fact., that the Treasury Dept. Disbursement Agent has over-paid the sum of $5.00 for the month of Oct. 5, 1953. The Oct. check should have been $971.85 and the amount rec'd by their check # 14,102,211., dated Nov. 24th, 1953 for the sum of $976.85., therefore, would greatly appreciate in your notifying them of this error and by the same token, have them deduct the sum of $5.00 from the Nov. payment., thereby making the account current.

Thanking you,
I remain,

Respectfuly yours,

Jos. L. Ausich
Champion Mine - Partner & Agt.

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encl. 14

Form MF-104 (Rev.)
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 2502 Contract No. E-561
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts ENLARGE & ~~Re-Hab.~~						
Drilling	--	1712.50	1712.50			
Timber ~~Bulldozing~~ Addit	--	209.00	209.00			
Crosscutting	--	18158.40	18158.40			
Drifting	1903.20	1154.40	3057.60			
Timber X-c & Drift.	40.50	1283.85	1324.35			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1943.70	22518.15	24461.85	1943.70	22518.15	24461.85

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

Date Nov. 2, 1953 *Payee Champion Mine

Per Jas. L. Kunish Title Partner & Agent
Jas. L. Kunish

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

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

(Instructions on reverse)

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

$976.85

Signature
(Authorized Certifying Officer)

Date 11/16/53 Vou. No. 968
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E361 in accordance with the terms of the contract.

Signature /S/ Verlo Z Johnson Title Min. Engr Date 11-9-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 11-9-53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1903.20	61	3057.60	98	31.20)	850	31.20
Crosscutting	Ft.	--	--	18158.40	582	31.20)	850	31.20
~~Raise enlarge and~~ ~~Stats~~ Re-hab.	Ft.	--	--	1712.50	137	12.50	150	12.50
~~Winze~~ Timber-Addit	Ft.	--	--	209.00	19	11.00	75	11.00
~~Extensions~~ Timber Addit ~~xxx~~ x-c Drift	Ft.	40.50	5	1324.35	163½	8.10	300	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1943.70	66	24461.85				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1943.70	66	24461.85				

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

Date Nov. 2, 1953 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Nov. 2, 1953
Box 251
Mackay, Idaho

RECEIVED
NOV 2 3 1953

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: Oct. - 53 Report Cont. # E-361
Champion Mine - DMEA # 2502

Drifting advance of 40-1/2 ft. North., 20½ drifting South plus 5 ft. of timbering., Making a combined total of 61 ft. of drifting and 5 ft. of timber for the month of Oct.

Drifting north was suspended as the granite-lime contact on drifting horizon shows very meager mineralization., it definitely appears that the mineralization at the north point is raking upward and any further development work north would have to be by raizing., which the contract does not call for, unless in the future this could be amended.

Advance south shows considerable iron, lead mineralization of an oxidized material, the granite appears to be garnetized. The zone seems very encouraging in this area.

Mr. Taylor contractor appears to be doing satisfactory work and present plans are to try to finish the contract, barring of course some un-usual un-forseen contingency., the weather conditions are very un-usual for this time of the year, with snow conditions practicaly nill.

I remain,

Respectfully yours,

Jos. L. Ausich
Partner & Agent
Champion Mine

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encl. 14

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 19 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Enlarge Contracts Short Form						
~~Drilling~~ & Re-Hab.	--	1712.50	1712.50			
TIMBER ~~Bulldozing~~ Addit	--	209.00	209.00			
Crosscutting	1185.60	16972.80	18158.40			
Drifting	1154.40	- -	1154.40			
Timber-Addit-Drift.x-c	344.25	939.60	1283.85			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2684.25	19833.90	22518.15	2684.25	19,833.90	22,518.15

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

Date 10-1-53 *Payee Champion Mine

Per [signature] Title Partner & Agent

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

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

(Instructions on reverse)

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

$1342.13

Signature [signature]
(Authorized Certifying Officer)

Date 10/8/53 Vou. No. 929
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E361 in accordance with the terms of the contract.

Signature S/ V. J. Johnson Title Mining Eng. Date 10/8/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ T. E. Howard Title M. Eng. Date 10/8/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 19 1953

Month of September 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1154.40	37	1154.40	37	31.20		
Crosscutting	"	1185.60	38	18158.40	582	31.20	850	31.20
~~Raising~~ Enlarge & ~~Shafts~~ Re-hab.	"	--	--	1712.50	137	12.50	150	12.50
~~Timber~~ Timber-Addit	"	--	--	209.00	19	11.00	75	11.00
~~Drilling Core~~ TIMBER Addit- ~~Chem~~ Drift and ~~Auger~~ X-C	"	344.25	42½	1283.85	158½	8.10	300	8.10
Stripping								
Trenching				3205.35				
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2684.25	117½	22518.15				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2684.25	117½	22518.15				

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

REMARKS:

Date Oct. 1, 1953 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

October 1, 1953
Box 231
Mackay, Idaho

Bureau of Mines
RECEIVED
OCT 10 1953

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division St.
Spokane 2, Washington

Dear Mr. Howard:

Subject: Sept.-53 - Report Cont.# E-361
Champion Mine DMEA # 2502

Cross-cut advance for month of Sept. 1953 amounted to 38 ft., plus 37 ft. of drifting and 42-1/2 ft. of timbering.

The ore zone was intersected 20 ft. beyond last months measurement and 10 ft x-c through the zone plus 8 ft. of x-c into white granite foot-wall.

With your dept. permission drifting north on the zone was acomplished., having drifted 37 ft.

The zone is still continuing both North & South at point of intersection. Timbering is required due to the fact that the vein structure has considerable moisture causing spalling.

Very satisfactory progress has been accomplished so far by present contractor's Taylor & Pritchett.

I remain,

Respectfully yours,

Jos. L. Ausich

Jos. L. Ausich
Partner & Agent
Champion Mine

a
encl. 14

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

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

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

Month of August, 195 3 Docket No. DMEA 2502 Contract No. R-361

Operator's Name Champion Mine Minerals Lead

Address Box 281 Hackey, Idaho

Contract Amount, $31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Enlarge Contracts Short Form						
Drilling & Re-hab	--	1712.50	1712.50			
TIMBERING Building Addit	--	209.00	209.00			
Crosscutting	2090.40	14882.40	16972.80			
~~Drifting~~ Timber Addit & X-C	99.10	850.50	959.60			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2189.50	17654.40	19843.90	[illegible]	[illegible]	[illegible]

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

Date 9-9-53 *Payee Champion Mine

Per [signature] Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 1089 75

Signature [signature]
(Authorized Certifying Officer)

Date 9/15/53 Vou. No. 900
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Verdo Z Johnson Title Mining Engr Date 9/11/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 9/14/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2502 Contract No. 2-361
Operator's Name Champion Mine Minerals Lead
Address Box 211 Mackay, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Enlarge & Drifting: Po.Mob.	Ft.	—	—	1712.50	137	12.50	150	12.50
Crosscutting	Ft.	2090.40	67	16972.80	544	31.20	850	31.20
Raising: Timber-Addit	Ft.	—	—	209.00	19	11.00	75	11.00
Shafts: Timber X-c								
Winzes: & Addit	Ft.	69.10	11	959.60	116	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2179.50	78	19853.90			Total Costs Authorized by Contract	
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2179.50	78	19853.90				

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

Date 9-2-53 Operator Champion Mine

Per Jos. L. Austch Title Partner & Agent

Jos. L. Austch

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Sept. 2, 1953
Box 281
Mackay, Idaho

Mr. Tom Howard - Mini g Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division St.
Spokane 2, Washington

Dear Mr. Howard:

Subject: Aug. 1953 - Report Cont.# E-361
Champion Mine-DMEA # 2502

Cross-cut advance for the month of Aug. 1953 amounted to 67 ft. plus 11 ft. of timbering.

After a week's loss of time in Aug. a new contractor has resumed operations. Mr. Ivan I. Taylor has accepted the balance of the contract. The old compressor has been taken out and another put in it's place., and it is hoped that this one will not be continiously breaking down.

Very satisfactory progress has been accomplished so far and therefore barring any unforseen tough luck., advance should be greatly increased.

I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich
Partner & Agent
Champion Mine

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encl. 14

Form MF-194 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
AUG 1 0 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~xxxxxx~~ Short Form } Enlarge						
Drilling ~~xxxx~~ & Re-hab.	--	1712.50	1712.50			
Bulldozing Timber ~~xxxxx~~ Addit	--	209.00	209.00			
Crosscutting	1996.80	12885.60	14882.40			
Drifting ~~xxxx~~ Timber Addit & X-C	--	850.50	850.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1996.80	15657.60	17654.40	199680	1565760	1765440

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

Date Aug. 1, 1953 *Payee Champion Mine

Per [signature] Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 998.40

Signature [signature]
(Authorized Certifying Officer)

Date 8/10/53 Vou. No. 838
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Verdo Z Johnson Title Mining Engr. Date 8/3/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 8/3/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Enlarge & Re-hab	Ft.	--	--	1712.50	137	12.50	150	12.50
~~Drifting~~								
Crosscutting	Ft.	1996.80	64	14882.40	477	31.20	850	31.20
Raising								
~~Xxxx Timber Addit~~	Ft.	--	--	209.00	19	11.00	75	11.00
Shafts								
~~Xxxx Timber X-C~~								
Winzes								
~~Xxxx & Addit~~	Ft.	--	--	850.50	105	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1996.80	64	17654.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1996.80	64	17654.40				

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

REMARKS:

Date 8-1-53 Operator Champion Mine

Per J. L. Ausich Title Partner & Agent

J. L. Ausich

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Aug. 1, 1953
Box 231
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: July 1953 - Report Cont.# E-361
Champion Mine - DMEA # 2502

Cross-cut advance for the month of July 1953 amounted to a total distance of 64 ft.

After a loss of approx. a week due to Fuel Pump Governor on Compressor the balance of the month was used for advance. It appears now that the bugs seem to be out of compressor and it is sincerely hoped that the compressor will be o.k.

Contractor David E. Bell has resigned effective as of 7/31-53.

I am looking and have contacted new contractors and hope to resume operations within the shortest possible time, with a new crew at the mine.

I remain,

Respectfuly yours,

Jos. L. Arsich
Partner & Agent
Champion Mine

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encl. 14

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 20 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: Enlarge &						
~~Drilling~~ Re-Hab.	--	1712.50	1712.50			
Timber ~~Bulldozing~~ - Addit	--	209.00	209.00			
Crosscutting	1092.00	11793.60	12885.60	1092.00		
~~Drifting~~ Timber						
~~X-C & Drift.~~	--	850.00	850.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1092.00	14,565.60	15657.60	1092.00	14656.60	15657.60

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

Date 7-6-53 *Payee Champion Mine

Per J. L. Austin Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 546.00

Signature (Authorized Certifying Officer)

Date 7/10/53 Vou. No. 817
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /s/ Verdo Z Johnson Title Mining Engr Date 7/8/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 7/8/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 26 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Enlarge & ~~xxxx~~ Re-Hab.	Ft.	--	--	1712.50	137	12.50	150	12.50
Crosscutting	"	1092.00	35	12885.60	413	31.20	850	31.20
Raising ~~xxxx~~ Timber-Addit	"	--	--	209.00	19	11.00	75	11.00
Shafts ~~xxxx~~ Timber								
Winzes ~~xxxx~~ Addit & X-C	"	--	--	850.50	105	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased		1092.00	35	15657.60				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1092.00	35	15657.60				

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

Date 7-6-53 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

July 6, 1953
Box 231
Mackay, Idaho

Mr. Tom Howard., Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject : June 1953 - Report - Cont. # E-361
Champion Mine - DMEA # 2502

Cross-cut advance for the subject month of June, 1953 amounted to a distance of 35 ft.

A period of 18 working days were lost due to ~~xxxx~~ Fuel Pump governor breaking down. The governor caused the Diesel unit of the compressor to run away and it was dangerous to operate same because it could ruin the compressor. It is once again in operation and for how long, no one can ~~xxx~~ predict.

I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich
Partner & Agent
Champion Mine

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encl. 14

Form M[illegible]04 (Rev.)
(Apr[illegible]52)

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

Wash

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

Month of May, 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho
Contract Amount, $31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Enlarge & Contracts Short Form						
Re-Hab.	--	1712.50	1712.50			
Timber Addit	--	209.00	209.00			
Crosscutting	280.80	11512.80	11793.60			
Timber X-C & Drift.	324.00	526.50	850.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	604.80	13960.80	14565.60	604.80	13960.80	14565.60

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

Date June 1-1953 *Payee Champion Mine

Per Jos. D. Russell Title Partner & Agent

Jos. D. Russell

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

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

(Instructions on reverse)

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

$ 302 40

Signature [illegible]
(Authorized Certifying Officer)

Date 6/15/53 Vou. No. 782
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature Verda J. Johnson Title Mining Engr. Date 6-4-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature T. E. Howard Title M. Eng. Date 6/4/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF[redacted]04A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 2502 Contract No. #-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
~~Enlarge & Re-Hab.~~	Ft.	--	--	1712.50	137	12.50	150	12.50
Crosscutting	"	280.80	9	11793.50	378	31.20	850	31.20
~~Timber-Addit~~ Raising	"	--	--	209.00	19	11.00	75	11.00
Shafts								
~~Timber Addit & X-C~~ Winzes	"	324.00	40	850.50	105	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		604.80	49	14565.60				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		604.80	49	14565.60				

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

Date 6-1-53 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

June 1, 1953
Box 221
Mackay, Idaho

Mr. Tom Howard., Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

Subject: May 1953 Narrative Report Cont.# #-361
Champion Mine - DMEA -2502

Cross-cut advance for the subject month of May, 1953 amounted to a distance of 9 ft., plus 40 ft. of timbering.

Operations were suspended in HARD LUCK X-C ~~u~~until May 22, 1953., which after that date the compressor was repaired etc. It took all this period of time to receive the new crankshaft, bearing etc., and for mechanic to repair it. Hope the H--- it will operate., repair bill on same will amount somewhere in the neighborhood of $700.00 to $1,000.00.

Necessary timbering was accomplished to catch the ground, inasmuch as considerable spalling had occured due to the enforced shut-down and much hand-mucking was accomplished and the small advance performed after the timbering was finished. The softer material was pierced a d present formation is in a hard r limestone.

I remain,

Respectfuly yours,

Jos. L. Ausich
Partner & Agent
Champion Mine

a
encl. 14

[illegible]-104 (Rev.)
(A[illegible] 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 15 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form ~~Contracts~~ Enlange &						
~~Drilling~~ Re-Hab.	--	1712.50	1712.50			
Timber ~~Bulldozing~~ addit	--	209.00	209.00			
Crosscutting	998.40	10514.40	11512.80			
~~Drifting~~ Timber						
X-C and drift	--	526.50	526.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	998.40	12962.40	13960.80	998.40	12962.40	13960.80

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

Date May 1, 1953 *Payee Champion Mine

Per [signature] Title Partner & Agent

Jos. E. Austin

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

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

(Instructions on reverse)

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

$ 499.20

Signature [signature]
(Authorized Certifying Officer)

Date 5/11/53 Vou. No. 747
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature Verda J. Johnson Title Mining Engineer Date 5-7-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 5/7/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MG-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 15 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Enlarge ~~Raise~~ & Re-hab.	Ft.	--	--	1712.50	137	12.50	150	12.50
Crosscutting	"	998.40	32	11512.80	369	31.20	850	31.20
~~Raise~~ Timber-Addit	"	--	--	209.00	19	11.00	75	11.00
Shafts ~~Raise~~ Timber-addit								
Winzes ~~Raise~~ and X-C	"	--	--	526.50	65	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		998.40	32	13,960.80				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		998.40	32	13,960.80				

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

Date May 1, 1953 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

May 1, 1953
E-361
Mullan, Idaho

Mr. Glenn C. Reed, Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Reed:

Subject: April 1953 Narrative
Report - Champion Mine
DRE - 2502 Cont.# E-361

Cross-cut advance for the subject month of April 1953 amounted to a total distance of 32 ft.

After Cat was repaired then road was re-opened., some supplies were brought to the mine and a few days thereafter the road was again blocked.

Progress was again resumed in b-pass cross-cut and after 32 ft. of advance the compressor broke down.

Road had to be re-opened again., a no-track was brought in to tear down the compressor for repairs., the entire unit was removed and taken to shops in Idaho Falls., it was discovered that crank-shaft was ruined due a faulty bearing., this just certainly is a tough break., as the compressor had only been operated 520 hours since it was over-hauled prior to snow fall., to insure continuous operation inasmuch as a few months, one would be isolated., rather than keep the road open to save a few removal expense.

The writer is going to Salt Lake City for another Crank-shaft the first of the week., approx. May 5, 1953., it will be difficult to forecast approx. date of operations, but all hinges upon the operation of the compressor when same is again in operating condition.

The writer has automatically named this the hard luck cross-cut.

I remain,

Respectfully yours,

Jos. L. Kunich
Luther A. Agent
Champion Mine

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Encl. 14

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts: Enlarge &						
~~Drilling~~ Re-hab.	--	1712.50	1712.50			
Timber ~~Bulldozing~~ Addit	--	209.00	209.00			
Crosscutting	156.00	10358.40	10514.40			
~~Drifting~~ Timber X-C & Drift.	--	526.50	526.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	156.00	12806.40	12962.40	156.00	12806.40	12962.40

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

Date 4-1-53 *Payee Champion Mine

Per Jos. L. Russell Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 78.00

Signature (Authorized Certifying Officer)

Date 4/6/53 Vou. No. 707
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 4/6/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 4/6/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 3 Docket No. DMEA 2502 Contract No. S-361
Operator's Name Champion Mine Minerals Lead
Address Box 211 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Enlarge & Re-hab.	Ft.	--	--	1712.50	137	12.50	150	12.50
Crosscutting	"	156.00	5	10514.40	337	31.20	850	31.20
Timber-Addit	"	--	--	209.00	19	11.00	75	11.00
Timber Addit & X-C	"	--	--	526.50	65	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		156.00	5	12926.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		156.00	5	12962.40				

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

Date 4-1-53 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

April 1, 1953
Box 281
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engineer
Bureau of Mines - Dept of the Interior
1201 North Division Street
Spokane 2,
Washington

Dear Mr. Reed:

Subject: March 1953 Narrative
Report - Champion Mine
DMRA - 2502

Cross-cut advance for the subject month of March, 1953 amounted to a total of 5 feet.

Be advised that beginning of month supplies were dis-apated causing suspension of project. The road to the mine was plowed open and immediately thereafter a snow storm came, which again blocked the road, causing previous effort to be wasted.

After snow-storm attempt again was made to re-open the road and approx. 1/2 of the road again repopened, when the tractor broke down, causing much loss of time to get necessary repairs.

A mechanic is to come tomorrow to repair the Cat and attempt will be made to open the road, which is necessary for further operation. Therefore, due to the above stated reason, cause being for small progress for month of March, 1953.

I remain,

Respectfully yours,

Jos. L. Yancich

Jos. L. Yancich, Partner & Agt.
Champion Mine

Encl. 14

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

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

RECEIVED
MAR 16 1953

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

Month of February, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts: Short Form						
~~Drilling~~ Enlarge & Re-hab.	--	1712.50	1712.50	—		
~~Timber~~ ~~Building~~ Addit	--	209.00	209.00			
Crosscutting	1622.40	8736.00	10358.40	1622.40		
~~Drifting~~ ~~Timber X-C~~ & Drift.	--	526.50	526.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1622.40	11,184.00	12,806.40	1622.40	11184.00	12806.40

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

Date March 2, 1953 *Payee Champion Mine

Per [signature] Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 811.20

Signature [signature] (Authorized Certifying Officer)

Date 3/16/53 Vou. No. 682

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature /S/ Edward W Buel Title Mining Engr Date 3/6/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 3/6/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form ME-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Month of Feb. 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Enlarge and ~~Rxxx~~ Re-hab.	Ft.	--	--	1712.50	137	12.50	150	12.50
Crosscutting	"	1622.40	52	10358.40	332	31.20	850	31.20
~~Rxxx~~ Timber-Addit	"	--	--	209100	19	11.00	75	11.00
~~Shft~~ Timber addit								
~~Wxxxx~~ & X-C	"	--	--	526.50	65	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1622.40	52	12,806.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1622.40	52	12,806.40				

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

REMARKS:

Date Mar. 2, 1953 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

March 2, 1953
Box 2.1
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Reed:

Subject: Feb. 1953 Narrative Report
Champion Mine DMEA 2502

Cross-Cut advance for the subject month of Feb. 1953 amounted to a total of 52 ft. advance.

I wish to report that 42 ft. of advance was of the hard, tough, Quartzite, Silicified limestone mixed dike., however, same appears to be finally pierced., with 10 ft. advance in new material being mixed with iron-limestone material, same being unduly soft, which indicates that timbering must be done.

This new formation has small streaks of Jasper ranging from seams to approx. 4 inches in thickness., water has been encountered, which is a big help, both for drilling and domestic use., plans are to advance 20 ft. further and then cut a sump-hole to trap the water.

In my report of last month, fear was expressed that project would perhaps have to be recessed due to increased mining costs., however, now that apparently the tough zone has been pierced, whereby it looks now that we have a break and expenses in the over-all may be some-what in line to previous estimated costs.

In view of the above information, you may please disregard previous request as to amendment of contract.

I remain,

Respectfully yours,

Jos. L. Ausich

Jos. L. Ausich, Partner & Agent
Champion Mine

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encl. 14

Form [illegible]104 (Rev.) ([illegible] 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]

FEB [illegible] 1953

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

Month of January, 1953 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts: Short Form						
~~Drilling~~ Enlarge & ~~xxxx~~ Re-hab.	None	1712.50	1712.50			
~~Building~~ ~~xxxxx~~ Timber-Addit	None	209.00	209.00			
Crosscutting	2215.20	6520.80	8736.00			
~~Drifting~~ ~~xxxx~~ Timber x-c and Drift.	None	526.50	526.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2215.20	8968.80	11184.00	2215.20	8968.80	11184.00

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

Date 2-2-53 *Payee Champion Mine

Per Jos. I. Ausich Title Partner & Agent

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

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

(Instructions on reverse)

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

1107.60

$ 1107 60

Signature [signature] (Authorized Certifying Officer)

Date 2/10/53 Vou. No. 652

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature Verde Z. Johnson Title Mining Engr. Date 2-10-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 2/10/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form [illegible]-104A
(Ap[illegible].952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 3 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Enlarge & Re-hab	Ft.	None	None	1712.50	137	12.50	150	12.50
Crosscutting	Ft.	2215.20	71	8736.00	280	31.20	850	31.20
Timber-Addit	Ft.	None	None	209.00	19	11.00	75	11.00
Timber Drift								
cross-cut	Ft.	None	None	526.50	65	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2215.20	71	11184.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2215.20	71	11184.00				

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

Date Feb. 2, 1953 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Feb. 2, 1953
Box 281
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Reed:

Subject: Monthly Narrative Report
Jan. - 1953 Champion Mine
DMEA No. 2502

Cross-Cut Advance for the subject month of Jan. 1953 amounted to a total of 71 feet advance.

A very excessive cost has been experienced due to breakage of Tungesten Carbide insert bits as well as Drill Rods. The amount consumed to date equal 49 ea. bits and 76 ea. of Drill Rods. Drilling time will average from 14 to 16 hrs. per round, causing increased Fuel consumption and double estimated powder, caps and fuse costs. Various expeirments have been conducted in different types of bits and placing of holes to most economicaly minimumize advance costs many rounds have had to be re-blasted and re-drilled due to this unprecedent hardness of rock that has been encountered and indications are that this martieral is still continuous. To the writer the rock or dike is of a extremely hard quartzite, with enough highly silicified limestone and iron pyrites interspersed., being of such a dense nature, causing extreme difficulty in pulling.

In spite of all the above difficulty, Contractor Bell & partner have made remarkably good progress., but it is fearful that the project may have to be recessed inasmuch as the costs have so materialy increased i costs., the amount of supplies, such as Diesel Fuel., Powder costs etc. that were moved in prior to snow-fall to carry the project through the winter months until April are at present nearly depleted.

With the increased use of supplies etc., the cost of per ft. to the project has so far averaged the sum of $38.43 per ft. I feel that an amendment is in order to offset the added increase in costs until such a time as the project again assumes a semblence of normal nature.

I trust that some immediate consideration and relief can be obtained due to the above mentioned facts, so that the project can be carried foroward to completion.

I remain,

Respectfuly yours,

Jos. L. Ausich

Jos. L. Ausich, Partner & Ag
Champion Mine

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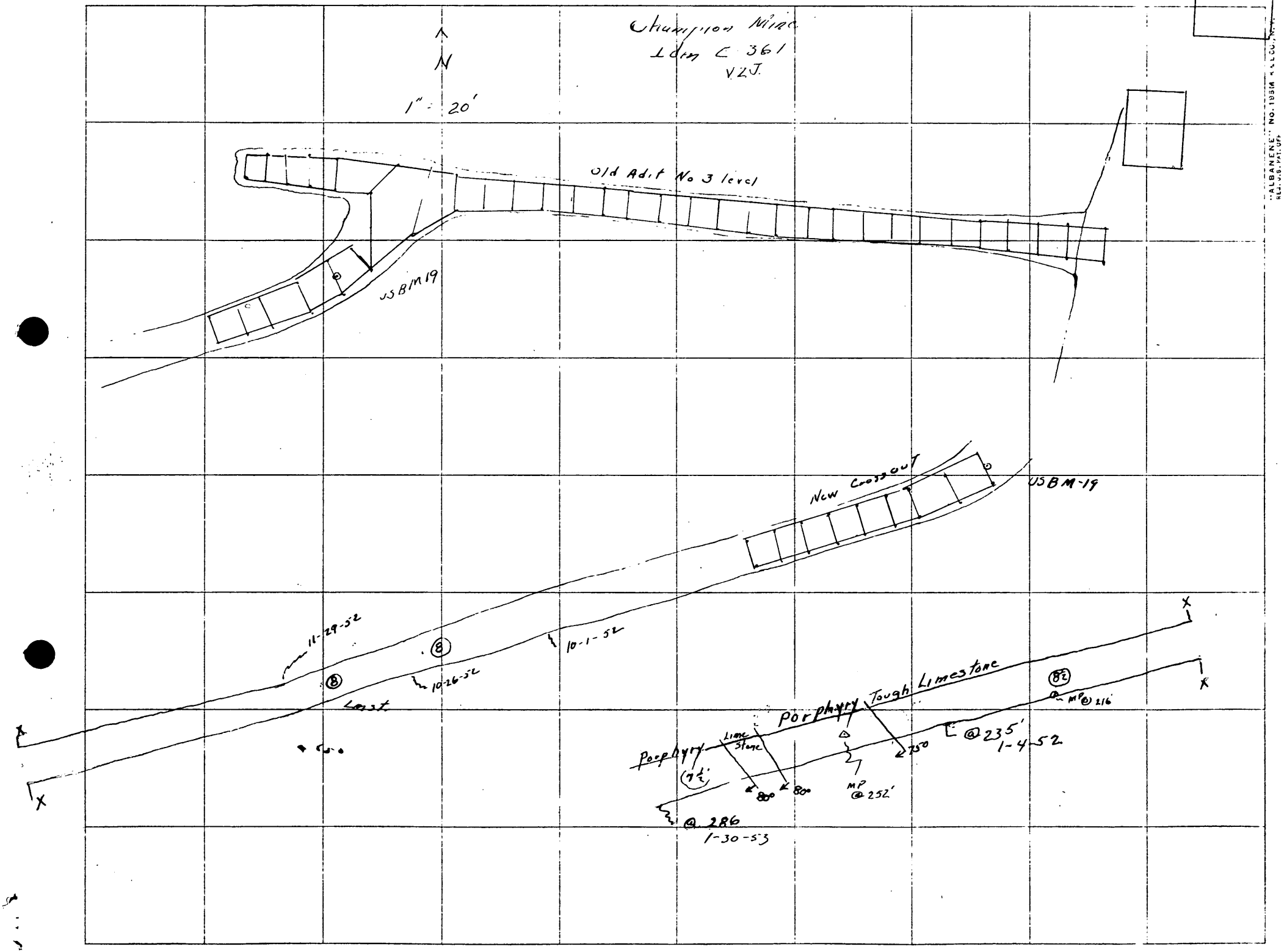
Champion Mine
Claim C 361
VZJ.
N
1" = 20'
Old Adit No 3 level
USBM 19
New Crosscut
USBM-19
11-29-52
10-1-52
10-26-52
Last
Porphyry
Tough Limestone
Porphyry
Lime Stone
80°
80°
250
MP @ 252'
@ 235'
1-4-52
MP @ 216
@ 286
1-30-53
X
X
X
X

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 231 Shoshone, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors: Short Form						
Drilling						
Bulldozing	None	1712.50	1712.50		1712.50	1712.50
Crosscutting						
Cutting	1591.20	4929.60	6520.80	1591.20	4929.60	6520.80
Drifting	None	209.00	209.00		209.00	209.00
Timber X-C & Drift.	None	526.50	526.50		526.50	526.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1591.20	7377.60	8968.80	1591.20	7377.60	8968.80

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

Date 1-1-53 *Payee Champion Mine

Per Jos. L. Musick Title Partner & agent

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

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

(Instructions on reverse)

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

$795.60

Signature
(Authorized Certifying Officer)

Date 1/7/53 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

/s/ Signature Edward W Duel Title Mining Engr. Date 1/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

/s/ Signature Thomas E. Howard Title Mining Engr. Date 1/6/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 2 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 201 Mackay, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	Ft.	1591.20	51	6520.00	209	31.20	850	31.20
~~Raising~~ Shafts ~~Sinking~~ Winzes ~~Drilling~~: Core Chum ~~Timber-Ore.&Re-Hab~~	Ft.	None	None	1712.50	137	12.50	150	12.50
~~Timber-Adit~~	Ft.	None	None	209.00	19	11.00	75	11.00
~~Timber-X-C~~	Ft.							
~~Raise~~ & Drift	Ft.	None	None	526.50	65	8.10	300	8.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1591.20	51	8968.80				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1591.20	51	8968.80				

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

Remarks:

Date Jan. 1, 1953 Operator Champion Mine

Per [signature] Title Partner & Agent

Jos. L. Ausich

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Jan. 1, 1953
Box 231
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engr.
Bureau of Mines - Dept. of the Interior
1301 N. Division St.
Spokane 2,
Washington

Subject: Monthly Narrative Report
Dec. - 1952 Champion Mine
DMEA No. 2502

Dear Mr. Reed:

Cross-cut advance for the month of December, 1952 amounted to a total of 51 ft. advance.

Considerable difficulty was experienced in drilling out rounds, requiring approx. 12 hrs. continuous drilling and averageing 24 to 27 holes to the round. Entire advance in silicified Dolomite limestone., being of a dense, non-seamy material., causing difficulty in pulling. This material is the hardest rock, writer has had experience in encountering in this particular area. Certainly hope that this material will soon be pierced., inasmuch as to time, material etc., has increased the mining costs immeasureably.

Contractor Bell and his partner have suspended operations for approx. 1 week due to the holiday season and have returned back to the mine to continue operations. Snow conditions at the mine at present is approx. 16 inches in depth.

The above information being a summary of operations for the month of December, 1952.

I remain,

Very truly yours,

FOR THE CHAMPION MINE

By Jos. L. Ausich

Jos. L. Ausich
Partner & Agent

a
encl. 14

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

Month of November, 1952 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
~~Drilling~~ En-large & Re-Hab.	none	1712.50	1712.50			
Bulldozing						
Crosscutting	1123.20	3806.40	4929.60			
~~Drifting~~ Timber-Adit	none	209.00	209.00			
Timber X-C & Drift.	none	526.50	2526.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1123.20	6254.40	7377.60	1123.20	6254.40	7377.60

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

Date 12/1-52 *Payee Champion Mine

Per Jos. L. Angish Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 561.60

Signature [signature]
(Authorized Certifying Officer)

Date 12/9/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-361 in accordance with the terms of the contract.

Signature Leroy E. Johnson Title Mining Engineer Date 12-8-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Min Engr. Date 12-8-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 201 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	1123.20	36	4929.60	158	31.20	850	31.20
Enlarg.&Re-Hab.	Ft.	none	none	1712.50	137	12.50	150	12.50
Timber-Adit	Ft.	none	none	209.00	19	11.00	75	11.00
Timber x-c								
& Drift	Ft.	none	none	526.50	65	8.10	300	8.10
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1123.20	36	7377.60				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1123.20	36	7377.60				

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

Date Dec. 1, 1952 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Dec. 1, 1952
Box 281
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engr.
Bureau of Mines - Dept. of the Interior
1201 N. Division St.
Spokane 2, Washinton

Subject: Monthly Narrative Report
Nov. 1952 - Champion Mine
DMEA No. 2502

Dear Mr. Reed:

Cross-cut advance for month of Nov., 1952 amounted to a total of 36' advance.

Major portion of month compressor either was torn down or awaiting parts. Same was completely over-hauled., New rings, bearings, magneto repair., new valves & springs were needed., clutch bearing, new spark plugs, valves ground, new batteries and any other worn parts, as well as 6 new discharge valves, both through the power unit and compressor.

Mechanic for this repair & over-haul came from Idaho Falls, Idaho. After compressor was ready for operation, it was found that the local mechanics had improperly ground the valves, causing the tear-down again of the power unit and transporting the two heads to Ida. Falls for another re-grind, causing another week's delay.

Then again, after compressor was in operation for 30 operating hours, same again failed due to a warped valve in the power unit, causing several days delay again.

Very few shifts were accomplished under-ground due to Compressor failure, over-haul and repair, and awaiting for new parts etc.

During interim of compressor being idle. Two ea. 1,000 gal. Fuel Storage tanks were hauled and placed, as well as 2,000 gals of Diesel Fuel installed. Advantage was taken of cross-cut under-ground that is not being used to make a combination Cellar for food storage & Powder Magazine, with same full of food and 60 box of powder stored as well. Additional mining timbers were hauled to the mine, plus 900 ft. of ventillation pipe., Ventilation Fan & Motor., Rails and all necessary appurtenent and incidental supplies and equipment at the mine.

Present living quarters at the mine have been re-habilitated and Contractor Bell & partner living at the mine., present known plans are to operate one shift during the winter months.

The above information being a summary of operations for the month of Nov. -52.

I remain,

Very truly yours,

FOR THE CHAMPION MINE

Jos. L. Ausich

By
Jos. L. Ausich
Partner & Agent

Encl. 14

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

Wash

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

Bu. Vou. No. 522

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

Voucher prepared at Spokane, Washington 11/20/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E361

To Champion Mine
(Payee)

Box 281, Mackay, Idaho
(Address) (City) (State)

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	October 1952	As per attached certified form MF-104 dated 11/1/52				794	15
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 794 15

(Payee must NOT use this space)

Differences .....

Account verified; correct for 794 15

(Signature or initials) .....

Contract No. Idm-E361 Date Req. No. Date Invoice Rec'd.

794.15

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	794.15	794.15

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

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

16—22000a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

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

Wash

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

Department of the Interior
Defense Minerals Administration
Denver

NOV 24 1952

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

Month of October, 1952 Docket No. DMEA 2502 Contract No. E-361
Operator's Name Champion Mine Minerals Lead
Address Box 281 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling ~~Enlarging & Re-hab.~~	151.25	1561.25	1712.50			
Bulldozing						
Crosscutting	967.20	2839.20	3806.40			
~~Drifting~~ Timber (Adit)	77.00	132.00	209.00			
Timber (X-C & Drift.)	392.85	133.65	526.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1588.30	4666.10	6254.40	1588.30	4666.10	6254.40

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

Date Nov. 1-52 *Payee Champion Mine

Per [signature] Title Partner & Agent

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

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

(Instructions on reverse)

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

$ 794.15

Signature [signature]
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 361 in accordance with the terms of the contract.

Signature Verde B. Johnson Title Mining Engr. Date Nov. 5, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-194A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Department of the Interior
Defense Minerals Administration
NOV 3 - 1952

Month of October 195 2 Docket No. DMEA 2502 Contract No. E - 361

Operator's Name Champion Mine Minerals Lead

Address Box 281 Mackay, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	967.20	31	3806.40	122	31.20	850	31.20
Enlarging & Re-habilitation	Ft.	151.25	*10%	1712.50	137	12.50	150	12.50
Shafts TIMBER (Adit)	Ft.	77.00	7	209.00	19	11.00	75	11.00
TIMBER (X-C & Drifting)	Ft.	392.85	48.5	526.50	65	8.10	300	8.10
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1588.30		6254.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		1588.30		6254.40				

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

Date Nov. 1, 1952 Operator Champion Mine

Per Jos. L. Ausich Title Partner & Agent

Jos. L. Ausich

REMARKS: * 10% withheld of the 121 ft. in August-1952 pending complete re-habilitation of track- due to this fact, sum of 11.25 was paid. The sum of $151.25 withheld was completed this month Oct.-52 for track re-habilitation.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Nov. 1, 1952
Box 281
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engr.
Bureau of Mines - Dept. of Interior
1201 N. Division St.
Spokane 2, Washington

Subject: Monthly Narrative Report
Oct. 1952 - Champion Mine
DMEA No. 2502

Dear Mr. Reed:

The following progress was accomplished, viz: 31 ft. advance cross cut. The entire track was re-habilitated and new ties installed. 7 Ft. of re-hab timber installed and 4[illegible].5 ft. of timber installed in new cross-cut adit. The 10% with-hold on re-hab. work on Aug. report was paid this month.

Considerable difficulty was experienced this month in advance footage. A silicified porphyry was encountered that caused loss of 11 pieces of tungsten carbide bits, bits breaking off around skirts, therefore losing them in the holes causing extra drilling time, as well as rod breakage. The compressor was idle quite some time during this month, waiting for repairman for same, while waiting for repairman, the time necessary timbering & track rehabilitation., as well as constructing or housing compressor, as well as starting to build a blacksmith shop bldg. The repairman is supposed to commence to completely over-haul the compressor sometime this coming week.

In summarization this month indeed a slow month, through no fault of sub-contractor and progress should be much better as the last round has contacted the lime and same softened considerably.

I remain,

Very truly yours,

FOR THE CHAMPION MINE

By Jos. L. Usich
Partner & Agent

Encl. 14

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. Wash

Bu. Vou. No. DMA-451

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

Voucher prepared at Albany, Oregon (Give place and date) 10/24/52

THE UNITED STATES, Dr., Payee's Account No. Idm-E 361

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

To Champion Mines,
(Payee)

Box 281, Mackay, Idaho
(Address) (City) (State)

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	September 1952	As per attached certified form MF-104 dated October 1, 1952				1,221	22
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 1,221 22

(Payee must NOT use this space)

Differences

Account verified; correct for 1,221 22

(Signature or initials)

Contract No. Idm-E 361 Date Req. No. Date Invoice Rec'd.

1,221.22

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	1,221.22	1,221.22

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

[illegible]-104 (Rev.)
(April 1952)

Wash

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

Month of [illegible], 195[illegible]2 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts:						
Short Form [illegible]	[illegible]					
~~Drilling~~ [illegible]	[illegible]	1501.00	1501.00			
Bulldozing						
Crosscutting	[illegible]	[illegible]	[illegible]			
~~Drifting~~ [illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]	2442.45	2223.65	4666.10

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

$ 1221.22

Signature [illegible]
(Authorized Certifying Officer)

Date 10/23/52 Vou. No. [illegible]
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form [illegible]-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

Month of _____ 195____ Docket No. DMEA _____ Contract No. _____
Operator's Name _____ Minerals _____
Address _____

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising	[illegible]	[illegible]	75	[illegible]	91	[illegible]	[illegible]	[illegible]
Shaft Sinking	[illegible]	[illegible]	[illegible]	1001.00	127	12.00	150	12.00
Winzes	[illegible]	[illegible]	[illegible]	[illegible]	12	11.00	75	11.00
Drilling Core								
Drilling Chip	[illegible]	[illegible]	10.0	[illegible]	10.5	9.10	[illegible]	9.10
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		[illegible]				

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

[illegible]

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

REMARKS: _____

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Oct. 1, 1952
Box 2 1
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engr.
Bureau of Mines - Dept. of Interior
1201 N. Division St.
Spokane 2, Washington

Subject: Monthly Narrative Report
Sept. 1952 - Champion Mine
D.M.E.A. Docket No. 2502

Dear Mr. Reed:

Please be advised that 74 ft. advance cross-cut has been accomplished.

The present by-pass x-c face is approx. some 40' beyond caved area., bearing South 67° West and next 3 rounds will put us on course South 70° West.

Sub-contractor D. E. Bell encountered extreme difficulty in drilling operations in the trachyte porphyry dike due to viscosity of dike material causing poor sludging, therefore causing-above normal drilling time. Much time was spent in extracting and un-plugging drill rods for each change, of each round. Some 62 ft. of dike was penetrated.

After the dike was pierced then a highly silicified black limestone contacting the trachyte porphyry was encountered. The limestone being of a very dense and hard nature. Approx. 12 ft. of this unusuely hard limestone was cross-cut and then the last 6 inches of present face a white, softer limestonne is now exposed.

16.5 ft. of timbering was installed at a point some 22 ft. from commencing point of by-pass cross-cut.

The truck re-habilitation w/h in Aug. is still in progress., but still is not as yet complete.

Considering the extremes Sub-contractor Mr. Bell encountered the writer is of the opionion that good progress was made for the month of September.

I remain,

Very truly yours,

FOR THE CHAMPION MINE

By Jos. L. Ausich

Jos. L. Ausich
Partner & Agent

a
encl. 14

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

Washington

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-410

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

Voucher prepared at Albany, Oregon 8/14/52
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm E 361

To Champion Mine,
(Payee)

Box 281, Mackay, Idaho
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	Discount Terms net As per attached certified form MF-104 dated 9/9/52				945	82
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	945	82

(Payee must NOT use this space)

Differences .....

Account verified; correct for 945 82

(Signature or initials) .....

Contract No. Idm E 361 Date Req. No. Date Invoice Rec'd.

945.82

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	945.82	945.82

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

Wash

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

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

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. 361
Operator's Name [illegible] Minerals Lead
Address Box 21 [illegible]
Contract Amount, $ 31,000.00 Government Participation: 80% Amount, $ 10,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors: Short Form	1001.00					
[illegible]	[illegible]	000.00	1001.00	1361.25	200.00	1561.25
Bulldozing						
Crosscutting	600.00	---	600.00	530.40	-0-	530.40
Drifting						
[illegible]	000	133.00	133.00	-0-	132.00	132.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1601.00	333.00	2223.00	1891.65	332.00	2223.65

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

Date 8/8/52 *Payee [illegible]

Per Jos. L. Kunesh Title Partner

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

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

(Instructions on reverse)

OCT 2 1952

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

$ 945.82

Signature [illegible]
(Authorized Certifying Officer)

Date 10-8-52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	[illegible]	[illegible]	17	[illegible]	17	[illegible]	[illegible]	[illegible]
Raising	ft.	[illegible]	[illegible]	[illegible]	137	[illegible]	[illegible]	[illegible]
Shafts								
Winzes	ft.	----	--	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		[illegible]		[illegible]				

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

Jos. L. [illegible]

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Sept. 9, 1952
Box 271
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engr.
Bureau of Mines - Dept. of Interior
1201 N. Division St.
Spokane 8, Washington

Subject: Monthly Narrative Report for Aug. 1952 - Champion Mine
B. M. E. A. Docket # 2502

Dear Mr. Reed:

Be advised that a total of 121 ft. of enlarging & re-habilitation was accomplished for the month of Aug., thereby making a gross total of 177 ft. to date, since the start of the project. As will be noted that the 121 ft. accomplished for Aug. was paid @ 11.25 per ft. instead of 12.50 per ft. The reason of this fact is the sub-contractor's have not as yet re-habilitated the trackage and when same is accomplished the 10% or total sum of $151.25 with-held will be paid to the contractors upon completion of the track re-habilitation.

The contractor's penetrated the caved area near the face of the adit. New timber was installed., as well as timber bridge necessary for sulling operations. However, at this phase of operation the old timber gave away, losing what new timber that was installed, plus prior labor costs involved. The caved area is estimated to be some 70 ft. vertically in heighth above the old timber, inasmuch as this same cave was re-habilitated in early 1942 and had since re-caved due to timber conditions. To do a proper job, it would be necessary to remove all old timber,(one set having sunken some 2 ft. lower that existing sets) being 3 sets of timber exposed, plus 2 additional sets covered in the cave, this would involve additional hand mucking, and new timbers etc. It was deemed unfeasible, to again penetrated the caved area which at present represents an extreme hazardous safety condition. Therefore, in view of the mentioned facts it was decided, both from an economical, time saving and safety factor to by-pass the caved area and to commence at a point behind the cave. The new by-pass heading was started and progressed a distance of 17 ft. This by-pass operation entailed the installation of a switch in the track, reason being, to take advantage of a siding for storage facilities.

The above narrative supplemental to Form MF-104 summarizes the operations of the project for August 1952.

I remain,

Very Truly Yours,

[illegible]

By Jos. L. Rausch

Jos. L. Rausch
Partner & Agent.

Incl.

Wash.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-400

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

Voucher prepared at Albany, Oregon 10/3/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 361

To Champion Mine,
(Payee)

Box 281, Mackay, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July 1952	Discount Terms net As per attached certified form MF-104 dated August 16, 1952				166	00
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 166 00

(Payee must NOT use this space)

Differences .....

Account verified; correct for 166 00

(Signature or initials) .....

Contract No. Idm-E 361 Date Req. No. Date Invoice Rec'd.

166.00

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act., Interior	166.00	166.00

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

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

16—22990a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

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

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Defense Approval expires 6-30-53.
RECEIVED
OCT 7 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 2503 Contract No. Adm-6361
Operator's Name CHAMPION MINE Minerals LEAD
Address Box 201 Mackay, Idaho
Contract Amount, $ 31,650.00 Government Participation: 50 % Amount, $ 15,825.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
~~Exxxx~~ Enlarging & Rehabilitation	$200.00	None	$200.00	200.00	-0-	200.00
Bulldozing						
Crosscutting						
Drifting						
Timber	$132.00	None	$132.00	132.00	-0-	132.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$332.00		$332.00	332.00	-0-	332.00

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

Date 8/10-52 *Payee CHAMPION MINE

Per Jos. L. Amaise Title Partner

Jos. L. Amaise

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

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

(Instructions on reverse)

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

$ 166.00

Signature Abrasd
(Authorized Certifying Officer)

Date 10-1-52 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 361 in accordance with the terms of the contract.

Signature Chas A Magill Title Mining Engr Date Aug 21, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr Date 8/21/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 7 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 2502 Contract No.
Operator's Name CHAMPION MINE Minerals Lead
Address Box 201 Mackay, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Enlarging & re-habilitation								
Crosscutting	Ft.	200.00	16	200.00	16	12.50	150	12.50
Timber	Ft.	132.00	12	132.00	12	11.00	75	11.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		332.00		332.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9/16-52 Operator CHAMPION MINE

Per Jos. L. Austich Title Partner
Jos. L. Austich

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Remarks:

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

U.S. BUREAU OF MINES
RECEIVED
[illegible]
SPOKANE, WASHINGTON

Aug. 27, [illegible]
Box [illegible]
[illegible], [illegible]

[illegible]

Re: [illegible] No. [illegible]
[illegible] - [illegible]

[illegible] of 7/31-[illegible] [illegible] of [illegible] [illegible] to [illegible] [illegible]

[illegible] that the above information was not submitted [illegible] July Invoice, but rather being [illegible] [illegible] as soon as [illegible] [illegible]. I trust the following information will be [illegible] [illegible] in your letter of 7/2 -32, viz:

"[illegible] [illegible] to remove debris and [illegible] [illegible] and storing of timber and supplies [illegible] [illegible] being installed and no interest [illegible]

[illegible] Rent of [illegible] Irrigation and rehabilitation [illegible] [illegible] [illegible] accomplished from period July [illegible], to [illegible] [illegible], [illegible] [illegible] being arranged for using U.S.B.[illegible] [illegible] [illegible]."

[illegible] the above information is what is requested and [illegible] [illegible] [illegible], and trusting [illegible] [illegible] [illegible] Form No. 's L.F.- 104 [illegible]

[illegible]

Yours truly,

[signature]

Jos. L. [illegible],
Sheriff [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: J. W. Alt February 21, 1955

1. Docket No. DMEA-2502 (Lead-Zinc)
Contract No. Idm-E361
Property: Champion Mine
Custer County, Idaho

Operator: A partnership composed of Joseph L. Ausich
Michael E. Ausich and Ann Ausich
Box 281
Mackay, Idaho

Operator's Property Rights: Owner

2. Contract dated June 30, 1952. To complete - 18 months

Work Authorized

Unit Cost - Short Form Contract.

150 feet of enlarging and rehabilitation of the No. 3 Adit @ $12.50/ft.	$ 1,875.00
75 feet @ $11.00 per foot for timbering adit	825.00
850 feet of drift & crosscut @ $31.20/ft	26,520.00
300 feet @ $8.10 for timbering drifts & crosscut	2,430.00
Total Cost	$31,650.00
Government Participation @ 50%	$15,825.00

Amendments

No. 1 Dated December 14, 1953, Effective date December 1, 1953

Under "Description of the Work" insert:

1. Raise a maximum of 103 feet from the north drift at a point 78 feet from the adit crosscut. Crosscutting and drifting from the raise may be done at the same unit cost allowed on the No. 3 level, with the approval of the Field Team.

2. Delete:

850 feet of drift and crosscut @ $31.20/ft.	$26,520.00
300 feet @ $8.10 for timbering drifts and crosscut	2,430.00

Add:

850 feet of drift, crosscut and raise @ $31.20 per foot	$26,520.00
300 feet @ $8.10 for timbering drifts crosscut and raise	2,430.00

3. Extend the completion time from 18 to 24 months.

No. 2 Dated March 17, 1954, effective date June 30, 1952.

1. a. Under "Description of the Wrok" add:

On the No. 3 level an aggregate of 200 feet of additional drifting and crosscutting shall be performed at locations, in directions, and to the extent approved, in advance by the Government.

b. Under "Estimated Costs of the Project", add:

Estimated Costs of Additional Work

200 feet of drifts and crosscuts @ $31.20/ft	$ 6,240.00
200 feet of timbering @ $8.10/ft	1,620.00
Agreed Estimated Total Cost of Additional Work	7,860.00
Government Participation @ 50%	3,930.00

c. Delete the figures $31,650.00 and $15,825.00 at the end of Exhibit "A" and substitute the figures $39,510.00 and $19,755.00 respectively.

Work Completed

Drifting	307 ft. @ $31.20/ft	$ 9,578.40
Crosscutting	668 ft. @ 31.20/ft	20,841.60
Raising	75 ft. @ 31.20/ft	2,340.00
Enlarge & Rehabilitation of Adit	137 ft. @ 12.50/ft	1,712.50
Adit timbering	19 ft. @ 11.00/ft	209.00
Other timbering	500 ft. @ 8.10/ft	4,050.00
Total Accepted Cost		$38,731.50

Work on the project was started in early July, 1952. All contract work was completed by June 30, 1954.

3. Audit Certificate: Report of Review dated August 27, 1954.

Total Cost as billed by Contractor	$39,510.00
Less Proceeds from property disposition	000.00
Net Cost as claimed by Contractor	$39,510.00
Exceptions - By DMEA Finance Officer	778.50
Total Accepted Cost	$38,731.50
Government's Participation @ 50%	$19,365.75

4. Certification Date. No certification made as the project was not successful in disclosing ore.

5. Comments:

All work was conducted on a single shift schedule on only one heading at a time. Excessive bit loss and steel breakage were attributed to a tough siliceous limestone and dikes penetrated by the crosscut; compressor failure also slowed the work. Cost details were not presented by the Operator, but it is believed that actual costs exceeded the agreed unit costs. The Operator completed at his own expense 20 feet of drift and 25½ feet of timbering in the project area.

The purpose of the project was to explore by crosscutting and drifting for the lower extension of an ore shoot that had been productive in the two upper levels. The program if successful, would have intersected the ore shoot 187 below the No. 2 level.

The crosscut driven under this contract exposed a barren vein structure beyond an irregular granite-limestone contact zone. A total of 307 feet of drifting on the vein structure failed to expose ore of commercial grade. A 75-foot raise from the north end of the drift on the contact intersected the vein structure which was composed of clay, gouge, and iron oxide.

The exploration project was unsuccessful, and the Field Team recommended that no Certification of Discovery or Development be made.

J. W. Alt

J. W. Alt

JWAlt/er 2/23/55
Copy to: Docket
Base Metals
Chron.

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: Jacob W. Alt Date: February 15, 1954

1. DMEA Docket No. 2502 (Lead-Zinc)
   Contract No. Idm-E361
   Property: Champion Mine
   Custer County, Idaho

   Operator: Champion Mine, a partnership composed of Joseph L. Ausich, Michael E. Ausich, and Ann Ausich

   Operator's property rights: Owner

2. Contract dated June 30, 1952 -- To complete - 18 months
   Short form contract

Estimated Costs of the Project

150 feet of enlarging and rehabilitation of No. 3 Adit @ $12.50/ft.	$ 1,875.00
75 feet @ $11.00 per foot for timbering adit	825.00
850 feet of drift and crosscut @ $31.20 per foot	26,520.00
300 feet @ $8.10 for timbering drifts and crosscut	2,430.00
Total cost of project	$31,650.00
Government participation @ 50%	$15,825.00

Amendments:

No. 1 - December 14, 1953 - Effective date December 1, 1953. Under heading "Description of the Work", insert: Raise a maximum of 103 feet from the north drift at a point 78 feet from the adit crosscut. Crosscutting and drifting from the raise may be done at the same unit cost allowed on the No. 3 level, with the approval of the Field Team.

The time to complete work of the project is changed from 18 to 24 months.

Work completed up to January 16, 1954 when operations were suspended because of winter conditions:

Enlarging and rehabilitating adit, 137 ft. @ $12.50/ft.	$ 1,712.50
Adit timbering, 19 ft. @ $11.00/ft.	209.00
Crosscutting and drifting 757 ft. @ $31.20/ft.	23,618.40
Raising, 75 ft. @ $39.30	2,947.50
Drift and crosscut timbering, 274½ ft. @ $8.10	2,223.45
	$30,710.85

As of January 16, 1954, there is an unexpended balance of $939.15.

3. Audit Certificate: As to date no final audit has been made.

There will not be any liquidation of equipment settlement, all work done was on the unit cost basis.

4. Certification date: To date there has been no discovery of ore.

5. Comments: The work has been done according to the terms of the contract.

In January, the Operator applied to the Field Team of Region II to be allowed to do 200 feet of additional drifting and crosscutting.

After the No. 3 adit had been extended about 550 feet, a 10-foot vein of oxidized material was encountered striking more or less parallel to the Champion deposit on the No. 2 level. The western or footwall side of this vein was in contract with granite. It was assumed that this was the Champion deposit and that it had been intersected farther to the east than had been anticipated because of a steepening of dip.

It was also assumed that the thickness of the deposit had greatly decreased. Drifting was started to the north and south, following the low-grade and oxidized vein. Twenty feet south of the adit, the ore zone pinched out and the remainder of southern drifting followed a barren fault. To the north of the adit, the low-grade ore zone also pinched out at a distance of about 20 feet, although drifting was continued for an additional 60 feet following a faulted zone along the granite-limestone contact. Throughout this distance the faulted zone continued to weaken and to look less and less like the Champion ore zone on the overlying levels.

It was finally decided to raise on the granite-limestone contact to determine if the granite had cut off the Champion deposit and to ascertain if drifting might not be following a subsidiary fault which had been locally mineralized. The possibility of such a cutoff evidenced by the radical change in the dip of the granite contact from 65 degrees to the west on the No. 2 level to 65 degrees to the east on the No. 3 level. Such a change in dip of the contact necessitated either a sharp roll in the intervening area between the No. 2 and 3 levels, or strong offset by faulting.

The raise was driven on the granite-limestone contact from the north face of the drift on the No. 3 level. About 45 feet from the sill, the dip of the contact overturned sharply to the east. Beyond the contact the raise was entirely in granite. Eighty feet above the sill a strong fault containing much oxidized material was encountered. This fault dips to the west. A crosscut was started to the west from the top of the raise to determine if this fault marked the footwall of the Champion deposit. The crosscut had been advanced 8 feet when work on the project was stopped because of winter conditions.

The findings of a strong fault at the top of the raise has convinced the Operator that while the faulted zone could be explored from the raise, it would be more feasible to extend the No. 3 adit to the west until the fault zone is intersected and then to drift on that level. He therefore has requested allocation of an additional 200 feet of drift or crosscut for that purpose.

J. W. Alt

J. W. Alt

[X] Audited

[ ] Certified

W[illegible]K ANALYSIS SHEET - DMEA PROJECT

Analysis as of 1/5/55
Incl. Voucher for 6/54

[X] Actual Cost

[ ] Agreed Unit Costs

Name Champion Mine

State Idaho

Commodity Lead-Zinc

Docket No. 2502

Idm-E No. 361

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1050	33863 ~~36,810~~	995	33,863	33,863
Raising	25 ~~105~~	2947	75	2,947	2,947
Shafts					
Winzes					
Drilling (Specify)					
Su[illegible]ce Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		2700		1922	1922
New Building, Improvements, etc.					
Other (Specify)					
Totals		39,510		38,732	38,732

Prepared by Adams & Chamberlain

71626

2502

FILE COPY
Surname:

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

OMR

1/11 Selfridge
1/4 Fenwick

Dear Senator Church:

Pursuant to the recent conversations between our offices, the complete file (OMR-4686) relating to the application for Federal exploration assistance of Mr. Joseph L. Austich now has been reviewed in detail by the OMR Review Committee.

An application (DMA-1891) filed in April of 1951 by Mr. Austich for a Government grant to explore the Champion mine was denied by the former Defense Minerals Administration on June 5, 1951, because it was believed that a sufficient tonnage of minable grade ore to justify the expenditure of Government funds would not be found. This decision was reached under a program with less restrictive criteria than those governing the present OMR program.

After performing additional work on his property, Mr. Austich submitted to the former Defense Minerals Exploration Administration in March 1952 a second application which proposed essentially the same work as formerly proposed. On June 30, 1952, Mr. Austich was granted a DMEA contract totalling $39,510.00 as amended which incorporated substantially his proposed work of rehabilitating and further driving an existing adit to intersect the ore zone which was to be drifted on for short distances in each direction.

In the Champion mine the evidence lead-zinc ore occurs in small irregular pockets in limestone near its contact with an intrusive granite. The adit was driven to zone in under the projected raise of ore showing on the No. 2 level zone 185 feet higher. Only a barren vein structure was found which was drifted on for several hundred feet partly in granite and which was also intersected by a 75-foot raise driven from the north drift off the adit. No ore was found by all this work to the cost of which the Government contributed $19,345.75.

After completion of the work under the DMEA contract, further mining was done in late 1954 on the No. 2 level but was stopped about December 1 because the smelter returns were too low, averaging about $18.30 a ton which would hardly have paid for mining.

On May 20, 1960, Mr. Austich submitted an application (his third) in the amount of $144,725.30 for exploration assistance in part to drive another similar adit (the third) to intersect the Champion ore zone in an area some 300 feet northerly from previous work done under the DMEA contract. After a field examination and careful assessment of

the proposal, the application was denied on June 24, 1960. The denial was based essentially upon the following definition and criteria appearing in the OMM regulations, copies of which are enclosed.

Definitions:

"(a) Exploration means the search, including related development work, for new or unexplored mineral deposits ... . The work ... shall not be conducted primarily for mining or preparation for mining."

As the proposed new adit crosscut was to pass 120 feet directly under the northern end of the existing No. 2 level where some production had been made, it would have been merely the normal work of preparation for mining.

Criteria:

"(a) The geologic probability of a significant discovery being made.

(b) The estimated cost of the exploration in relation to the size and grade of the potential deposit."

Known mine production from 1937 to date has been on the order of 2,300 tons of ore from an area that has been explored and developed by approximately 1,500 linear feet of mine workings. Such a tonnage is insignificant in view of the amount of work done. The fact that the ore occurs in the form of small, irregular pockets or lenses in conjunction with the mine's history suggests that estimated minable reserves would be only of the same order of magnitude as those mined to date. No geological criteria have been observed that would indicate otherwise.

A good part of the last production from the mine netted about $10.00 a ton. This is only about one-half the net expected by most Western mines to stay in business. A $20.00 net a ton repays the Government $1.00 in royalties under an exploration contract. Had a discovery been made here under the former MMA contract, it would have taken about 30,000 tons of such ore to repay the Government's share.

Because of the oxidized nature of the ore, it has to be of a high enough grade to ship as such ores if milled give low recoveries if they can be milled at all.

These are the pertinent facts contained in the file. But there is another important factor that must be considered in evaluating the application. The Act authorizing the OME program is not as broad in its scope and application as is commonly believed. Within the past year the OME program was liberalized as much as was possible under the purview and intent of the Act. The Regulations were completely overhauled and changed to conform to the new view. As certain requirements had to be considered and other restrictions and limitations promulgated as standards or conditions by the provisions of the Act and incorporated within the regulations, the new OME program, while liberalized, is still quite limited in scope. Admittedly there are certain areas for interpretation, but not beyond the prescribed scope and intent of the Act--and not where the restrictions and limitations are expressly set forth.

The OME Review Committee feels that because of the facts and information contained in the file and in view of the clear-cut criteria required to be met, and after giving all facts a liberal interpretation and resolving all inferences and doubts in favor of the applicant, it still has no other choice than to support and affirm the previous denial of Mr. Ausich's application. In this it is our considered opinion that the OME Review Committee had no other possible choice in the matter.

Sincerely yours,

Secretary of the Interior

Hon. Frank Church
United States Senate
Washington 25, D. C.

Enclosure

OCSelfridge/GFunich,Jr./hb (1/11/62)
cc: Secretary's file
Secretary's reading file
MR (2)
Dockets OME-6088, DMRA-2502, DMA-1091 - OME
Director's reading file, OME
G.C.Selfridge, OME

ME Form 7
(10-58)

DMEA-2502

OFFICIAL FILE COPY

Date	Surname	Code
6/30	Brassard	500
6/30	Selfridge	120
"	Johnson	110
6/30	Hussey	100
6/30	gad	220

Docket: 6088 250 Lead-Zinc-Copper

JUN 30 1961

Memorandum

To: Assistant Secretary - Mineral Resources

From: Director, Office of Minerals Exploration

Subject: OME-6088 (Lead-Zinc-Copper)
Joseph L. Ausich
Champion Mine
Custer County, Idaho

I have your notation of June 27, with a memorandum from Mr. Walter Pozen, concerning Joseph L. Ausich. This matter was fully covered in our April 7 letter to Senator Church.

Briefly, the essential facts are as follows: On June 30, 1952 (Docket DMEA-2502), the Government entered into a contract with Ausich for an exploration program on his Champion Mine in Custer County, Idaho. Expenditures under the contract were $38,731.50, of which 50 percent was contributed by the Government, or $19,365.75. The work was completed in late 1954. Nothing was found as a result of the work and the project was not certified.

On May 20, 1960, the OME received another application from Mr. Ausich for an exploration program in an area about 600 feet northerly from the previous work. He estimated a cost of $144,725.20 for the new proposed work. After an examination by our field representative and a review by this office, the application was denied on June 24, 1960. Essentially, the denial was based upon definitions and criteria (a) and (b) of our regulations:

Definitions:

(a) "Exploration means the search, including related development work, for new or unexplored mineral deposits ... . The work ... shall not be conducted primarily for mining or preparation for mining."

The proposed project concerned a new adit crosscut which was to pass 120 feet directly under the northern end of the existing No. 2 level and would have been merely the normal work of preparation for mining.

43683

Criteria:

(a) The geologic probability of a significant discovery being made.

(b) The estimated cost of the exploration in relation to the size and grade of the potential deposit.

While our field man reported favorably, he stated that the total known mine production to date had been about 2,460 tons of ore, of which we have information as follows:

1937-1950 (includes the war years)	992 tons
Year 1951	491 "
After 1954	659 "

Such a small tonnage is insignificant in view of the large footage of exploration and development work which has been done on the property:

Shafts and raises, approximately		100 feet
Crosscuts and drifts:		
No. 1 Level	"	290 "
No. 2 Level	"	1,025 "
No. 3 Level	"	1,070 "
	Total	2,485 "

In view of the information available, the inevitable conclusion is that such ore bodies as do exist occur as erratic and sporadic lenses, rather than being of any significant magnitude.

On July 2, 1960, and again on March 18, 1961, Mr. Ausich protested our denial. In both instances we thoroughly reviewed the dockets and wrote on July 15, 1960, to Mr. Ausich, and on April 7, 1961, to Senator Church, explaining our position.

Essentially, his protest is based upon the contention that our field representatives forced him to do work at a location which he did not approve and that, as a consequence, the DMEA project failed to find ore. He has submitted affidavits from two former employees (David E. Bell, dated March 14, 1961, and Ivan I. Taylor, dated March 20, 1961) purporting to support his contention. Mr. Ausich's letter of July 2, 1960, was the first we had heard on this matter, some six years after the conclusion of the DMEA work. A careful review of the DMEA docket shows no evidence of such a difference of opinion, nor does it show that Mr. Ausich ever registered a protest concerning the location where the work was being done.

We have checked with the USGS geologist who made the examination of the property and the USBM engineer who was concerned with the project. They do not support the contention of Mr. Ausich; in fact, they emphatically contradict such an idea. Please note the docket memorandum of August 16, 1960, by T. H. Kiilsgaard, and the letter of September 12, 1960, by Howard B. Nickelson.

In essence, we find it hard to believe that our field representatives ever pressured an applicant into doing work to which he was opposed. Any such course of action would have been contrary to the DMEA-OME programs under which the operator performs the work without any Government supervision in accordance with the contract provisions as amended and mutually agreed upon by both parties.

We are not unmindful of the implications of the instant matter but, after again making a careful perusal of the facts and the law and regulations governing our procedures, have come to the regretable conclusion that we have no alternative but to deny his application.

In the event, however, that new work would suggest a new target area meeting our requirements, we would gladly reopen the application.

Mr. Pozen's memorandum of June 23 and Senator Church's file are returned.

George Fumich, Jr.

(ah)

Attachments

WRGriswold/FEJohnson/GFumich/gla
6-30-61
cc to: Director's Reading File
Docket OME-6088
" DMEA-2502
C ode 500

DMEA Form 7
(12-56)

DMEA-2502

OFFICIAL FILE COPY

Date	Surname	Code
4/7	[illegible]	500
	on leave	120
		110
		220

(See incoming correspondence filed in OME-6088)

Hon. Frank Church
United States Senate
New Senate Office Building
Washington 25, D. C.

APR 7 1961

Re: OME-6088 (Lead-Zinc-Copper)
Joseph L. Ausich
Champion Mine
Custer County, Idaho

Dear Senator Church:

In response to your request of March 24, 1961, to Mr. John M. Kelly, Assistant Secretary - Mineral Resources, we have reviewed the entire matter relating to the file of Mr. Joseph L. Ausich attached to your letter.

An application (DMA-1091) filed by Mr. Ausich for a Government loan to explore the Champion Mine was denied by the former Defense Minerals Administration on June 5, 1951, because it was believed that the exploration work proposed would not open up an ore body with sufficient tonnage of minable grade to justify the expenditure of Government funds.

After performing additional work on his property, Mr. Ausich in March 1952 submitted a similar proposal (DMEA-2502) to the former Defense Minerals Exploration Administration. The work proposed was to rehabilitate approximately 152 feet of Adit No. 3, extend this adit approximately 800 feet westerly to reach the ore zone, and drift approximately 100 feet northerly and 100 feet southerly in the ore zone along a granite-limestone contact. An examination of the property was made by the DMEA Field Team. Although the surface of the ground was covered by snow, the No. 2 level was examined and mapped. The Field Team also studied several reports on previous examinations of the property made by Government and private engineers and geologists.

At the time of the examination the question of the direction of the proposed extension of No. 3 Adit was discussed quite thoroughly with Mr. Ausich, and he stated that he was in favor of the slight change in the proposed bearing of this adit as had been suggested by the Field Team.

8623

A contract was entered into with Mr. Ausich on June 30, 1952, in which he agreed to the exploration work set forth in the contract. The work was substantially as that originally proposed by the applicant, but the adit was directed to intercept the supposed downward rake of the ore body a short distance to the south instead of directly underneath the ore body on the level above. The drift to the north explored the same area that would have been explored by drifting south if the original direction of Adit No. 3 proposed by the applicant had been followed. The north drifting was terminated because of the barren and unpromising ground encountered. The direction of No. 3 Adit was toward the ore zone and not away from it or in the opposite direction as implied in the statements of Mr. Ivan I. Taylor and Mr. David E. Ball, former contractors on the project. It was reported that Mr. Ball terminated his contract because he was unable to finance equipment repairs that had been frequently required.

A review of Mr. Ausich's and Field Team's reports on the progress of the work indicates that although the work and results were discussed from time to time, there is no record that he was not in full accord with its direction and location. Mr. Ausich had complete charge of the work and was responsible for its performance. He could have requested in writing any changes he proposed, and they would have been carefully considered. Two changes in the work requested by him were approved by amending the contract.

Members of the Field Team have stated that Mr. Ausich was in complete agreement with the work set forth in the contract and at no time was any protest made as to form and manner of the work performed. The record does not support his contention that he was not in agreement with the work being done. In his final report of July 2, 1954, Mr. Ausich stated: "The writer herewith wishes to render his thanks to the personnel of both offices as to the courteous and efficient manner upon which the duties of the project were discharged."

Unfortunately, the project was not successful in finding ore. Possibly the ore shoot does not extend to the level of No. 3 Adit. Indications are that the results would have been the same if the original proposed direction had been followed. The ore shoots are spotty and lenticular; consequently, the ore zone did not measure up to what was expected. Much of the ore recently produced from the northern end of No. 2 level was of unprofitable grade.

We truly regret that Mr. Ausich now feels he was not in full accord with the slight change in direction of Adit No. 3 to which he agreed. However, essentially, there was very little difference in the target area explored. Regardless of the direction Adit No. 3 might have been driven, drifting from it along the ore zone still would have been several hundred feet distant from the area which

Mr. Ausich proposed to explore by the new adit mentioned in his application (OME-6088) filed in May 1960. We also have reviewed this application. In view of the considerable work that already has been performed on the Champion Mine and the tonnage and grade of the ore mined, we believe that its potential would not justify additional Government funds being expended on the property.

However, if Mr. Ausich has performed additional work on this property and can furnish factual evidence which would suggest a target area of sufficient potential to justify Government participation in further exploration of his property, we shall be glad to consider a new application.

Your interest in this matter is greatly appreciated. The file from Mr. Ausich is returned.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosures

FEJohnson/bih/gla
4-7-61
cc to: Director's Reading File
Mr. Johnson
Docket OME-6088
" DMEA-2502
" DMA-1091
MR (2)
Region I (2) w/2 cys enclosures
Code 500

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O. M. E

RECEIVED SEP 19 1960

DATE	INITIAL	CODE
9/19	Grimwood	500
		225
September 12, 1960		

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 829
Carlsbad, New Mexico

Mr. Joseph L. Aunich
Box 61
Mackay, Idaho

Dear Joe:

Your letter of August 8, 1960, rather surprises me and leaves me groping for details that happened 6 to 8 years ago. I am sorry I could not reply sooner, but I was on a field trip and took part of my vacation.

I do remember visiting you and I believe, I also was at the property. You let me copy the returns from 5 or 6 of the first shipments which I remember were low in grade. At that time you appeared very bitter about the results of the RMEA exploration, why I don't know because I think the exploration project on the whole was logical at the time it was planned. You undoubtedly thought so to because you signed the contract but it so happened that the mineralization did not occur in the area explored. This could not to my estimation be predicted by anybody at the time the project was planned. The ore body exposed on the working levels certainly indicated that it would project to the area explored. This exploration helps bear out that the ore probably occurs in the zone as lenticular bodys of rather limited extent and the whole zone may be cut off by the adjacent granite body.

The work you did to the north off the main adit certainly improved the outlook of the property and at that time I believed additional work may have been warranted such as extending the drift north off the vertical incline. However, that was my opinion and I did not know if RMEA in Washington would consider additional exploration on the property at that time. Of course, additional Government help would have depended a great deal upon what you discovered by drifting north after my visit with you.

I don't know the present policies of GSE in regard to what they consider a property worthy of exploration because I have been away from that work for more than 3 years.

I don't believe that the RMEA project put such a black mark on your property as you consider. It proved one thing that the mineralization did not occur to the south or below the south end of the main level at

the depth explored. What occurs below the north end of the property is anybody's guess and if a promising target was found that warranted exploration, I am sure GSS would consider it.

As for your hauling at us to deviate from the prescribed course, I remember conversations of such after the contract was the projected area and no mineralization was found. I believe I also told you that any change in the exploration plan set forth in the contract must be requested in writing and I have of no such request. I also had no authority to change the project without the recommendation of my boss and the approval of the BMM in Washington for any change that you may have desired.

I am sorry I could not have been of more help but I have stated the facts as I remember.

Yours truly,

Howard B. Nicholson
Mining Engineer

ME

C O P Y

Mr. Howard Nickelson
Conservation Division - U.S.Geological Survey
P. O. Box 829
Carlsbad, New Mexico

Official Docket
Aug. 8, 1960
Box 61
Mackay, Idaho

RECEIVED SEP 19 1960

DATE	INITIALS	CODE

DMC to OC
DMEA-250'V

Dear Howard:
I hope that this letter ultimately reaches you, as I desparately need your help for facts that you know exist and will briefly outline them, to refresh your memory, viz:-

as you know that we did not certify a discovery on the CHAMPION MINE on the old DMEA project and as you further know, upon many of your official visits to the property as a member of the DMEA field team, I tried upon many occasions to persuade you to let me deviate or drive due west, which would be north of the DMEA course we were following. Many reasons you gave me, but it appeared that it was out of your province at the time to authorise any changes, however, I always kept needling you for the deviation or change of course.

And, as you know, many months after the completion of the DMEA project, I had occassion to see you here in Mackay, at the time in company of another member of DMEA (I do not recall his name) and of course I informed you of the new exploration, which proved my point that the ore extended and dipped North, instead of DMEA's south, also you personaly checked the Smelter Return sheets, at the time, it seemed to me you copied the results etc., also you mentioned the fact "that someones face would be and that in view of my extending the ore body north, that I would without question be eligible for another loan" and at the time I mentioned to you, what I thought of Govt. procedure etc.

DMEA is now replaced by a new agency called OME. Recently, I got to thinking, that if and when LEAD should recover, how foolish I was not to take you up on your offer of new exploration, because if and when LEAD should recover, perhaps, I would not be in a position to do the exploration myself. In view of the fact that the ore is entirely in a different direction than beliefs of DMEA.

One obvious fact remains, that the non-certification of a DMEA discovery is now definately a black mark against the property and will always remain on the records, regardless of whether or not I receive a new exploration loan, and if nothing else can be accomplished, at least I would have the black mark erased from the records against the property. Certainly, it was not my error, as you very well know. Perhaps, where I erred, was not going on record, protesting to Washington of my reasons for deviation, while the project was in progress.

The letter that I receive from you Howard, I intend to submit to the proper office, which should help me to straighten the records and perhaps help in obtaining a new exploration loan, as you know that the previous non-certification on the old DMEA will be a governing factor for a new loan application, further, if denied, your letter would at least would set the record straight from DMEA errors.

I have also written to Verde Johnson, as I also needled him of the changes, he also has moved since I last seen you and hope that my letter catches up with him.

I urgently need this letter of facts from you, at least acknowledging my continously harping at you to deviate and I will be forever indebted to you.

Hoping this letter finds you and with best personal regards, thanking you for your prompt reply,

I remain,

Joe put this letter in blue ink which would be legible

Sincerely yours,

(Sgd) Jos. L. Ausich
Josheph L. Ausich

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500

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C.

August 16, 1960

Memorandum

To: W. R. Griswold, Chief, Division of Minerals, OME

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: OME 6088 (lead-zinc-copper), Joseph L. Ausich, Champion mine, Custer County, Idaho

I have reviewed the cited application and the accompanying letters from Mr. Ausich, noting his claim of having been forced to drive the No. 3 adit south of the area he had wished to explore. Having made the initial examination of his property for DMEA, I wish to take this opportunity to comment on some of Mr. Ausich's statements and to review the exploration work that was done.

I examined the Champion mine on March 15, 1952, accompanied by Mr. Ausich. The ground was deeply covered with snow and we made no attempt to visit any parts of the property other than the No. 2 level. I mapped the geology of this level, all workings being open. The vein was difficult to define accurately as it was a broad, highly broken and heavily oxidized zone. Most of the ore minerals were carbonates that were difficult to distinguish from the stained wall rock. I therefore leaned heavily on statements from Mr. Ausich as to those parts of the vein that had been most productive and which would be expected to be productive at lower levels.

Mr. Ausich was most interested in the south end of the level, in the mineralized zone that had been explored by the Bell shaft and sub-level therefrom, and by the raise shown on my map as the 1951 Raise. He pointed out that all production of the previous year had come from this southern mineralized area and that it was the downward extension of this ore shoot he wished to explore on the proposed No. 3 level. We were unable to map the sub-level from the 63-foot vertical winze, from the north end of the No. 2 level, but both of us agreed that this area was less promising as no stopes showed on maps of the sub-level, even though the sub-level completely crosscut the vein zone. Furthermore, there were no shipping records of ore from this northern sub-level.

The No. 3 adit was open for 154 feet at the time of our examination and was directed so as to pass almost directly below the Bell shaft from the No. 2 level. However, where I plotted the outline of the ore zone on the No. 2 level, with respect to the position of the Bell shaft, the 1951 Raise, and stopes therefrom, it became apparent that the lower limit of the ore shoot raked to the south. I pointed this out to Mr. Ausich, noting that the projected rake would extend the ore shoot south of the area to be intersected by his proposed continuation of the No. 3 adit. I also called his attention to position of the ore shoot as being south of the overlying No. 1 adit, and of the ore shoot reported to have been mined from a winze, from the southern drift of this level. He also told me the vein outcropped north of the No. 1 adit. All of this evidence indicated the ore zone was progressively extending to the south, at greater depths below the outcrop. Mr. Ausich then said that he was no geologist and that he would be glad to listen to any comments I might make on his proposed work. I told him I could not say whether he would receive a DMEA contract as such decisions were made in Washington, D. C., but, that if it was my mine, I would turn the No. 3 adit to the south to intersect the ore zone at the projected rake. Mr. Ausich thought this was an excellent idea and asked me for a bearing on which I thought he should drive the adit. After some calculations, I determined a bearing of S 70°W, a bearing Ausich was in favor of as I noted on page 6 of my original report.

As no time during the active life of the DMEA contract did I ever hear Mr. Ausich complain of the direction in which the exploration adit was driven, nor did I ever hear of any complaints he voiced to other DMEA examiners. He never proposed a change in the bearing along which the adit was being driven. The Field Team Final Report states that the Field Team agreed with the Operator to drift north and south from the exploration crosscut. So far as I know, all drifting and raising in the target area was directed entirely by Ausich, the Field Team merely agreeing with his decisions.

The exploration project was unsuccessful and no ore shoot was found in the area I suggested be explored. This may be because the ore shoot does not extend to depth along the rake I determined, or it may simply be that the ore shoot does not extend to any depth. The map accompanying the final report shows the north end of the drift in the vein zone, on the No. 3 level, to be almost directly below the Bell shaft, yet the face of this drift was barren. This means that even the crosscut originally proposed by Ausich would have intersected a barren vein. These findings also support statements in my original report that ore shoots in the vein zone are spotty and lenticular both in strike and dip. In short, the vein simply did not measure up to what we originally expected of it, a condition Ausich chooses to ignore by using 20-20 hindsight.

As to the ore recently produced from the northern end of the No. 2 level, I note in a memo from H. B. Nickelsen, dated Jan. 27, 1955, that of the first 6 of the 12 carloads of ore that have been produced from that area, the average value per ton was $10.10, an unprofitable figure. Nickelsen states that mining in the northern drift stopped because returns were too small. The fact that the mine has been idle since 1955 supports this observation.

I believe OME was correct in denying the recent application from Mr. Ausich. Information on the mine, which is considerable, suggests that further government-supported exploration is unwarranted.

Thor H. Kiilsgaard

Thor H. Kiilsgaard

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O. M. E.
RECEIVED AUG 8 1960

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		225

Mre/2

So. 157 Howard Street
Spokane 4, Washington
August 5, 1960

Mr. Joseph L. Austch
P. O. Box 61
Mackay, Idaho

Dear Joe:

Howard Nickelson left this office in July 1957. His address at that time was:

Conservation Division
U. S. Geological Survey
P. O. Box 829
Carlsbad, New Mexico

Whether or not he has since moved, I do not know but that address should reach him ultimately.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2) w/2 cys incoming
MacLaren w/cy incoming
DRF

Ome(2)

C O P Y

C O P Y

July 30, 1960
Box 61
Mackay, Ida.

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 8 1960
DATE | FILE | CODE

Dear Mac:

I would greatly appreciate in your sending me Howard B. Nickleson's present address.

Thanking you and with best personal regards,

Sincerely yours,

/s/ JOS. L. AUSICH

Jos. L. Ausich

(The above undoubtedly refers to:

Docket No. OME-6088 (Lead-Zinc-Copper
Joseph L. Ausich
Champion Mine
Custer County, Idaho

This application was denied by DC 6/24/60.)

DOCKET DMEA-2502

OFFICIAL FILE COPY

Date	Surname	Code
7/14		500
		120
		110
7-15	gad	220
		225

MME Form 7
(10-58)

JUL 15 1960

Mr. Joseph L. Ausich
P. O. Box 61
Mackay, Idaho

Re: OMX-6033 (Lead-Zinc-Copper)
Joseph L. Ausich
Champion Mine
Custer County, Idaho

Dear Mr. Ausich:

We have your letter of July 2 referring to the denial of your recent application. It is our understanding that you contend the previous project on this property, in which the Government participated (DMEA-2502), was a failure due to the work having been done at a wrong location contrary to your desires.

It was never the policy of the DMEA, nor is it the policy of the present OMX, to forcibly impose the opinions of the Government's representatives upon an Applicant. In the event that engineers or geologists of the Government might feel that exploratory work should be done at a different location, or in a different manner from that outlined in the application, it then becomes necessary for them to consult with the applicant to see if a mutually satisfactory program can be worked out. As an applicant is required to provide half of the project costs, he most assuredly is under no compulsion to endorse a work program to which he is opposed.

In this particular instance (DMEA-2502), we have reviewed the docket most carefully both with regard to the correspondence and also the monthly reports which you submitted. Nowhere do we find any indication that you were not in accord with the location or direction of the work being done; nor is there any evidence that there was any difference of opinion between you and the representatives of the Government. To the contrary, in your final report, dated July 2, 1954, you stated, "The writer herewith wishes to render his thanks to the personnel of both offices as to the courteous and efficient manner upon which the duties of the project were discharged." Furthermore, we have discussed the matter with one of the geologists who participated in the project in behalf of the Government. He advises us that at no time was he aware of any conflict of opinion regarding the work being done.

43683

We have also reviewed your application for Federal assistance in financing exploration under the OME program. In passing upon applications under this program, one of the principal criteria used is the estimated cost of the exploration in relation to the size and grade of the potential deposit that might be found. The exploration must also be a search for new or unexplored mineral deposits. Based upon the results of the work performed under the DMEA contract and previous work performed on your property, the work which you propose does not meet these conditions.

If at any time you do additional work on your property which would suggest a new target area that meets our requirements, we shall be glad to reopen your application.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

cc: Hon. Henry C. Dworshak
Hon. Frank Church
Hon. Gracie Pfost

WRGriswold/FEJohnson/gla
7-14-60
cc to: Director's Reading File
Region I (2)
Docket DMEA-2502
Docket OME-6088
Code 500
Chron

Mitt: Waiver provision is in Annex 1, attached to amendment No. 1., without which another amendment to a "dead check" probably would be required to rectify the inequity of collecting royalty on production unrelated to the contract. JHH

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAR - 9 1955

Memorandum

To: The Administrator, DMEA

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2502, Champion Mine, Contract No. Idm-E361 (lead-zinc)

I have surnamed for your signature the attached letter to the Operator which contains this sentence:

> "The Government waives its right to a royalty on that ore produced within the time that it had the right to collect royalty."

It appears that this particular contract, contrary to most of our contract forms, contains a provision purporting to give the Government the right to waive its royalty. This fact, coupled with the particular circumstances of this case justifying the waiver, as set forth in the memorandum for the docket dated March 1, by Mr. J. W. Alt, seems to me to justify the waiver.

In most cases, the Government's claim for royalty could not be waived unless the amount should be so small that it would not pay to take the trouble to collect it.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 1, 1955

Memorandum for the Docket

From: J. W. Alt

Subject: Justification for Waiving the Right to A Royalty, Docket No. DMEA-2502, Contract No. Idm-E361, Joseph L, Ausich, Michael E. Ausich and Ann Ausich.

It was agreed by George Selfridge to waive royalty on ore that was mined from the No. 2 level of the Champion Mine.

No ore was found as a result of the work that was done on the No. 3 level under the terms of the contract. All work was completed on July 12, 1954. After this work was completed, the Operator and lessors began driving a drift northward on the vein on the No. 2 level, 187 feet vertically above the No. 3 level from which the DMEA exploration was done.

The drifts produced six carloads of ore or 284.072 tons of ore after the work under the terms of the contract had been completed and up to about December 1, 1954, when the partners discontinued work because the returns were too small.

Inasmuch as no ore was found as a result of the DMEA exploration, and the ore was mined after the contract had ceased, and in a part of the mine not explored by DMEA, we are waiving royalty on the ore that was mined from the No. 2 level of the Champion Mine.

J. W. Alt.
J. W. Alt

JWAlt/er

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
FEB 14 1955

February 4, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Joseph L. Ausich, et al.
Champion Mine
Custer County, Idaho
Contract No. Idm-E361 (completed)

Dear Mr. Selfridge:

Enclosed is a memorandum from H. B. Nickelson, Geological Survey, that should answer the questions in your letter of November 24, 1954, about the amount of ore shipped from the Champion mine since completion of contract work, and also the amount of ore that will be mined six months from the date of the Operator's final report.

It is probable that the six shipments listed in Nickelson's memorandum will constitute mine production for the six-month period from the date of the Operator's final report.

The final Field Team report was transmitted to Washington December 29, 1954.

By Field Team, Region I, N.W. District

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure
cc: USBM (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

January 27, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2502 (lead-zinc), Ore shipments from Champion Mine, Custer County, Idaho, completed Contract No. Idm-E361

On January 10, 1955, Mr. Joseph Ausich was contacted by A. L. Service, mining engineer, Bureau of Mines, and the writer to seek information about shipments of ore extracted from a drift driven to the north on the No. 2 level. Mr. Ausich kindly allowed the examiners to copy information from the smelter settlements received from the six carloads of ore sold to U. S. Smelting and Refining Company at Salt Lake City, Utah.

This information was obtained to answer the Operating Committee's letter of November 24, 1954. The above correspondence was a result of Field Team letter dated October 22, 1954, to Mr. Selfridge for a decision on waiver of royalty from the production of the above ore.

Mr. Ausich, Mr. Pritchard, and Mr. Taylor on about October 1, 1954, and after the completion of DMEA work on the No. 3 level, decided to drift north from the face of the downward inclined stope located just north of the No. 2 level crosscut. (See the geologic map accompanying the final report for the location of inclined stope.) The partners drifted northward for a reported distance of 165 feet. The drifting produced six carloads of ore as follows:

Lot 39: 53.052 tons; netted $558.69; assayed 0.01 oz. Au, 3.2 oz. Ag, 1.0% Cu, 12.4% Pb (paid for 10.9% Pb).

Lot 40: 51.524 tons; netted $772.97, which includes $117.39 royalty; assayed 0.01 oz. Au, 1.98 oz. Ag, 0.55% Cu, 15.3% Pb (paid for 13.7% Pb), 21.6% Insol, 30.3% Fe, 3.1% Zn, 3.6% S, 1.5% CaO.

Lot 41: 40.075 tons; netted $404.27 which includes $61.90 royalty; assayed 1.63 oz. Ag, 0.85% Cu, 13.2% Pb (paid for 11.7% Pb), 2.6% Zn.

Lot 42: 43.68 tons; netted $220.45 which includes $34.23 royalty; assayed 1.38 oz. Ag, 0.45% Cu, 11.4% Pb (paid for 9.95% Pb, 2.5% Zn.

Lot 43: 43.529 tons; netted $427.23 which includes $65.70 royalty; assayed 2.88 oz. Ag, 0.92% Cu, 12.4% Pb (paid for 10.85% Pb), 23.6% Insol, 31.3% Fe, 3.0% Zn.

Lot 44: 50.212 tons; netted $564.54 which includes $86.41 royalty; assayed 2.8 oz. Ag, 0.45% Cu, 13.3% Pb (paid for 11.75% Pb), 23.65% Insol, 33.7% Fe, 3.0% Zn.

The royalty mentioned above was paid to Mr. Ausich's brother and sister.

Mr. Ausich reports another carload of ore stockpiled at Mackay which has not been shipped because he believes the grade is too low to make the shipment worthwhile.

The recent drifting on this vein northward has certainly improved the potentialities of the vein on the No. 2 level. Mr. Ausich reports the values in the vein are continuing at the face of the drift.

Analysis of the returns from the above shipments show this material is not profitable. An improved smelter schedule, a reduction in royalty payments, or a small gravity-type mill to concentrate the ore may make mining a profitable operation.

The partners discontinued work about December 1, 1954, because the returns were too small. Mr. Ausich is inquiring about other smelter schedules, but as yet these smelters have not informed him.

If the Government does not waive the royalty, the owners owe the Government as follows:

Lot	Tons	Pb	Cu	Ag	Net	Net/T	% Royalty	Royalty
39	53.052	10.9	1.0	3.2	$558.69	10.53	4	$22.35
40	51.524	13.7	0.55	1.98	772.97	14.00	5	38.65
41	40.075	11.7	0.85	1.63	404.27	10.08	3½	14.15
42	43.68	9.95	0.45	1.38	220.45	5.05	1½	3.31
43	43.529	10.85	0.92	2.88	427.23	9.81	3	12.82
44	50.212	11.75	0.45	2.8	564.54	11.24	4½	25.40
	TOTAL							$116.68

It is recommended that information in this memorandum regarding the mine be included as part of the final report because the work to the north on No. 2 level has found ore lenses which have increased the ore reserve and potentialities of the mine.

Distribution:

DMEA (Orig. & 3)	Turner
USBM (2)	Docket
USBM (AD)	Nickelson

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
JAN 10 1955

January 7, 1955

Re: DMEA-2502
Ausich Partners
(Champion Mine)
Custer Co., Idaho
$38,731.50
Lead-Zinc

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Final Field Team report

This report has adequately covered the results of exploration and what possibilities still remain for possible exploration and exploitation of the limited oxidized ore which may exist on the present mine levels. Further exploration on this property at the present time does not appear to be justified.

The Field Team has recommended that no certificate of discovery be issued. There was no production of ore during the DMEA contract period and no ore reserves were established to be present on the property by the DMEA project. I concur with the general conclusions of the Field Team and recommend no certificate of discovery be issued.

E. L. Newcomb

E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
JAN 4 1955

December 29, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Joseph L. Ausich, et al.
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Selfridge:

Enclosed are four copies of the Field Team final report on the above-cited contract which has been prepared by Howard B. Nickelson, Geological Survey, and Verdo Z. Johnson, Bureau of Mines.

The field examiners state that the exploration project was unsuccessful, and recommend that no Certification of Discovery or Development be made. The Field Team concurs with the recommendations of Nickelson and Johnson.

By Field Team, Region II

A. E. Weissenborn
A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure
cc: USBM (2)
Nickelson

Reviewed by
DMEA OPERATING COMMITTEE
1-7-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 1955

Final Fd Tm Rpt

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E361

by

Verdo Z. Johnson
Mining Engineer
U. S. Bureau of Mines

Howard B. Nickelson
Geologist
U. S. Geological Survey

JOSEPH L. AUSICH, MICHAEL E. AUSICH, & ANN AUSICH, PARTNERS
d.b.a. THE CHAMPION MINE
Box 281
Mackay, Idaho

Docket No.:	DMEA-2502
Commodity:	Lead-Zinc
Contract date:	June 30, 1952
Completion date:	July 12, 1954

Reviewed by
DMEA OPERATING COMMITTEE
1-7-55
(date)

CHAMPION MINE
Alder Creek Mining District
Custer County, Idaho

Spokane, Washington

December 1954

FINAL REPORT
JOSEPH L. AUSICH, MICHAEL E. AUSICH, &
ANN AUSICH, PARTNERS
d.b.a. THE CHAMPION MINE
Alder Creek Mining District
Custer County, Idaho

Contract Idm-E361

* * * *

INTRODUCTION

This report describes an exploration project for lead and zinc conducted by Joseph L. Ausich, Michael C. Ausich, and Ann Ausich at the Champion mine, Custer County, Idaho, under Defense Minerals Exploration Administration Project Contract No. Idm-E361.

Summary

The purpose of the project was to explore by crosscutting and drifting for the lower extension of an ore shoot that had been productive in the two upper levels. The program, if successful, would have intersected the ore shoot 187 feet below the No. 2 level.

The crosscut driven under this contract exposed a barren vein structure beyond an irregular granite-limestone contact zone. A total of 307 feet of drifting on the vein structure failed to expose ore of commercial grade. A 75-foot raise from the north end of the drift on the contact intersected the vein structure which was composed of clay, gouge, and iron oxide.

No ore bodies of economic size and grade were found by this exploration.

Recommendation

The exploration project was unsuccessful, and it is recommended that no Certification of Discovery or Development be made.

Government participation in further exploration is warranted, but future exploration should be confined to the vein zone within the limestone.

LOCATION AND ACCESSIBILITY

The property is in sec. 12, T. 6 N., R. 23 E., Boise Meridian, Alder Creek Mining District, Custer County, Idaho, 8 miles southwest of Mackay, Idaho, at an altitude of approximately 8,500 feet.

The mine, which is on a steep, mountainous slope, is accessible over an unimproved dirt road. The road has a moderate grade for the most part and crosses open country along eastern and southeastern slopes, which are normally free of snow during the winter except for drifts in the road cuts. Snow removal was necessary only because the miners stayed in a small cabin at the mine and snowshoed weekly to Mackay for supplies. Much of the precipitation falls during the winter months as snow and sub-zero temperatures are common. The summers are mild and dry.

PROPERTY

The property includes seven unpatented mining claims, recorded at the County Seat in Challis, Idaho, as follows:

Claim	Instrument No.	Book	Page
Victory No. 1	84432	12	571
Victory No. 2	84433	12	572
Money Getter	84361	12	568
New Hope	52234	12	393
Champion	52235	12	393
Brighter Days	52233	12	392
Goldstone	52402	12	412

All work done under the contract was on the New Hope claim.

The claims are owned by a partnership composed of members of the Ausich family, the ownership being distributed as follows:

Joseph L. Ausich	5/9	ownership
Michael E. Ausich	2/9	do.
Ann Ausich	2/9	do.

Mr. Joseph Ausich, Mackay, Idaho, operates the mine and has power of attorney on record to execute all dealings concerning it.

The claims were located in 1901, and by 1917 Levels No. 1 and 2 had been driven nearly to their present limits. Umpleby 1/ reports that one shipment resulting from this early operation assayed 20.3 percent lead, 5 percent zinc, and 6.0 ounces silver per ton. The property remained idle from 1917 until 1939, when the claims were relocated by Louis and Joseph Ausich. Early in 1943 the New Hope claim was leased to David Ball, who began at once to rehabilitate the tunnel. Shortly thereafter Mr. Ball was granted a $5,000 Reconstruction Finance Corporation general mining loan, and from this fund a compressor and other essential mining equipment and supplies were purchased. Mining was continued on a small scale throughout that summer and fall until snow prevented ore hauling. During this 6-month period of operation, 321 tons of direct shipping ore were produced, with a reported yield of approximately 80,000 pounds of lead.

Records in possession of Mr. Ausich show that from 1937 until 1950 the mine produced 992.56 dry tons, which yielded net smelter returns of $8,307.80. The bulk of this ore came from the No. 2 sublevel area, worked from a winze known as the Ball shaft. The average assay value of this ore was 11.8 percent lead, 2.82 percent zinc, and 2.92 ounces silver.

During the period from October 19 to December 12, 1951, the mine produced 10 carload shipments totaling 490.8 tons of ore which netted the operator $10,103.63. The average assay on this ore, which was mined from the raise above the No. 2 level was 11.85 percent lead, 2.96 percent zinc, and 2.99 ounces silver.

There was no production from the property during the DMEA contract period. The project work was first contracted by Mr. David Ball and later by Mr. Ivan Taylor with an agreed incentive lease to mine ores that might be exposed by project work.

The Champion mine is developed on three adit levels. Production from the mine prior to the project contract came from the No. 1 and 2 levels which extend into the ore shoots.

The No. 1 level is 332 feet above the project adit and consists of about 370 feet of crosscuts, drifts, winzes, and raises.

The No. 2 level, 187 feet above project level, contains more than 1,500 feet of crosscuts, drifts, raises, and winzes. Two winzes have been put down from the No. 2 level--one winze is down 63 feet, from which has been driven a short crosscut and drift; the other winze, called the Ball shaft, is down 30 feet. A sublevel drift has been driven from the Ball shaft, and there are small stopes above it.

The No. 3 adit level consisted of about 150 feet of crosscut before the DMEA exploration began. Under the DMEA contract a 645-foot

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1/ Umpleby, Joseph B., Geology and Ore Deposits of the Mackay Region, Idaho: U. S. Geological Survey Prof. Paper 97, 1917.

crosscut was driven S. 70° W. from a point 120 feet from the No. 3 portal. Further exploration from this crosscut began 550 feet from its point of beginning and consisted of 307 feet of drifting, 75 feet of raising, and 23 feet of crosscutting into the drift and raise walls. This work is shown on the accompanying map.

The drifts in the upper levels are virtually untimbered, but in the fault zones on the No. 3 level they required timber which is taking considerable weight. The crosscuts require no timber except in the fault zones.

The workings are rather dry with just enough water for drilling. A compressor shed and a shack for a change house are the only facilities at the mine.

GEOLOGY

Geologic and other reports on the Champion mine have been prepared by Umpleby 2/, Taber 3/, Youngberg 4/, Guard 5/, and Kiilsgaard 6/.

The attached map and vertical section were prepared by T. H. Kiilsgaard and H. B. Nickelson, geologists, Geological Survey.

The geology of the deposit is described in Kiilsgaard's field examination report. According to Kiilsgaard 6/:

> "The Champion deposit is in a brecciated and sheared zone in gray Mississippian limestone. The zone /on the Nos. 1 and 2 levels/ closely follows bedding in the limestone, striking north-south, and dipping from 60° to 70° to the west. It is also adjacent to a granitic contact, which, on the No. 2 level, is about 55 feet west of the breccia zone hanging wall. Granitic rocks west of the limestone contact comprise a stock that is one of the prominent geologic features in the Mackay area. Several mineralized areas and some formerly productive mines are located near periphery of the stock."

It is reported that the outcrop of the shear zone can be traced 1,400 feet north of the mine workings. The three adits have partially explored the shear to a depth of about 400 feet. On the No. 2 level the brecciated zone is about 40 feet wide and has been followed along the strike for about 350 feet. Kiilsgaard's description of the shear zone and the ore bodies on the No. 2 level follows:

2/ Umpleby, Joseph B., op. cit.

3/ Taber, John W., The Champion Mine, U. S. Bureau of Mines War Minerals Report, 1945.

4/ Youngberg, Elton A., Private report on the Champion Mine for the Cascade Exploration Company, 1948.

5/ Guard, A. K., A report on the Champion Mine, 1951 (private report).

6/ Kiilsgaard, Thor H., Application field examination report, April 23, 1952.

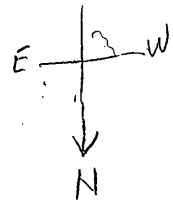
"The footwall of the brecciated deposit is marked by a sheared and crushed zone; however, the hanging wall is quite indefinite. Rock within the deposit is highly leached and so altered as to make its identity difficult, although some limestone horses are noticeable. In addition to the brecciated limestone, there are fine-grained acidic intrusives that are highly altered and crushed. The more brecciated areas are commonly surrounded by earthy, iron-stained gouge, and often by a clay which appears to have been transported into the deposit, probably by migrating ground waters. Limonite, hematite, oxidized lead and zinc ores, and fine-grained silica--probably jasper--are disseminated throughout the deposit. Nodules of oxidized ore containing remnant pieces of galena are occasionally found.

"Although mineralization is disseminated throughout the zone, certain parts of the deposit are more mineralized and constitute high-grade ore shoots. These ore shoots appear to be lenticular along the strike, and quite probably are lenticular in dip also. On the No. 2 level the most prominent ore shoot has been explored below the level by the Bell shaft, and above the level by the raise driven during the fall of 1951. This ore shoot has a strike length of about 85 feet, and a width ranging from 6 to 12 feet. It has been explored below the No. 2 level for a vertical distance of 30 feet, and above for a distance of 78 feet. In longitudinal section it would appear that this ore shoot extended to the 100 level, and that it rakes to the south at angles of 40 to 50 degrees. A second ore shoot has been worked by an inclined stope leading off the No. 2 level adit. Not too much is know of this shoot; however, it appears to parallel the ore shoot explored by the Bell shaft.

"All ore produced thus far from the Champion mine has been highly oxidized, consisting chiefly of cerussite but also containing other more complex secondary lead, silver, and zinc minerals. Occasional nodules of oxidized ore are found containing remnant fragments of galena, which suggests oxidation of sulphide ores in place with little, if any, secondary enrichment by descending solutions. Migrating solutions may have removed some of the more soluble products from the ore shoots, thereby causing some gravity enrichment; however, the oxidized ore shoots are believed to more or less occupy the same positions as did the original sulphide bodies.

"There are no signs of oxidation diminishing on the No. 2 level, and it is probable that oxidation will extend below the lowest of the present mine levels. A few miles to the north, the White Knob mine produced oxidized ore 700 feet below the outcrop; whether this depth of oxidation exists at the Champion mine is unknown.

"Low-grade, disseminated lead-zinc minerals occur throughout the deposit. The U. S. Bureau of Mines reports that these low-grade oxidized ores include such complex minerals as jarosite, plumbojarosite, plumboferrite, and complex salts of zinc, iron, and manganese. These minerals present complex metallurgical problems and cannot be commercially concentrated by present milling methods."



The project work on the No. 3 level disclosed that the granite contact, which was dipping between 60° to 67° to the west on the No. 1 and 2 levels, suddenly changed its dip to the east. The Champion shear zone passed into the granite and its dip steepened to almost vertical as shown on the vertical section accompanying this report.

The drift on the shear zone was in a block of limestone at the crosscut, but the major portion of the north drift was driven in taley, rubberlike gouge derived from granite. Some iron oxide-stained gouge occurs in the zone adjacent to the limestone rocks, but only very minor staining was noted in the zone adjacent to the granite, which appears unfavorable for ore deposition.

THE PROJECT

The Champion deposit occurs in a strong brecciated shear zone containing oxidized lead minerals throughout the 250 feet down dip which had been explored. Ore shoots which appear to rake to the south at 40° to 50° occur at irregular intervals. The limestone host rocks within and adjacent to the brecciated zone are favorable for ore deposition as evidenced by production from the upper levels and by other mines in the district.

The program originally proposed consisted of 150 feet of enlarging and rehabilitating the No. 3 adit with an allowance for 75 feet of timbering therein, to be followed by 800 feet of drifting and crosscutting from the end of the existing adit, with an allowance of 300 feet for additional timbering. Estimated cost of the original project was $31,650 and Government participation was 50 percent or $15,825. Amendment No. 2 authorized an additional 200 feet of drifting and crosscutting and an additional estimated expenditure of $7,860 for a total of $39,510 of which the Government's share was $19,755.

The DMEA contract was dated June 30, 1952, and work started in early July. All contract work was completed by June 30, 1954 and the operator's final report was accepted on July 12, 1954. In August 1952 rehabilitation of the old No. 3 adit level had been completed for 137 feet to a cave where a dike had been intersected. It was decided to start the crosscut at about 120 feet from the portal rather than to attempt to pass through the caved area. The crosscut was driven from this point S. 70° W. to intersect the projected position of the ore shoot. Sixty-two feet of timber was required to rehabilitate

the adit and to timber soft ground through the decomposed dike. The crosscut encountered siliceous limestone and trachyte-porphyry dikes about 100 feet from the starting point, and these rocks alternated for approximately 200 feet. The advance in this area was slowed by dulled bits, broken steel, and bootlegged rounds, but after this zone was passed through, the ground became softer and the daily advance showed a marked increase.

Except for intervals devoted to overhauling equipment, the work was pressed until March 1953, when fuel and other supplies at the mine were depleted and the road could be kept open only by continuous plowing. From March through July 1953 the crosscut advance was poor because of equipment failures. Mr. David Bell left the job July 31, 1953, because he was financially unable to make necessary repairs to his equipment.

The work was recommenced in August 1953 with the crosscut at 473 feet by Mr. Ivan Taylor, and, his equipment being in good condition, he was able to complete the work outlined in the contract and amendments by June 1954. The only time lost during the winter of 1953-54 was when it was too difficult to keep the road open.

There were two amendments to the contract. Amendment No. 1 dated December 14, 1953, extended the contract expiration date from December 30, 1953, to June 30, 1954, because machinery breakdowns and winter weather had interferred with project work. This amendment also authorized 103 feet of raise from the north drift at a point 78 feet from the adit crosscut. This was justified because it seemed apparent that the granite body had intersected the ore shoot exposed on the No. 2 level some place to the west and above the No. 3 level. The raise was driven N. 62° W. at a 70° incline.

Amendment No. 2 dated March 17, 1954, provided for an additional 200 feet of drifting and crosscutting on the No. 3 adit level in order to exhaust all reasonable possibilities of ore at that horizon. This amendment added $7,860 to the funds allotted under the terms of the original contract.

The crosscut intersected hard trachyte-porphyry dikes and siliceous limestones at about 100 feet from the starting point, and these rocks continued for approximately 200 feet. The next 240 feet of crosscut passed through a zone of badly fractured limestone. Granite was intersected 560 feet from the starting point with some iron-stained gouge and rock along the contact.

The presence of granite at this point was unexpected because the projected position of the Champion shear zone was about 80 feet beyond this point, and the granite-limestone contact was known to be west of the shear zone on the upper levels. It is believed that the

granite contact had suddenly changed its dip to the east and that the Champion shear zone occurred along the contact.

Samples taken across the iron-stained oxidized material along the contact assayed as follows:

Sample No.	Width (feet)	Pb	Zn	Au	Ag
44	3.1	1.4	1.8	Tr.	0.9
45	2.6	None	0.9	Tr.	0.6
46	3.7	3.1	1.9	Tr.	2.3
47	2.4	2.0	1.6	Tr.	1.0

The Field Team agreed with the operator that he drift on the iron-stained material to the north and the south to explore along the granite contact. The iron-stained material pinched out in the drifts about 20 feet to the north and to the south of the crosscut. No ore was found in the 76 feet of drift to the north nor in the 86 feet of drift to the south.

The Field Team agreed with the operator that he drive a raise near the face of the north drift inclined 70° to the west to intersect the downward extension of the ore shoot mined from the Bell shaft. The raise followed the granite contact for about 40 feet above the drift until the contact steepened, after which it was continued in the granite for another 35 feet until it intersected an iron-stained gouge zone. A crosscut to the west about 8 feet long failed to find the hanging wall. A grab sample of the mud from this zone assayed 0.3 ounce silver and 0.6 percent lead.

The raise showed the Champion structure continuing into the granite and indicated a normal fault, as shown on the enclosed vertical Section B-B'.

The Field Team and the operator then agreed that the operator continue the crosscut to the Champion structure and drift to the north. The crosscut, starting in granite, intersected badly broken rock composed of altered limestone and altered granite at 15 feet. The Champion structure, composed of talcy gouge, was cut 10 feet farther, and the crosscut was driven about 30 feet into the granite to explore the hanging wall of the structure. The granite was relatively unaltered at the face. The drift to the north was driven in soft talcy gouge and altered granite breccia but was discontinued at about 115 feet without finding ore.

Since some footage remained in the contract, the operator explored an iron-stained area on the structure to the south. A grab sample of this material taken in the bottom of the crosscut assayed 0.8 percent lead, 0.1 ounce silver, and a trace gold. This lens pinched out and continuation of the drift exposed narrow iron-stained, gouge-filled faults in the badly broken black limestone.

As the contract footage had then been expended and no favorable target existed on this level for further exploration, the operator and the Field Team considered the contract completed. No ore was found by the exploration.

The following is taken from Kiilsgaard's 7/ report:

"The limited development of production ore shoots at the mine makes it difficult to estimate ore reserves. Moreover, the lenticular nature of the oxidized ore shoots makes any projection of measurements from one level to another speculative.

"The raise driven from the No. 2 level in 1951 partially delineates an indicated reserve of 1,600 tons. If the ore shoot explored by this raise continues to the No. 1 level, holding the dimensions measured on the No. 2 level, it could contain an additional 5,000 tons of inferred ore * * *"

In his application report Kiilsgaard also estimated 15,000 tons of inferred ore between the No. 2 and 3 levels on the ore shoot which was explored by the raise mentioned in the above paragraph. It is now considered that this estimate should be decreased because the granite which the vein has intersected between the levels has proved a poor host rock for mineral deposition; there is a possibility that 5,000 to 7,000 tons of inferred ore might exist in this area.

No ore can be inferred in the smaller lenticular bodies scattered within the breccia zone.

Recent drifting from the No. 2 level to the north, after contract work was completed, has discovered what is reported to be a good ore lens from which several cars of ore have been mined.

Exploitation Possibilities

No ore was developed by the project, and the work completed on the No. 3 level suggests that previous reports were inclined to be overoptimistic in projecting the ore shoots which had been worked on the upper levels. Considerable high-grade oxidized-lead ore remains in the old workings and the possibilities of encountering new ore shoots have not been exhausted.

During periods of favorable lead prices it has been possible to ship crude-sorted high-grade ore from the No. 1 and 2 levels at a profit. When this market condition recours, the property again may become interesting to a small operator.

7/ Kiilsgaard, Thor H., op. cit.

Summary of Factual Data

Total units completed and costs for the project are as follows:

Item			Cost
Drifting	307 ft.	@ $31.20/ft.	$ 9,578.40
Crosscutting	668 ft.	@ 31.20/ft.	20,841.60
Raising	75 ft.	@ 31.20/ft.	2,340.00
Enlarge & Rehab. adit	137 ft.	@ 12.50/ft.	1,712.50
Adit timbering	19 ft.	@ 11.00/ft.	209.00
Other timbering	500 ft.	@ 8.10/ft.	4,050.00
Total accepted costs			$38,731.50

Government participation in the project at the rate of 50 percent amounted to $19,365.75.

All work was conducted on a single shift schedule on only one heading at a time. Excessive bit loss and steel breakage were attributed to a tough siliceous limestone and dikes penetrated by the crosscut; compressor failure also slowed the work. Cost details were not presented by the operator, but it is believed that actual costs exceeded the agreed unit costs. The operator completed at his own expense 20 feet of drift and 25½ feet of timbering in the project area.

There was no production from the mine during the term of the contract.

No equipment was purchased under the contract.

Discussion of Conclusions

The contract work was slowed by winter weather and by failure of equipment owned by the first contractor. Excessive bit loss and steel breakage were a result of the type of rock encountered in the first half of the crosscut. The work was completed by a competent and cooperative operator who probably spent more than is indicated by an analysis of unit costs shared by the Government.

Although no ore was developed under the DMEA project, the unpredictable nature of the occurrence of the known ore shoots precludes making a final decision on the merits of the Champion mine at this time.

The DMEA exploration on the No. 3 level has shown that the Champion shear zone continues into the granite which is now dipping easterly. Exploration in the granite indicates it is a poor host rock for mineral deposition, but exploration possibilities have not been exhausted. Future exploration, if confined to the vein zone in the limestone, might discover profitable lenses of oxidized lead-silver ore.

The following exploration possibilities exist:

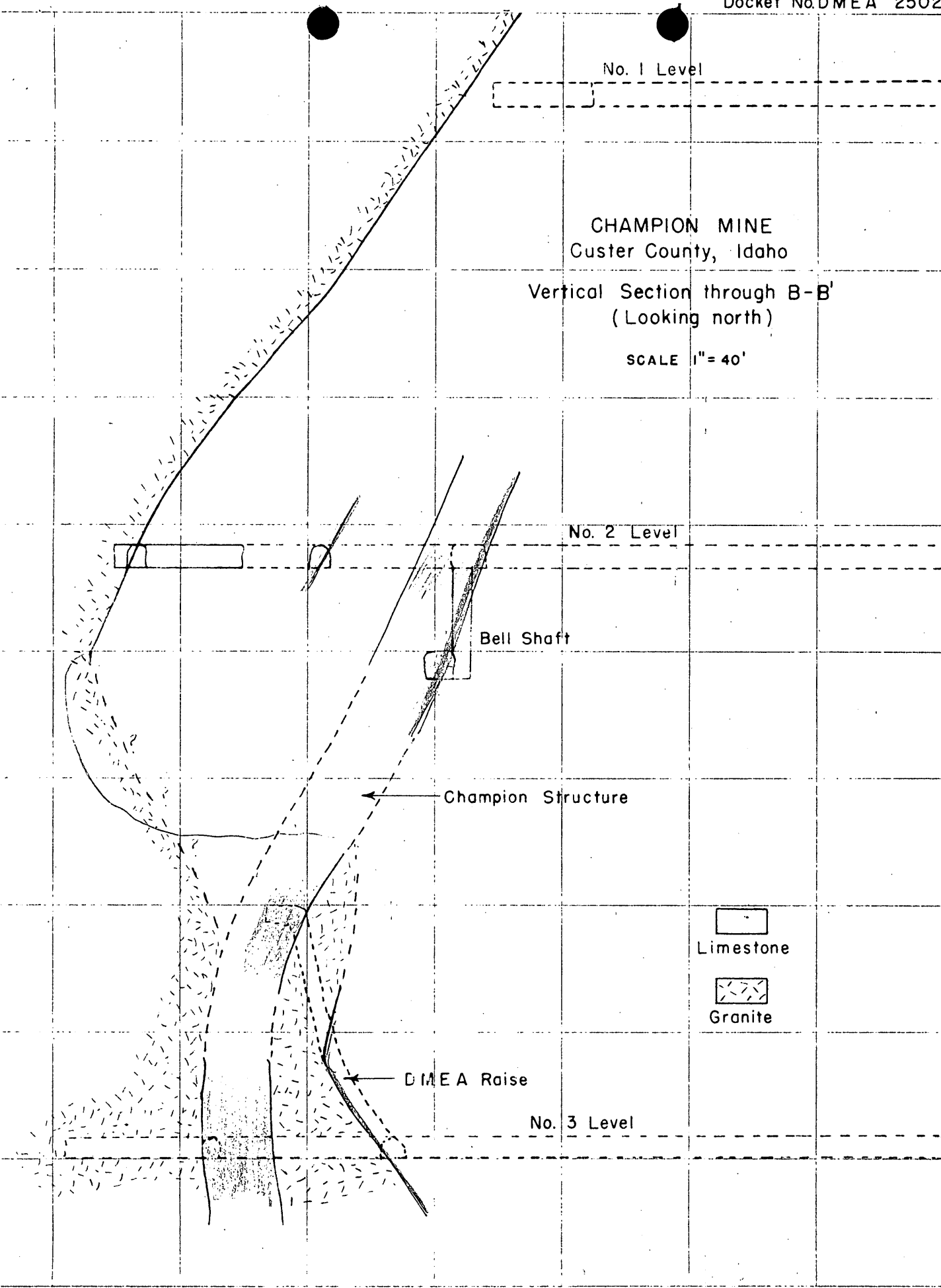
No. 1 level:--Most of the exploration on the No. 1 level has been confined to the granite-limestone contact. Some drifting and crosscutting within the vein zone to the south may expose the upward extension of the ore lens in the Bell shaft area. Exploration by drifting to the north off the short drift might disclose other undiscovered lenses of ore.

No. 2 level:--Leasers and the operator have discovered a lens of ore, reportedly about 5 feet wide, by drifting north from the crosscut on the No. 2 level. Several carloads of ore from this exploration are now stockpiled at Mackay. Further drifting to the north with crosscuts across the vein zone might be profitable.

63-foot winze level:--Drifting to the south off the bottom of the winze could intersect the ore body mined from the Bell shaft. Drifting to the north within the vein zone might also be justified if the results of the north drift on the No. 2 level proved favorable.

Another level to the granite or to 75 to 100 feet below the bottom of the 63-foot winze would further develop any ore lenses found from exploration either on the No. 2 level or on the present winze level.

Enclosures
Distribution:
DMEA(4)✓
USBM(5)
USGS(SRO)
Dockat
Nickelson



"ALBANENE" NO. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 1955

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

December 29, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Joseph L. Ausich, et al.
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Selfridge:

Reference is made to your letter of November 24, 1954.

The final report on the Champion mine is being mailed this week.

Mr. Howard Nickelson will be visiting Central Idaho right after the first of the year and will contact Mr. Ausich regarding recent production from the mine. The Operator, in our opinion, is not required to give us this information, but he no doubt will do so as our relationship with him has been very satisfactory. If the roads are not closed by snow, Mr. Nickelson will no doubt visit the mine.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
Nickelson

File Copy
Surname
Jim C. ass.
Surnamed
Selfridge
Hedges
McHenry

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 24 1954

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-2502 (Lead-Zinc)
Joseph L. Ausich, et al.
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Weissenborn:

With reference to your letter of October 22, 1954, regarding the cited contract, we are waiting for the final Field Team report before making any decision in regard to the Government waiving it's right to royalty on ore that has been mined from the No. 2 level. In your letter you state that the report is in preparation and will be submitted in about two weeks.

If possible for you to obtain, we would like to know the amount of ore that has been shipped since the completion of the work of this contract, and also the amount of ore that will be mined in the six months from the date of the Operater's final report.

We would appreciate receiving the final Field Team report and any information that you may be able to obtain regarding the ore that is being mined by the Operater at your earliest convenience.

Sincerely yours,

George C. Selfridge by EJS
Chairman, Operating Committee

APPROVED:

J. H. Hedges by EJS
Member, Bureau of Mines

Thor H. Kiilsgaard by EJS
Member, Geological Survey

JWAlt/er 11/23/54
Copy to: Docket
Admr R. File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Defense Minerals Administration
RECEIVED
OCT 28 1954

October 22, 1954

Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Joseph L. Ausich et al
Champion Mine
Custer County, Idaho
Contract Idm-E361 (completed)

Dear Mr. Selfridge:

During a recent trip to central Idaho, H. B. Nickelson, geologist, met Mr. Ausich in Mackay on October 11.

Mr. Ausich told him that after the completion of contract work on July 12, 1954, the operator and leasers began driving a drift northward on the vein on the No. 2 level, 187 feet vertically above the No. 3 level from which the DMEA exploration was done. A lense of ore has been found in the drift which has produced two or three cars of ore now stockpiled at Mackay. We suppose that this ore is being held for an increase in price of lead.

All contract work was completed on July 12, 1954; the operator's final report was accepted on September 8; a Report of Review dated August 27, 1954, has been accepted by the Contract Administration and Audit Division; and final settlement of the contract has been made. The Field Team final report is in preparation and will be submitted in about two weeks.

Since no ore was found as a result of the DMEA exploration, no Certification of Discovery or Development will be recommended. According to the terms of the original contract no royalty would be due in the event that no Certification of Discovery or Development is made; however, by the provisions of Annex I royalty is due on "all ore mined 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 of Discovery or Development . . . . unless the Government waives its right to a royalty."

The question then arises whether the DMEA policy will be to collect royalty on any ore produced during a period of 6 months following the completion of contract work or whether the DMEA will exercise its right to waive royalty. Inasmuch as no ore was found as a result of the DMEA exploration, and the ore was mined after contract work had ceased, and in a part of the mine not explored by DMEA, we believe that the Government, in this case, might well exercise its right to waive royalty.

By Field Team, Region II

A. E. Weissenborn per J.S.V.

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (AD)
Nickelson

xxxxxxxxxxxxxxxxxx
Eo. 157 Howard Street
Spokane 4, Washington

SEP 20 1954

September 10, 1954

Mr. Joseph L. Ausiah
Box 281
Mackay, Idaho

Re: Docket DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract Idm-436 (completed)

Dear Mr. Ausiah:

With reference to your letter of September 8 we find, on checking our records, that the overage on timbering amounting to $206.50 has been deducted from a previous voucher. We are instructing our fiscal officer to make payment in the amount of $209.00 which will settle the account.

We are sorry this error occurred and wish to thank you for calling it to our attention.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2) w/cy incoming
USGS (2)
Certifying Officer

THE INTERIOR
Administration
RECEIVED
SEP 20 1954

Sept. 8, 1954
Box 281
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

RECEIVED
air mail
SEP 9 1954
U.S.G.S.
SPOKANE, WASH.

Dear Mr. Howard:

Re: Docket DMEA 2502
Contract Idm-E361
Final Invoice

Your letter of Aug. 30, 1954 has been thoroughly studied, but we fail to concur in the amount of over-payment. It is our opinion that, although the final invoice of June-1954 contained errors and excesses at allowable units, we have yet to be over-paid.

Please consider our review of the contract costs which follow:

Completed allowable units:	Rate	Cost	
Drift) Crosscut) Raise)- 1050 ft.	31.20 per Ft.	32,760.00	
Timber above - 500 ft.	8.10 " "	4,050.00	
Re-hab of Addit- 137 ft.	12.50	1,712.50	
Timber Addit - 19 ft.	11.00	209.00	
			$38,731.50
Accepted Total Amount May-1954 Invoice			36,014.85
June - 1954 Cost Allowable			$ 2,716.65

Government Participation @ 50%	$1,358.33
Partial Payment June-1954	1,153.33
	205.00
Less over-payment Nov. 1953 Inv.	- 5.00
AMOUNT I believe due me.	$ 200.00

It is my opinion the Government owes me the sum of $200.00. If perchance, the audit has been completed and there is som descrepancy from the above review, please advise.

I am sorry to hear that you are moving and sincerely trust that this will not delay final settlement, as my creditors are hounding me and thought by this time the project would be closed.

Yours truly,

Jos. L. Ausich, Champion
Mine- Agent.

cc: A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

September 8, 1954

Mrs. Myrtle Purdy, Certifying Officer
DMEA Field Team, Region II
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-8361

Dear Mrs. Purdy:

This will supplement our letter to you of July 12 noting that the subject contract had been completed to the satisfaction of the Government and that the Operator's final report had been received and accepted as satisfactory by the Executive Officer.

A Report of Review dated August 27, 1954, by Auditor C. A. Turner has been received; therefore, it is requested that final settlement of our account with the Operator be made.

Because of insufficient lead mineralization encountered in project openings, a Certification of Discovery or Development will not be recommended.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
C. A. Turner

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

SEP 3 1954

Re: Idm-E361, DMEA-2502
Champion Mine

Dear Mr. Turner:

Reference is made to your Report of Review dated August 27, 1954 covering your examination of the monthly reports of the subject exploration project.

Exceptions totalling $778.50 are indicated as having been made as a result of your review, i. e., "Herewith", whereas they should have been shown as having been taken "By DMEA Finance Officer". The "Approved Totals to Date" column of the June, 1954 MF-104, which was certified for payment on July 20, 1954, corresponds to the "Total Accepted Cost" shown on your Report of Review. We are correcting the Washington copies of the Report of Review. Please correct all regional copies.

In connection with the final settlement of this contract the Field Team wrote the Operator under date of August 30, 1954 requesting a refund of $6.55, which added to the $200.00 withheld in payment of the final MF-104, covers claims for excess timbering. This letter appears to be in error, since the exception of $206.55 was a part of the $778.50 total exceptions taken by the certifying officer. Furthermore, even if it had not been, the Operator's share would have been only 50 percent, or $103.28, which the $200.00 withheld would have covered. Please call this to the Field Team's attention.

In reviewing our records on this contract it appears that $250.00 was withheld in the payment of the January 1954 MF-104 because the project was recessed. We have never received copies of the voucher or schedule on which this withheld payment subsequently was made. Please request the certifying officer to forward the Washington copies of this supplemental payment. Of course, we should also get copies of the supplemental voucher or schedule, on which the final $200.00 due the Operator is paid. (See DMEA Circular 19, Supl. No. 4, Sec.4.)

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
September 3, 1954

Copy to: Docket
Admr. Reading File
Mrs. Alley
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

1201 N. Division St.
Spokane 2, Washington
September 1, 1954

Bureau of Mines
Defense Minerals Administration
RECEIVED
OCT - 8 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Error in final inspection report of July 8, 1954
Docket No. DMEA 2502 (lead-zinc), Champion Mine,
Custer County, Idaho, Contract Idm-E361

Inadvertently an excess of 25½ feet over the allowable maximum (500 feet) for timbering at $8.10/ft., as established by the original contract and Amendment No. 2, went unnoticed when preparing the final inspection report for the above contract. Therefore, the last sentence of the first paragraph on page 2 of the subject report is incorrect, as was the last item tabulated on the first page of the same report.

The Operator has exceeded at his own expense the drift and crosscut timbering which was allowable, as well as the allowable excavation.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
VZJ/he

XXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
August 30, 1954

SEP 2 1954

Mr. Joseph Ausich
Mackay, Idaho

Re: Docket DMEA 2502
Contract Idm-E361
Final Invoice

Dear Mr. Ausich:

A final audit is being made on the subject contract with a review of the amendments.

Your submitted invoices for timbering of drift crosscut and raise total 450.5 feet, plus 75 feet, or 525.5. The contract and amendment allow 500 feet only. The allowable timbering in this category has been exceeded by 25.5 feet, which at $8.10 per foot amounts to $206.55.

Two hundred dollars is currently held creditable to the contract at the Spokane office. A check in the amount of $6.55 payable to the Treasurer of the United States from you would provide a means to complete the final closure of the contract.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

cc: DMEA (2)
USGS (2)

Wing G. Agnew, Member
U. S. Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

August 23, 1954

Memorandum

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2502 (lead-zinc), Final geologic inspection, Champion Mine, Custer County, Idaho, Contract No. Idm-E361

The property was visited on July 30, 1954, to map the remaining geology on the completed contract. Work since the last visit on May 3, 1954, consisted of about 28 feet of drift driven in limestone to the south to test an iron-stained zone found in the crosscut. This drift exposed a fault containing minor iron-stained gouge near the face. This work will be included on the map accompanying the final report.

Mr. Don Kellum, Geologist, Geological Survey, accompanied the examiner.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

July 14, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Selfridge:

Enclosed are 3 copies of the Operator's final report on the cited contract, which has been accepted as satisfactory by the Executive Officer.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM (2)
Nickelson

July 2, 1954
Box 281
Mackay, Idaho

RECEIVED
JUL 19 1954

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Howard:

FINAL REPORT

Subject: June 1954 Report - Cont. # E-361
Champion Mine DMEA No. 2502

Progress for the month of June, 1954 amounted to 95' of drifing and 72' of timber. Drifing to the north was continued during the first part of June along granite and through talc. Small pods of limestone were encountered, but very little minerlization was seen. The ground was very heavy and spiling was necessary at times.

Mr. Howard Nickelson visited the property about the middle of June & drifting was then commenced southward through a large limestone pod that showed considerable minerlization. Drift was turned east of south in an attempt to emerge from limestone, but was not successful due to termination of project., the structure here was however, seemed to show more promise than elsewhere.

This being the final report., all maps & data of the like are with both the Bureau of Mines & U.S.G.S. offices in Spokane., as the personell of both offices inspected & mapped the progress & accomplishments of this project at least once a month during it's inaugartion.

No ore of marketable grade was encountered on the project to date. The various contractors employed on the project did exceptionable good work under the existing conditions.

In reviewing the project 427 ft. of drifing., 668 ft. crosscutting., 75 ft. of raising., 137 ft. of enlarging and re-habiliation., 19 ft. of timbered addit and 450-1/2 ft. of timbering in cross-cuts and drifts, was accomplished. No equipment or material was purches with govt. funds etc.

The matter of the $5.00 over-payment by the disbursement agent., as called to your attention as per my letter of 12/2-53., papa. No. 4 therein., has not to date been taken care of and would appreciating in same being deducted in the final payment.

The writer herewith wishes to render his thanks to the personnel of both offices as to the courteous and efficient manner upon which the duties of the project were discharged.

I remain,

Respectfuly yours,

Jos L Ausich

Jos. L. Ausich
Champion Mine

a
encl. 14

OPERATOR'S FINAL REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

Defense Minerals Exploration Admin.
Received
JUL 13 1954

July 12, 1954

Mrs. Myrtle Purdy
Certifying Officer
DMEA, Region II
1201 N. Division St.
Spokane, Washington

Re: Docket No. DMEA 2502 (Lead-zinc)
Joseph L. Ausich
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mrs. Purdy:

Work under the subject contract has been completed to the satisfaction of the Government, and all terms of the contract have been complied with. The Operator has submitted a final report evaluating the results of the project, and this report has been accepted as satisfactory by the Executive Officer.

The contract was of the type where the Operator was reimbursed for units of work completed; consequently, the Government has no equity in items of equipment and operating materials used at the project.

Inasmuch as the Operator has submitted his final voucher for June 1954 you are requested to make a partial payment and withhold the sum of $200.00 until after a final audit of the Operator's account has been made and accepted, after which any balance owing him may be released.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Auditor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
July 8, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Final inspection, Docket No. DMEA 2502 (lead-zinc), Champion Mine, Custer County, Idaho, Contract Idm-E361

The final inspection was made on July 4, 1954 with Mr. Joseph Ausich, operating partner. The project work units had been completed during June, and the completion date had been extended to June 30, 1954 by Amendment No. 1.

There has been insufficient lead mineralization encountered in project openings to recommend a certification of discovery. Pods of oxidized gouge and altered rock occasionally had small pockets of lead oxides but these could not be sorted out as ore.

Ninety-five feet of drifting was completed during June to expose 160 feet strike length on the mineralized fault which cuts both the granite and limestone. Seventy-two linear feet of timbers were required to support the $6\frac{1}{2}$x$7\frac{1}{2}$-ft. cross section.

The total units completed under the contract and its amendments Nos. 1 and 2, with attendant costs, are as follows:

Drifting	307 feet	$31.20	$ 9,578.40
Crosscutting	668 feet	31.20	20,841.60
Raising	75 feet	31.20 + 8.10	2,947.50
Enlarge and rehab.	137 feet	12.50	1,712.50
Adit timbering	19 feet	11.00	209.00
Drift and cross-cut timbering	$450\frac{1}{2}$ feet	8.10	3,649.05
Total approved cost			$ 38,938.05

An arithmetical error of 100 feet appears in the total drift units to date on the Operator's final MF-104A, but even with this error the allowable units of 1050 feet of drift, crosscut or raise were exceeded by 20 feet at the Operator's expense. Actually, 327 feet of drift was completed but only 307 feet is authorized for payment under the contract and amendments because 668 feet of crosscutting and 75 feet of raising exhausted the balance. The allowable timber units were not required.

The project workmanship has been satisfactory and the Operator's costs are believed to be greater than the above agreed unit costs. The Operator is cooperative and capable.

A more favorable lead market would encourage further exploration along the structures exposed by the subject contract, and Government participation in such work appears to be justified.

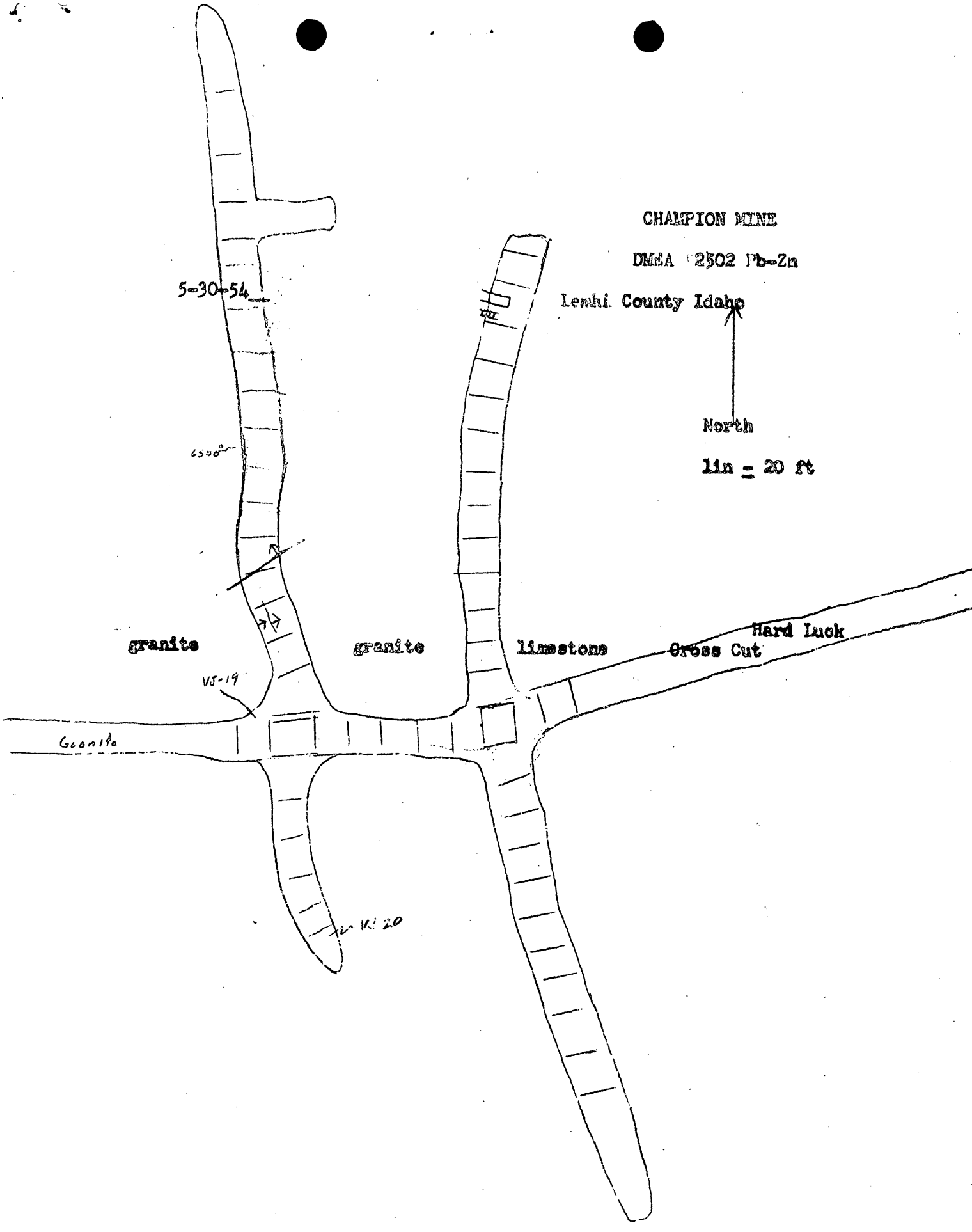
There were no jointly purchased items of supplies or equipment so there are no slavage problems.

The DMEA officials have the available maps pertaining to the project, and it is recommended that the Operator's brief final report be accepted as adequate under the circumstances.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
VZJ/he


CHAMPION MINE
DMEA 2502 Pb-Zn
Lemhi County Idaho
North
1in = 20 ft
5-30-54
6500
granite
granite
limestone
Cross Cut
Hard Luck
VJ-19
Granite
Ki 20

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

June 24, 1954

Memorandum

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Routine inspection, Docket No. DMEA-2502 (lead-zinc), Champion Mine, Custer County, Idaho, Contract No. Idm-E361

The inspection was made on June 15, 1954. Mr. Ivan Taylor and two miners were at the mine. About 28 feet of drifting will expend all of the money allowed in the contract and Amendment No. 2.

The 116-foot drift to the north has failed to discover any lead-zinc minerals. The drift was driven through about 22 feet of fault gouge, limestone, and pods of granite, then continued 94 feet along the hanging wall of a large shear zone which was almost entirely composed of gouge and altered granite, as shown on the enclosed map. The ground is very heavy and the drift will no doubt become inaccessible within a couple of months. The timber was beginning to break at the time of the inspection due to pressure from all sides. The drift was almost entirely driven with a pneumatic clay spade.

The remaining footage will be used to explore south of the crosscut opposite the last drift driven to the north. This drift to the south is being driven on a limonite stain zone in the limestone that dips approximately 47 degrees to the southwest.

Mr. Ausich was told the final payment is dependent upon submitting a final report and the final audit of the contract.

Distribution:
DMEA (orig. & 3)
USBM (2)
Docket
Nickelson

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DMEA Field Team, Region II DATE: June 6, 1954

FROM : V. Z. Johnson, Mining Engineer, Bureau of Mines

SUBJECT: Routine inspection, Docket No. DMEA 2502 (lead-zinc) Champion Mine, Custer County, Idaho., Contract Idm-E361

The inspection was made on May 31, 1954,

Seventy feet of drift advance to the north from 605 feet in the crosscut had been completed since Mr. Nickelson's inspection on May 3, 1954. Sixty feet of this advance has been timbered. The cross section is 7 x 8 feet.

The drift follows a sinuous fault in granite with fragments of limestone in the gouge. The oxides continued from the crosscut for about 50 feet before pinching out. There appears to be very little lead except that noted in the floor by Mr. Nickelson.

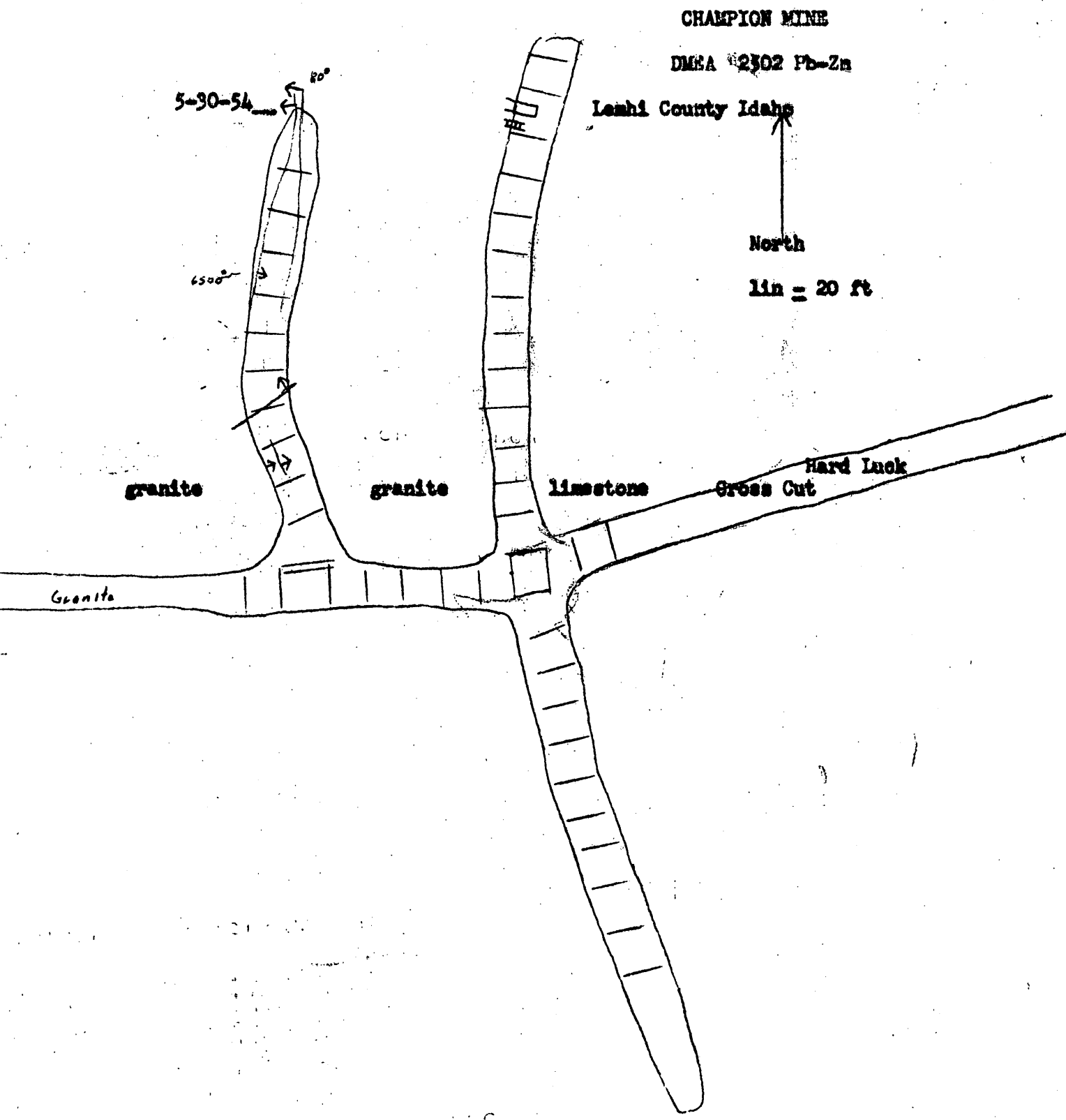
Amendment No. 2 allowed 200 feet of additional drift and crosscut to total 1,050 feet. As of this inspection about 890 feet of drifts and crosscuts and 75 feet of raise makes a total of 965 feet completed so that only about 85 feet remains to be completed by the termination date of June 30, 1954.

The workmanship is satisfactory.

V Z Johnson

V. Z. Johnson

VZJ:mp
cc: Orig. & 3 cys Wash.
USGS 2
DMEA
Md
AD
VZJ


CHAMPION MINE
DMEA 2302 Pb-Zn
Lemhi County Idaho
North
1in = 20 ft
5-30-54
60°
6500'
granite
granite
limestone
Cross Cut
Hard Luck
Granite

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

May 14, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Routine Inspection, Docket No. DMEA-2502 (lead-zinc), Champion Mine, Custer County, Idaho, Contract Idm-E361

The property was visited May 3, 1954. Ivan Taylor, contract miner, and his partner were at the mine. The crosscut had been extended westward 80 feet beyond a point at the north and south drifts.

The first 12 feet of the crosscut west of the drifts was through granite; the following 35 feet was through iron-stained, garnet-rich tactite, 4 to 6 feet of fault gouges, and some pods and lenses of altered granite. Even fresh limestone was observed in the floor. The remaining 33 feet of crosscut was in slightly altered granite.

Mineralized rock containing lead carbonate was found in the floor of the crosscut within the 35-foot zone, dipping 10 to 15 degrees to the north. A grab sample of this rock was taken from the muck the miners dug up for a sill. This sample will be reported in the next inspection report. The 4- to 6-foot white to buff talc-like fault gouge was observed in the west wall near the face of the south drift. The altitude of fault gouge in the crosscut projected to the west wall of the south drift was shown on the enclosed map.

The miners had blasted the first round on the fault gouges going to the northwest. They plan to drift in this zone northward to explore what is believed to be the same structure as found in the ore zone of the upper levels.

Attachment
Distribution:
DMEA(Orig. & 3)
USBM (2)
Docket
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
April 12, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Routine inspection, Docket No. DMEA 2502 (lead-zinc), Champion Mine, Custer County, Idaho, Contract Idm-E361

The inspection was made on April 7, 1954. The Operator was opening the road and had removed the snow from the road to a point about 1/4 mile from the project's portal. The project has been recessed since about the 1st of February 1954.

The adit crosscut on the No. 3 level has been advanced about 18 feet in a westerly direction since Mr. Nickelson's inspection on January 14, 1954. The advance was in granite and a fault zone is exposed at 16 feet in the new advance, which suggests it may be the same zone which was crosscut from the raise and mentioned in Mr. Nickelson's report for his January 14 inspection. The granite is broken in and near the fault zone, but the oxidized mud and water which was present in the raise is not exposed so far.

The raise was inaccessible with muck choking the north drift on the day of the inspection. The north drift is still open but the posts have required spreaders to keep them from breaking. There is no longer any water running from the raise.

Total contract units completed to date are as follows:

Tunnel rehabilitation	137 feet
Adit timbering	19 feet
Drift and crosscut timbering	245 "
Crosscutting	600 "
Drifting	165 "
Raising	75 "

The above units nearly exhaust the original contract amount of $31,650.00 but an additional 200 feet of timbered crosscut and drift was provided by Amendment No. 2, dated March 17, 1954.

The workmanship is satisfactory and the project will probably progress to completion in the next few months.

Orig. & 3 cys - Wash.
USGS (2)
DMEA—MD—AD—VZJ/he

V. Z. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 15 1954

April 12, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (Lead-Zinc)
Joseph L. Ausich, et. al.
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of Amendment No. 2 to the above-referenced contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Finance Office w/encl.
USBM (2)
Nickelson

FILE COPY
SURNAME:

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

J. W. Alt
J. Bernard
Chamber
Selfridge
Bishop
Mitchell

MAR 18 1954

Mr. A. E. Weissenborn,
Executive Officer,
DMEA Field Team, Region II,
South 157 Howard Street,
Spokane 4, Washington

Re: Docket No. DMEA-2502 (Lead-Zinc)
Joseph L. Ausich, et. al.
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Weissenborn:

We are enclosing the original and five copies of amendment No. 2, with Annex I, to the above contract which have been signed by this office for the Government. The amendment was requested in your letter of February 4, 1954.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute in the usual manner. In the event that the amendment is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendation concerning and modification.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures 6

JWAlt/bjl (3/12/54)

APPROVED:

J. H. Hedges
Member, Bureau of Mine (JHB)

Philip W. Guild
Member, Geological Survey (JHB)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

R. C. Bishop
3-18-54

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 8, 1954

Memorandum

To: Mr. W. R. Griswold

From: E. L. Newcomb

Subject: Recommendation for approval of proposed amendment.

Re: DMEA-2502
Champion Mine
Alder Creek District
Custer County, Idaho
Amendment- $5,867.85
Lead-zinc

The operator proposes to further explore the mineralized fault zone encountered in the raise above the No 3 level.

This work could be done from the raise, but it is more feasible to extend the No. 3 level westward before drifting is done in the fault zone.

The structural geology in the target area has proven to be different from the interpretation made before the exploration work was started. As a result of changes in the exploration program, there are insufficient funds remaining to complete a reasonable amount of exploration in the immediate target area.

The field team recommends approval of the proposed amendment which would permit the operator to do about 200 feet of crosscutting and drifting on theNo. 3 level.

I concur with the field team's conclusions and recommend additional funds be granted to complete exploration in the target area.

E. L. Newcomb
E. L. Newcomb
Geologist

MF-300

UNITED STAT
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/23/54

REFERRED TO:
1. Mr. Smithsonian
2. Mr. Adams
3. Mr. Gaffney
4.

FOR:

- ---------- Action
- ---------- Approval
- ---------- Comment
- ---------- Conference
- ---------- Consideration
- ---------- Filing
- ---------- Instructions
- ---------- Investigation
- ---------- Initials
- ---------- Mailing
- ---------- Previous correspondence
- ---------- Recommendation
- ---------- Record of ----------
- ---------- Referring to ----------
- ---------- Reply for signature of ----------
- ---------- Rewriting
- ---------- Signature
- ---------- Suggestions
- ---------- Your information

REMARKS: No objection

Check (X) before the items needing attention.

W.R. Griswold (Jgl)
Initials of sender.

GPO 16—63815-1

Frank

I presume the purpose of this is to get an OK on the recommendation for more work

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

500

February 23, 1954

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2502 (lead-zinc), Contract No. Idm-E361, Joseph L. Ausich, Champion Mine, Custer County, Idaho

In reply to your question: "Is additional work necessary to achieve original prupose of contract?", regarding the above contract, A. E. Weissenborn, in his letter of February 4, 1954 states: "The Field Team concurs with the operator and believes that further exploration is warrented on the No. 3 level. Project work to date has succeeded only in reaching the target. We have not tested the target and therefore are in no position to judge on the success of the project. There is only 20 feet of drifting and crosscutting remaining in the contract, and most certainly if work is to terminate at the completion of this drifting we will have to recommend that no Certification of Discovery be issued for work done under the contract. We therefore believe it will be to the best interests of the Government to allocate an additional 200 feet to more adequately explore the target. We believe the project will not have served the purpose it was intended for unless this work is done."

W. R. Griswold

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/19/54

REFERRED TO:
1. C. O. Mittendorf
2.
3. Griswold
4.

FOR:

..... Action	..... Recommendation
..X.. Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..X.. Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: Question: Is addnl work necessary to achieve original purpose of contract?

Check (X) before the items needing attention.

C. O. Mittendorf

W. P. Griswold
Initials of sender.

(Sig)

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

February 19, 1954

Memorandum

To: Administrator

From: Base Metals Division

Subject: Docket No. DMEA-2502 (lead-zinc), Contract No. Idm-E361, Joseph L. Ausich, Champion Mine, Custer County, Idaho

The Operator of the above contract requests the allocation of 200 feet of additional drifting and crosscutting to more adequately explore the Champion deposit on the No. 3 level. Please refer to the letter of February 4, 1954 from A. E. Weissenborn, and to the letter of January 27, 1954 from the Operator, Jos. L. Ausich.

A project summary report is contained in the docket.

The work would be done on a unit cost basis and the approximate cost would be:

200 ft. drifting & crosscutting @ $31.20 per foot	$6,240.00
70 ft. for timbering drifts and crosscut @ $8.10 per foot	567.00
Total estimated cost of additional work	$6,807.00
Unexpended balance of project before audit	939.15
Approximate amount needed to do additional work	$5,867.85
Government participation @ 50%	$2,933.92

We concur with the Field Team that the proposed additional work is warranted.

W. R. Griswold

W. R. Griswold, Chief
Base Metals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 8 1954

February 4, 1954

Mr. Joseph Ausich
Box 281
Mackay, Idaho

Re: Docket No. DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Ausich:

Your attention is directed to a telephone conversation of February 3 in which you requested permission to expend the remaining crosscutting and drifting footage of the referenced contract by continuing the No. 3 level adit on to the west toward the vein. In that conversation you stated that you intended to turn the crosscut to a N. 45° W. bearing as that bearing would reach the projected vein at a shorter distance.

After examining our map of the property, we find that a N. 45° W. extension of the crosscut would approach the vein at an acute angle and instead of requiring less footage would require more footage than is needed. As the vein is striking more or less due north, or slightly west of north the shortest crosscut from the existing crosscut face would be in a due west direction. As the crosscut to the granite has been driven on about a S. 70°-75° W. bearing, this would mean that to continue the crosscut on a due west bearing would require a swing to the right of 15 to 20 degrees. As the vein should be not too far ahead of the existing face, it is suggested that you make this slight swing rather than turn the adit to a N. 45° W. bearing. Such a bearing would necessitate a sharp curve in your track and would also require a greater distance to reach the vein.

Sincerely yours,

Thor H. Kiilsgaard
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1954

February 4, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Selfridge:

A recent letter from the operator of the referenced contract requests the allocation of 200 feet of additional drifting and crosscutting to more adequately explore the Champion deposit on the No. 3 level. Four copies of this letter are enclosed.

As an aid in evaluating the operator's proposal, we have summarized the accomplishments of the project in the following sections.

The project was designed to explore the Champion deposit on the No. 3 level about 187 feet below the overlying No. 2 level. Considerable oxidized lead ore was produced from the No. 1 and No. 2 levels and as the ore-bearing zone on these levels was very strong it was believed that lower level exploration was justified.

The original proposed exploration program was to rehabilitate and extend the short No. 3 adit, which had been driven on a due west course toward the projected deposit; however, examination of available data indicated that oreshoots within the Champion deposit raked to the south. Therefore, it was proposed that the No. 3 adit be turned and extended on a S. 70° W. bearing to intersect the center of the projected ore body.

After the No. 3 adit had been extended about 550 feet, a 10-foot vein of oxidized material was encountered striking more or less parallel to the Champion deposit on the No. 2 level. The western or footwall side of this vein was in contact with granite. It was assumed that this was the Champion deposit and that it had been intersected farther to the east than had been anticipated

because of a steepening of dip. It was also assumed that the thickness of the deposit had greatly decreased. A map of this intersection was included with H. B. Nickelson's routine inspection report of November 5, 1953. Four samples taken at intervals in the 10-foot vein near the point intersected by the adit assayed:

Assay No.	Width/ft.	Ozs. Ag/ton	% Pb	% Zn
444	3.1	0.9	1.4	1.8
445	2.6	0.6	---	0.9
446	3.7	2.3	3.1	1.9
447	2.4	1.0	2.0	1.6

As it was assumed that the Champion deposit had been intersected by the adit, drifting was started to the north and south, following the low-grade and oxidized vein. Twenty feet south of the adit the ore zone pinched out and the remainder of southern drifting followed a barren fault. To the north of the adit, the low-grade ore zone also pinched out at a distance of about 20 feet, although drifting was continued for an additional 60 feet following a faulted zone along the granite-limestone contact. Throughout this distance the faulted zone continued to weaken and to look less and less like the Champion ore zone on the overlying levels.

It was finally decided to raise on the granite-limestone contact to determine if the granite had cut off the Champion deposit and to ascertain if drifting might not be following a subsidiary fault which had been locally mineralized. The possibility of such a cutoff was evidenced by the radical change in the dip of the granite contact from 65 degrees to the west on the No. 2 level to 65 degrees to the east on the No. 3 level. Such a change in dip of the contact necessitated either a sharp roll in the intervening area between the No. 2 and 3 levels, or strong offset by faulting. A cross section depicting a possible granite contact-vein intersection was presented with H. B. Nickelson's routine inspection report of December 9, 1953.

The raise was driven on the granite-limestone contact from the north face of the drift on the No. 3 level. About 45 feet from the sill, the dip of the contact overturned sharply to the east. Beyond the contact the raise was entirely in granite and although the inclination of the raise was steepened the contact remained east of the raise. Eighty feet above the sill a strong fault containing much oxidized material was encountered. This fault dips to the west. It occupies the projected location of the footwall portion of the Champion deposit as projected from the No. 2 level (see cross section accompanying H. B. Nickelson's routine inspection report dated

January 25, 1954). Assay returns from samples taken of the oxidized material have not been received. A crosscut was started to the west from the top of the raise to determine if this fault marked the footwall of the Champion deposit, but a heavy snowfall is reported to have stopped work after the crosscut had been advanced about 8 feet.

The finding of a strong fault at the top of the raise has convinced the operator that while the faulted zone could be explored from the raise it would be more feasible to extend the No. 3 adit to the west until the fault zone is intersected and then to drift on that level. He therefore has requested allocation of an additional 200 feet of drift or crosscut for that purpose.

The Field Team concurs with the operator and believes that further exploration is warranted on the No. 3 level. Project work to date has succeeded only in reaching the target. We have not tested the target and therefore are in no position to judge on the success of the project. There is only about 20 feet of drifting and crosscutting remaining in the contract, and most certainly if work is to terminate at the completion of this drifting we will have to recommend that no Certification of Discovery be issued for work done under the contract. We therefore believe it will be to the best interests of the Government to allocate an additional 200 feet to more adequately explore the target. We believe the project will not have served the purpose it was intended for unless this work is done.

The Field Team does not know if the present policy of DMEA permits allocation of additional funds to existing lead-zinc contracts; however, if this may be done it is recommended that an additional 200 feet of drifting and crosscutting be allocated to the referenced contract, such work to be on the same unit-cost basis as work in the existing contract. It is believed there is sufficient time remaining in the contract to complete this additionally proposed work.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Acting Member
U. S. Bureau of Mines

cc: USBM (2)
Nickelson
Hindman

RECEIVED
BUREAU OF MINES
JAN 29 1954
SPOKANE

Jan. 27, 1954
Box 281
Mackay, Idaho

Mr. Tom Howard - Mining Engineer
Bureau of Mines - Dept. of Interior
1201 North Division Street
Spokane 2, Washington

FEB 11 1954

Dear Mr. Howard:

Subject: Jan. 1954 Report Cont.# E-361
Champion Mine DMEA # 2502

For subject month of January, 1954., 25 ft. of timbered raize., plus 10 ft. of un-timbered cross-cut accomplished.

No work has been accomplished since January 16th, 1954., inasmuch as the recent heavy snow-fall prevented contractor Ivan Taylor to return to the project. Inasmuch as the snow-fall has caught the contractor with in-adequate provisions and supplies., it has been decided to recess the project until weather conditions permit, which perhaps, might be sometime this forthcoming spring.

Much difficulty was experienced in holding the raize, as the material is very talcky and soft., water was encountered causing much spalling and sloughing.

It was decided to follow the gangue material and only 10 ft. was cross-cutted when the contractor was snowed out., however, the material so far exposed is representative in percentage as at the time of visit of Mr. Howard B. Nickleson of the U.S.G.S.

The writer is of the opinion that if more drifting could be accomplished to the north on the level horizon that perchance the structure as encountered on the No. 2 level would be intersected, so far the appearance and structure does not resemble the ore zone at the No. 2 level.

If an additional 200 ft. of drift & X-C could be secured, would definately prove the project.

I remain,

Respectfuly yours,

Jos. L. Ausich
Champion Mine

a
encl. 14

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 1954

January 25, 1954

Memorandum

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Routine Inspection, Docket No. DMEA-2502 (lead), Champion Mine, Custer County, Idaho, Contract No. Idm-E361.

The inspection was made on January 14, 1954, with Ivan Taylor, contractor.

The raise has been advanced 75 feet and a crosscut off the raise to the west has been advanced approximately 8 feet beyond the west edge of the raise as shown by the enclosed sketch.

The raise was started in limestone on the granite-limestone contact and driven for 39 feet on the contact when the granite abruptly crossed the raise to the hanging wall. The raise was continued in the granite to 75 feet where a zone of red and yellow iron-stained mud was encountered, which appears to be the vein projected from the No. 2 level (see section). Water was also encountered at about 60 feet which caused the ground to slough and made the work dangerous, but the back of the raise was caught with one square set resting on stulls. The raise is continually sloughing due to the water on the decomposed and altered granite.

The miners were crosscutting the red and yellow mud to the west off the top of the raise in order to explore this zone. They were advised to continue this crosscutting in order to determine the width of this zone, to see if it does carry any lead values and to determine the rock type on the hanging wall. The miners were advised to sample this zone because it may be impossible to get into the raise at a later date owing to the caving condition of the raise.

A six-inch stringer of 40% lead ore was encountered at the head of the raise, striking S. 80° E. and dipping nearly vertical. Other stringers of lead ore were encountered in the upper portions of the raise.

The red and yellow mud zone is no doubt the vein on the No. 2 level. The sketch illustrates the vein as a fault with the footwall being displaced upward. From existing information, it is believed the sketch illustrates the structure of the vein. This assumption may be considered as confirmed if the crosscut now being driven encounters limestone in the vein hanging wall.

Several hand-picked samples of the mud ran about 0.3% lead. A 50-pound grab sample was taken from the mine car to be panned and assayed.

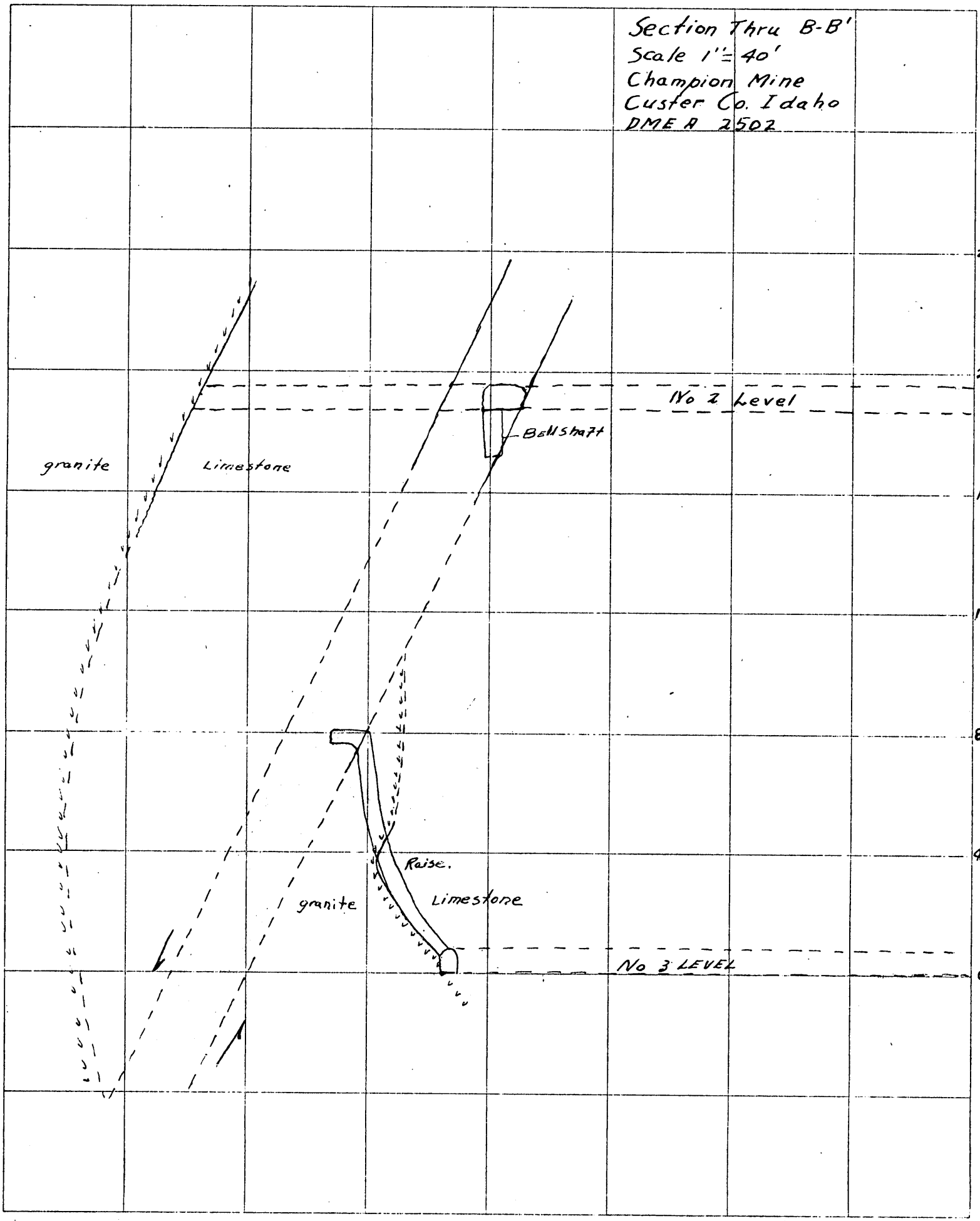
Approximately 18 feet of work remains to complete the contract.

Mr. Ausich inquired about obtaining additional footage to crosscut and drift on the No. 3 level to further explore the vein exposed in the raise. He was informed the request would be discussed with the Field Team.

The writer is of the opinion additional work should be done to either prove or disprove the possibilities of ore on the No. 3 level.

Enclosure - 1

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Nickelson



"ALBANENE" NO. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
January 15, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Routine inspection, Docket No. DMEA 2502 (lead-zinc), Champion Mine, Custer County, Idaho, Contract Idm-E361

The inspection was made on January 5, 1954 with Mr. Joe Ausich, one of the owners. The access road was still passable by vehicles with conventional drive.

Forty-one feet of timber had been placed in the north drift along the contact for a total of 73 feet, and a timbered raise had been advanced 60 feet from the north drift since the inspection of December 3, 1953. The raise is 5x7-ft. cross section with stull supports and dividing lagging between the chute and manway. The raise has been driven in a north 56° W. direction, and the average inclination in the first 60 feet is plus 60 degrees.

The contact is rather steep and has been lost in the back of the raise at about 20 feet over the north drift. The Operator is driving the raise nearly vertical in an attempt to get back into limestone. Raise advance in the granite has exposed a near vertical to north-dipping vein of oxides which varies from 8 inches to 2 feet in width. The strike of this vein is nearly east-west and appears to enter the limestone a short distance. The Operator's sample returns indicate 1 foot of 48% lead at about 55 feet in the raise.

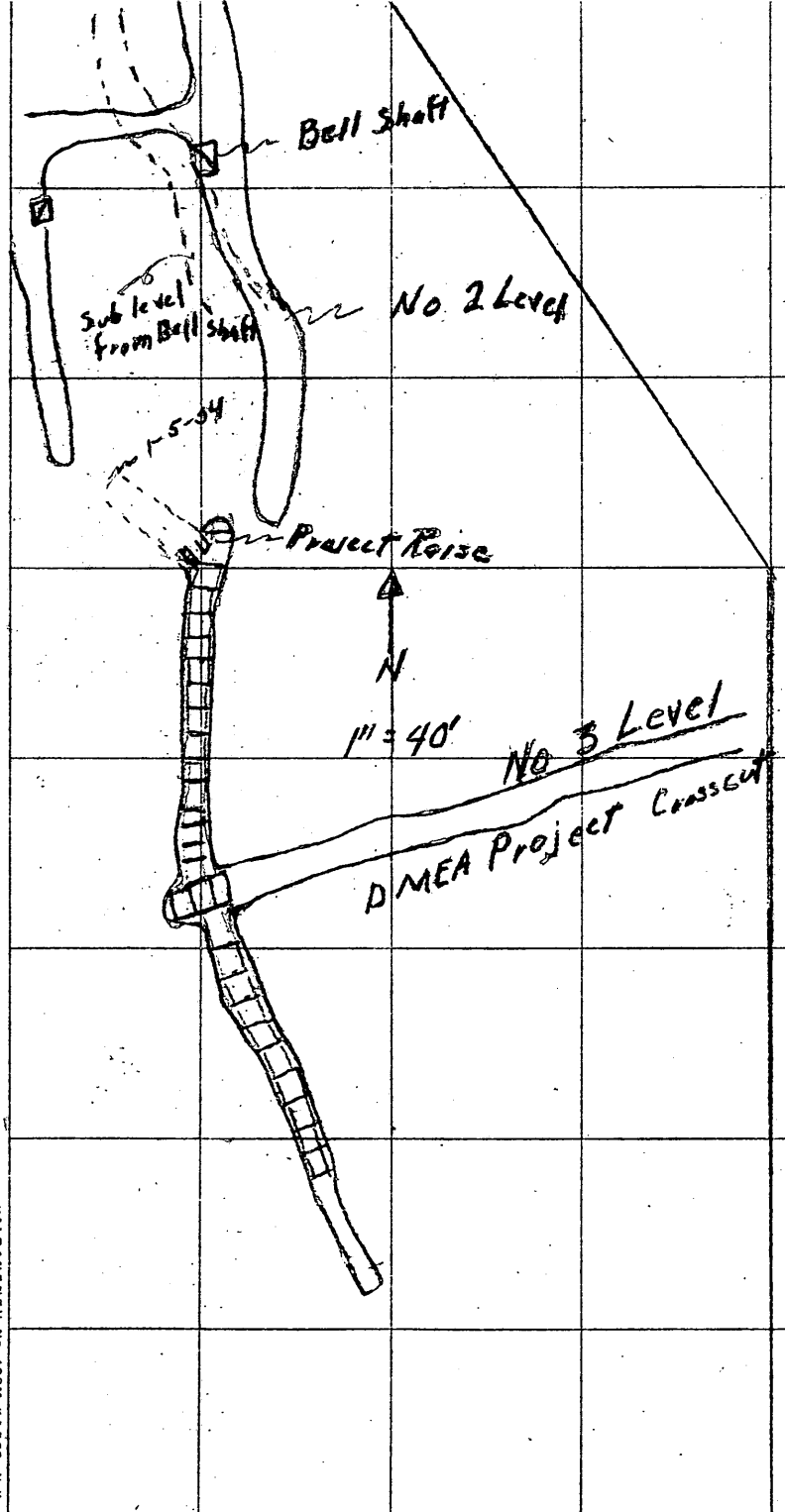
The target ore zone has not been encountered, and the granitic intrusion occupies a large portion of the zone at the elevation of project openings. There are only about 43 feet of raise, drift or crosscut units remaining to exhaust the contract funds, which makes it appear that the work units completed under this project will not accomplish a satisfactory discovery unless additional work is allowed by contract amendment.

The workmanship is satisfactory, and project work will probably be completed during January 1954.

V. Z. Johnson

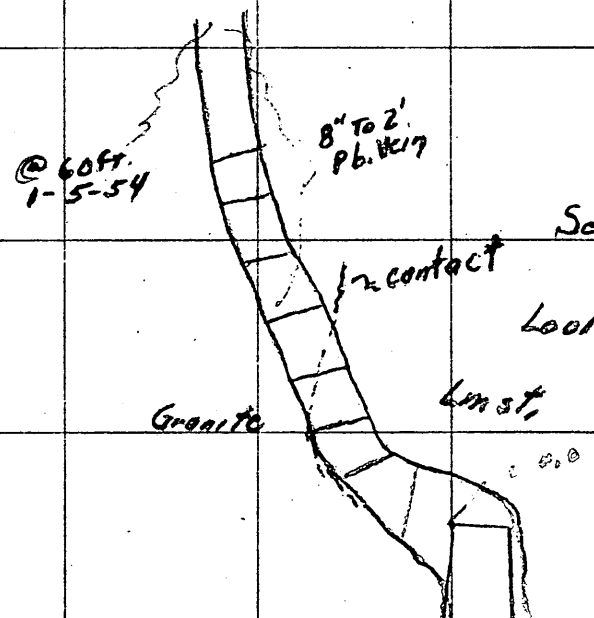
V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD--VZJ/he



Champion Raise

Custer County Idaho
DMEA Docket No 2502 (lead)
Contract Idm E 361



Section on Raise
℄
Looking N55°E
1" = 20 ft.

"ALBANENE" NO. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

December 24, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 1 to the subject contract, with attached justification.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Attachment
cc: Finance Officer w/encl.
USBM (2)
Nickelson

RECEIVED
JAN 4 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

12-28

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
DEC 21 1953

December 16, 1953

Mr. Joseph Ausich
Box 281
Mackay, Idaho

Re: Docket No. DMEA-2502 (lead-zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-E361

Dear Mr. Ausich:

Enclosed herewith are several copies of Amendment No. 1 to the above contract, which will allow for raising from the No. 3 level and will extend the completion date of the contract to June 30, 1954.

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.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
DMEA (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
December 11, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Routine inspection, Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on December 3, 1953 with Mr. Joe Ausich, one of the owners. The access road was passable by vehicles with conventional drive.

The south drift along the contact had advanced 79 feet requiring 61 feet of timbering, since the inspection of October 28, 1953. The untimbered drift segment from 61 feet to the face at 86 feet is about 5½x7-ft. cross section, and the timbered segment from 0 to 61 feet is about 7x9-ft. cross section.

A low grade shoot of iron and lead oxides raked into the floor of the drift at about 40 feet, and thereafter the contact was barren to the south drift face.

Total contract units completed to date are as follows:

Tunnel rehabilitation	137 feet
Adit timbering	19 feet
Drift and crosscut timbering	233 feet
Crosscutting	582 feet
Drifting	165 feet

Drift and crosscut timbering was incorrectly reported as 47 feet in the inspection report for October 28, 1953.

A study by Messrs. Nickelson and Kiilsgaard, Geological Survey, of the exposed geological features leads them to authorize raising northwestward from a point near the face of the north drift on the contact. The raise, as proposed in an amendment being prepared, would be inclined along the contact so as to cut the downward extension of the ore shoot from around the Bell shaft to its probable intersection with the contact. There is about $4,539 remaining of the contract amount which

will be spent for additional timbers in the north drift to the proposed raise and advancing a timbered raise at the agreed unit prices for drift and crosscut, i.e., $31.20/ft. untimbered plus $8.10/ft. for timbering.

The workmanship is satisfactory.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
VZJ/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

December 9, 1953

Memorandum

To: Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Routine inspection and justification for Amendment No. 1, Docket No. DMEA-2502 (lead-zinc), Champion Mine, Custer County, Idaho, Contract No. Idm-E361.

The property was visited on December 1, 1953, accompanied by Joe Ausich.

The south drift was advanced 87 feet from the crosscut on a fault in the limestone. The first 20 feet of drift followed a 2-foot vein of low grade oxidized lead ore which pinched out at about 20 feet in the floor of the drift. This small oreshoot seemed to rake to the south.

The north drift has followed the granite limestone contact. The granite is badly broken and altered, and the limestone is so fractured as to make solid blocks of limestone several feet across; combination of the two have caused sloughing in the drift which has not been timbered.

The possibility of finding ore on the No. 3 level, which was exposed on the No. 2 level, is very remote because the irregular granite body has intersected the vein someplace above the No. 3 level. The only possibility of intersecting the vein will be by driving a raise N. 60° to 65° W. on an incline of 60 degrees with probably an intermediate crosscut from the raise if the geology so warrants. The two sections submitted with the plan map illustrate the geologic problems encountered.

The remaining money left in the contract, after the October voucher, is $7,178.16. The November voucher has been submitted by the Operator but has not been processed by the Certifying Officer. This voucher amounts to $2,657.40, leaving a balance of $4,520.76.

Approximately 58 feet of timbering will be required in the North drift to catch up the sloughing ground. This will amount to $469.80, leaving a balance of $4,050.96 that can be applied to the proposed raise, intermediate crosscut or drift. The $4,050.96 will drive 103 feet of raise, drift or crosscut at $39.30 per foot which is the amount now paid for drifting with timber.

An amendment will be made by the Field Team to allow 103 feet of raise, intermediate crosscut or drift from the proposed raise at $39.30 per foot. The raise will be of sufficient size to allow the passage of an ordinary mine car.

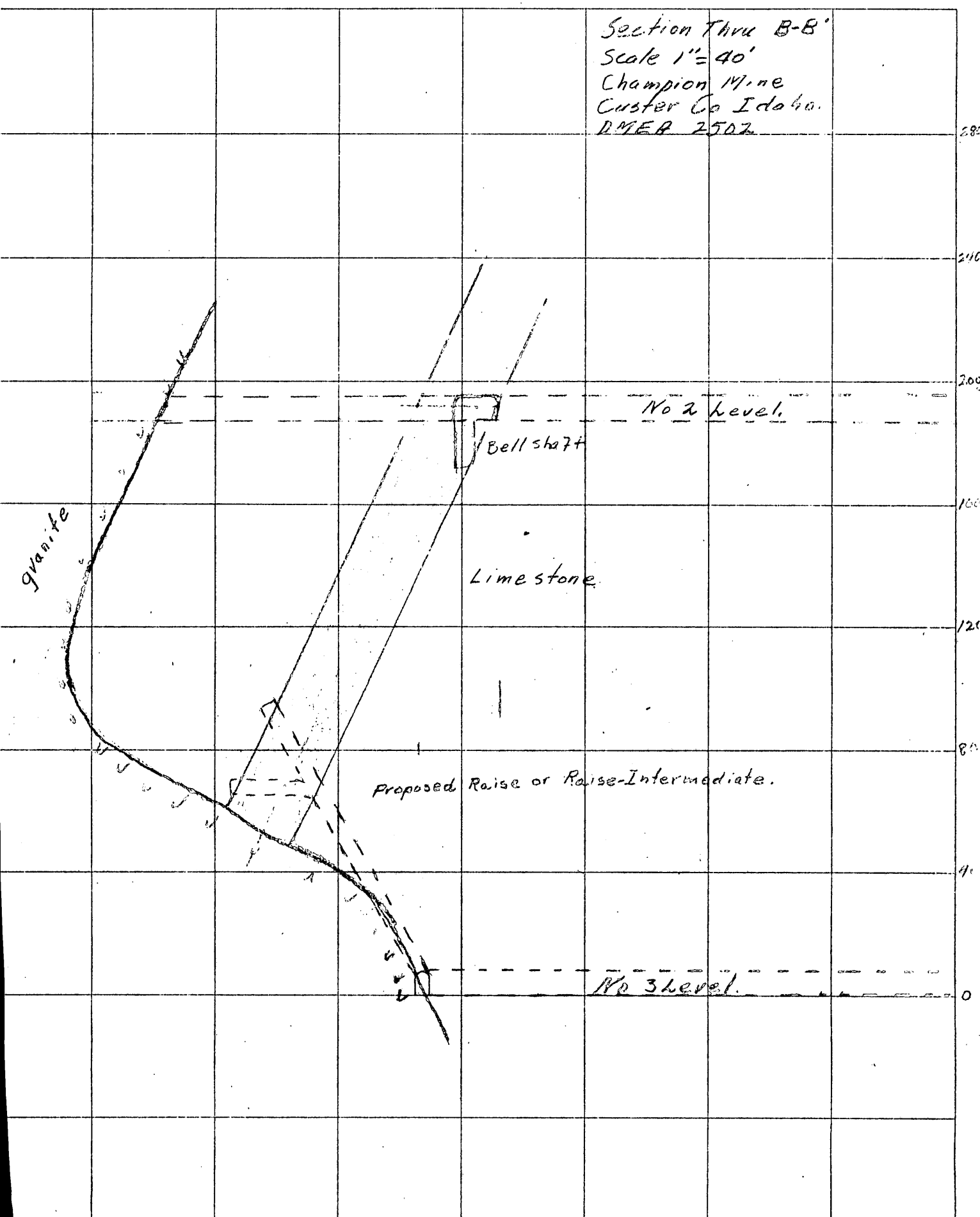
The contract miners seemed willing to stay until the job is completed even if they are required to stay at the mine because of heavy snow.

Timber will have to be cut and hauled to the mine adit and the necessary lagging purchased and hauled to the portal. The Operator was advised this timber should be secured as soon as possible before a heavy snow would force a shutdown of the mine for the lack of necessary timber.

The failure of installing timber in the north drift has caused quite an excessive amount of extra labor.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Nickelson

Section Thru B-B'
Scale 1" = 40'
Champion Mine
Custer Co Idaho.
DMEA 2502



UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
November 10, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on October 28, 1953 with the miners on duty.

The north drift had advanced 42 feet, and the initial 7 feet of advance in the south drift had been made since the inspection of October 2, 1953. The advance during the period was untimbered at about 6x7½-ft. cross section.

Total contract units completed to date are as follows:

Tunnel rehabilitation	137 feet
Adit timbering	19 feet
Drift and crosscut timbering	47 feet
Crosscutting	582 feet
Drifting	86 feet

The drifting has exposed an irregular contact between the granite and limestone whose veinlike character has been lost except near the crosscut. There is considerable oxidation but very little lead mineralization.

The workmanship is satisfactory and there will be sufficient drift units completed in the target zone to determine the extent of lead ore, if any, by the contract completion date of December 30, 1953.

Current actual costs of drifting along the soft contact are probably less than the agreed unit cost of $31.20/ft.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
VZJ/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

Memorandum November 5, 1953

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Thor Kiilsgaard, Geologists, U. S. Geological Survey

Subject: Routine inspection, Docket No. DMEA No. 2502 (lead-zinc) Joseph, Michael and Ann Ausich, Champion mine, Custer County, Idaho, Contract Idm-E361

The Champion mine was visited by H. B. Nickelson on October 6, 1953 accompanied by Mr. Joseph Ausich, one of the mine owners. The property was re-visited by the field members on October 9, 1953 to brunton survey the three levels to tie the geology of the upper levels to the lower DMEA tunnel. The DMEA crosscut had intersected a small ore body adjoining the granite contact but pinched out in the north drift 20 feet from the crosscut. The ore zone is about 4 feet wide with several feet of skarn on the hanging wall which might be marginal ore. Samples were taken on each side of the crosscut, but the returns have not been received.

The enclosed geologic map of the levels show a radical change in dip of the granite contact which has probably intersected the vein system of the upper levels. The ore found on the contact is probably not related to the upper ore body.

The proposed work consists of drifting north on the contact until the vein structure intersects the granite, then drift on this vein structure. If the vein structure is not recognizable then the drift will be continued on the contact for about 180 feet, from the adit crosscut; then a crosscut can be driven to the east to intersect the vein structure.

It was suggested to the operator that he drift south on the ore cut in the crosscut until it pinches out.

The mine was not operating on the days of the inspection because one of the contract miners was elk hunting.

Enclosure

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
October 14, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on October 2, 1953 in company with Mr. Joe Ausich, one of the partners.

Since Mr. Nickelson's inspection of August 29, 1953, the crosscut adit had advanced 63 feet, and the north drift from 570 feet in the crosscut had advanced 37 feet. The drift and 20 feet of crosscut have been timbered and the average cross-section is 6x8 feet.

Total contract units completed to date are as follows:

Tunnel rehabilitation	137 feet
Adit timbering	19 feet
Drift and crosscut timbering	42 feet
Crosscutting	582 feet
Drifting	37 feet

The crosscut had penetrated into granitic material about 10 feet, and it was suggested that a few more rounds be advanced to determine if it was the main granite body or possibly a dike or tongue. The drift has been advanced on an oxidized contact between the dark, broken limestone and the granitic rock. Five feet of the oxidized material assayed 2.1 oz. Ag and 3.2% Pb. Sample No. VJ-21, taken on a previous inspection at about 460 feet in the crosscut, assayed 0.16 oz. Ag and 0.32% Zn on a 5-inch vein in the broken, dark limestone.

The workmanship is satisfactory and progress has improved since a different compressor has been brought to the property. The 220 feet of drift and crosscut units remaining will be exhausted by December 30, 1953 as contracted, if progress is continued at the rate maintained during the past month. Current actual costs are about those agreed unit costs, i.e., drift and crosscut $31.20/ft., timbering drift and crosscuts $8.10/ft.

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD VZJ/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT - 8 1953

September 14, 1953

Memorandum

To: Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Routine inspection, Docket No. DMEA 2502 (lead-zinc)
Champion Mine, Custer County, Idaho, Contract Idm-E361

The inspection was made on August 29, 1953. The new contract miners, Ivan Taylor and his partner, were at the mine.

The advance was mapped and the map is enclosed in this report. The advance to date is 519 feet. The crosscut has been in black limestone since the writer's last inspection on March 31, 1953. The area is badly faulted and fractured. Some of the faults are filled with granite sands and breccias with occasional fragments of black limestone. The wide fault zones required timbering.

The new contract miners have cut down the size of the drift and are mucking the drift by hand. The old mucking machine, about worn out, has been discarded. They are using their own compressor. The miners are averaging about $4\frac{1}{2}$ feet per shift. Approximately 80 feet of crosscutting remains to be done before the target area is reached.

Enclosure - 1

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 North Division Street
Spokane 2, Washington
August 6, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, U. S. Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on July 28 with Mr. Joe Ausich, one of the partners.

The project crosscut had advanced 60 feet since the inspection of July 2, 1953. The cross section advanced is about 7 x 8 feet and some timbering will be required. The bearing of the crosscut advanced during the period was S 71° W, or very near the desired alignment.

Governing of the throttle on the compressor continues to cause some over-heating and oil spray is leaking into the air line so that further repairs to the compressor are to be expected.

The dark limestone crosscut during the period has less granite sand in the fractures than was exposed during the previous month and there are a few calcite limonite stringers with an attitude like that of the overlying ore shoots. Sample No. V.J.21 was taken across a 2-inch veinlet at about 409 feet in the crosscut.

Total contract units completed to date are as follows: tunnel rehabilitation, 137 ft; adit timbering, 19 ft.; crosscut timbering, 105 ft., and crosscutting, 473 feet.

Two shift operation of the crosscut has been suggested to Mr. Ausich as a means of increasing advance during the remaining 5 months of the contract if the scheduled 377 ft. (850-473) remaining, is to be completed. He stated he would like to complete as much of the work as possible during the favorable weather and would attempt to line up another crew. Currently there are two men at the project who attempt to advance the crosscut on a round-in, round-out routine that is broken by equipment breakdowns.

V. Z. Johnson

V. Z. Johnson

913

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
July 13, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on July 2, 1953. Operating personnel were absent from the project attending to equipment repairs.

The project crosscut had advanced 35 feet since the inspection of May 31, 1953. The cross section advanced is about 6x7 feet and the last 15 feet advanced will require enlarging and timbering.

The past two months advance has been directed about 4 degrees south of the desired bearing to the target area and the Operator was requested to swing back on line in the next few rounds.

The throttle control governing device on the compressor failed, and it was necessary to remove it for repairs or replacement so that advance was limited during the period.

The Operator was informed that unless progress was improved he would not complete the project as scheduled and he said he would attempt to employ sufficient men for a two-shift operation when the compressor was operating satisfactorily.

Two men are all that have been working at the project to date but because of the plus 500-foot tram a third man will be required on each shift if a round is to be made in eight hours.

Dark blue limestone whose open fractures are granite sand and mud filled was the rock crosscut during the period.

Total contract units completed to date are as follows: Tunnel rehabilitation - 137 feet; adit timbering - 19 feet; crosscut timbering - 105 feet; and crosscutting - 413 feet. The workmanship is satisfactory.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
VZJ/he

FILE COPY
SURNAME:

Martin

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JUL 2 1953

Mr. Leo Nielson, Secretary
Reconstruction Finance Corporation
Washington 25, D. C.

Re: Taft, R. D. (B-ND-3889)
Approved Mining Loan
Supr. Eng. & Oper.

My dear Mr. Nielson:

On behalf of the owners of the Mackinaw Metals Mine, Snohomish County, Washington, Mr. M. G. Cleary has made verbal application to us for exploration assistance for nickel. The above mentioned mine was leased for a number of years to Mr. R. D. Taft, who represented the Utility Mining Company of Everett, Washington, but we have been advised that Mr. Taft is no longer concerned with the property.

We appreciate the assistance given by Mr. Matthias W. Knarr and Mr. Charles W. Tully to the engineer that we sent to R.F.C. to review your docket covering the subject prospect. It will be further appreciated if you will furnish us, for D.M.E.A. use only, photostats of the following drawings from that same docket:

(1) "Map of Workings, Mackinaw Metals Group, Utility Mining Co., Weedin Creek, Washington, Scale 1" = 50', October 5, 1944."
(2) "Plan and Section of R. D. Taft Mine, Snohomish County, Scale 1" = 100', June 1945."

After we receive a formal application, and if we then determine that a D.M.E.A. project would be in order, we shall give you the customary notice of the pending transaction, in the form exemplified by our letter of May 27, 1952 (Your Docket No.B-ND-4736, and our Docket No. DMEA-2502).

Sincerely yours,

C. O. Mittendorf

Administrator

WSMARTIN:foc
7-2-53
cc: Dode 400
Adm. Reading File
Trails & Files

7-2-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

1201 North Division Street
Spokane 2, Washington

June 15, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made May 31, 1953. There was no one at the project because it was the Memorial Day weekend.

The project adit had advanced 9 feet in about 7 x 7 cross section since the inspection of April 30, 1953. During the period, 18 feet of crosscut was timbered from about 301 to 319 feet and 22 feet of crosscut was timbered from about 348 to 370 feet.

Compressor power unit repairs delayed advance of the crosscut during the period.

Total contract units completed to date are as follows: tunnel rehabilitation - 137 feet; adit timbering - 19 feet; crosscut timbering - 105 feet; and crosscutting - 378 feet.

The adit's advance was about 8 feet in limestone and the broken fragmental cave like material encountered during April did not give the trouble that was then anticipated. U. S. Bureau of Mines tag No. 195 was placed at 367 feet in the crosscut. The Operator was requested to install ventilation tubing now that there were timbers from which it could be hung.

The workmanship is satisfactory except for occasional butt blocks needed on the timber sets which were called to the Operator's attention.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
VZJ

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

1201 North Division Street
Spokane 2, Washington

May 11, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract No. Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on April 30, 1953. There was no one present at the project because of a compressor power unit breakdown.

The project crosscut had advanced 32 feet to total 369 feet since the inspection by Messrs. Nickelson and Johnson on March 31, 1953. The road reopening has been completed for the spring season but only a few shifts could be worked on the project before a connection to the crank shaft was broken in the compressor's power unit.

Total contract units completed to date are as follows: Tunnel rehabilitation - 137 feet; adit timbering - 19 feet; crosscut timbering - 65 feet; and crosscutting - 369 feet.

The last 16 feet of the crosscut is in a zone of fragments with a gob like appearance; i.e. there are chunks of limestone, argillite and granite of various sizes from gravel to boulders cemented in mud. The zone could be interpreted as the roof stoped over a granitic pendant and granite should be encountered in a few rounds.

It is suggested that the Operator retreat about 50 feet from the existing face and drift northward about 50 feet along the shear zone shown on Mr. Howard Nickelson's geologic sketch at about 311 feet in the crosscut before continuing the crosscut southwestward toward the target area. The suggestion would mean the loss of about 50 feet in crosscut advanced toward the target area; but it is believed that the Operator would be better prepared to timber such bad ground if encountered at a point further north, and the structure proposed for the 50 foot drift is the strongest encountered near the new contact so that it in itself is a potential host structure.

No suggestion regarding a detour was presented to the Operator because the inspecting mining engineer wished the collaboration of a geologist from the U. S. Geological Survey. It is recommended that this contact be given an early examination by one of the Survey personnel.

The Operator was informed, however, that timbers would be urgently needed when work was resumed at the crosscut face.

Project workmanship is satisfactory except for some needed scaling which will probably be remedied when the workmen return.

The costs for the 7-1/2 x 7-1/2 foot crosscut are probably about $5.00 per foot above the agreed $31.20/ft. unit cost.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
VZJ/vf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Exploration Administration
RECEIVED
APR 27 1953

April 14, 1953

Memorandum

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey and V. Z. Johnson, Mining Engineer, U. S. Bureau of Mines.

Subject: Docket No. DMEA-2502 (lead-zinc), routine inspection of Champion Mine, Custer County, Idaho, Contract Idm-E361

The inspection was made with V. Z. Johnson, Mining Engineer, U. S. Bureau of Mines on March 31, 1953.

The crosscut has been advanced 51 feet since V. Z. Johnson's visit on January 30, 1953, making a total to date of 337 feet. Work has been recessed for several weeks due to the lack of fuel oil and supplies. When the fuel oil and supplies were about exhausted, they began plowing the snow from the road but broke a track on their dozer. The road was accessible to within several hundred yards of the dozer, so they hoped to get it repaired and the road opened within a couple of weeks.

A geologic map was made of the crosscut. The old adit and the crosscut geologic map is included in this report.

About 240 feet of crosscut remains to be completed before the projected target is hit. The last 60 feet have been in rather soft ground broken up by generally east-west fractures, although timber has not been needed in this area at the present time. The dikes encountered between 80 to 338 feet are very hard, dark grey, aphanitic rocks with minor plagioclase phenocrysts up to 3/4" in diameter which were more abundant on the hanging wall portion of the dikes. These very hard dikes hindered the crosscut advance as mentioned in previous inspection reports. A joint crack in the face produced a great deal of water under quite a pressure when it was first encountered, but no water was present in the face at the time of the inspection. The bedding plane faults encountered at about 150' and 318' are in what appears to be thin-bedded argillaceous beds in the limestone. A great deal of calcite occurs in the bedding plane faults with limonite and clay gouge. The Operator was informed timbering and scaling would probably be necessary in this area before operations began again.

It was not necessary to use snowshoes to get to the mine on this trip although several deep snow banks were encountered. Workmenship was satisfactory on the project.

Enclosure
Dist: DMEA (Orig. & 3) USBM (5) Docket Nickelson

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

BW

J.W. Neff
Burgund
Selfridge

MAR 13 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-2502 (Lead-Zinc)
Champion Mine
Custer County, Idaho
Contract No. Idm-5361

Dear Mr. Weissenborn:

Referring to the above contract we received a copy of the letter from Thor K. Hillsgaard, Acting Executive Officer, DMEA Field Team, Region II, to Mr. Joseph L. Musich dated March 4, 1952, in which he states:

> "Received your letter of March 2, 1953, and am very glad to hear that your adit has pierced the tough zone and is now in rocks that are easier to mine. We certainly hope that you will be able to do your exploration work at the agreed upon unit costs. As you may know, we have referred your case to Washington for consideration but have received no answer on this matter."

In the memorandum from V. Z. Johnson, Mining Engineer, Bureau of Mines, to DMEA Field Team, Region II, dated February 16, 1953, Mr. Johnson states:

> "The workmanship is satisfactory and has been done by experienced hard working miners who are expressing dissatisfaction at the $31.20 per foot price. It is recommended that the contract allow about $38.80 per foot for the 122 feet of crosscut advanced during December 1952 and January 1953. The excessive steel and bit breakage as well as the additional dynamite used and labor expended has increased the cost for advance in the limestone about $7.60 per foot as the contact was approached."

In the memorandum from the DMEA Field Team, Region II, to the

Chairman, Operating Committee, dated February 17, 1953, it is stated:

> "Since the contract is on the short form, however, there is some doubt as to whether it can be amended. In any event, our data on actual costs to date are not complete enough to allow a specific recommendation. We have written the Operator for a detailed cost breakdown which will be forwarded to you upon its receipt here."

In reply to the above mentioned memoranda and the letter to Mr. Ausich we cannot recommend an amendment to increase the unit cost for this crosscutting. The work to be done on this contract, such as enlarging and rehabilitating the No. 3 adit, the timbering, drifting and crosscutting, are all on the unit cost basis. The Operator has agreed to do this work for the stipulated amounts, and in all probability can make up his loss or has already done so when he completed the rehabilitating on No. 3 adit.

Sincerely yours,

George C. Selfridge (JB)

Chairman, Operating Committee

APPROVED:

J. H. Hedges (JB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JB)

Member, Geological Survey

S.N. 3/13/53

JWAlt/hmj (written 3-11-53)

CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Mr. Alt
Chron

2502

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

March 4, 1953

Mr. Joseph L. Ausich
Box 281
Mackay, Idaho

Re: Docket No. DMEA-2502
Champion Mine
Custer County, Idaho
Contract Idm-8361

Dear Joe:

Received your letter of March 2, 1953, and am very glad to hear that your adit has pierced the tough zone and is now in rocks that are easier to mine. We certainly hope that you will be able to do your exploration work at the agreed upon unit costs. As you may know, we have referred your case to Washington for consideration but have received no answer on this matter.

I am hoping to be in the Mackay area in the near future and shall endeavor to contact you. I hope, however, that we do not again have to take the trip up to the mine on snowshoes as I fear that my ability to snowshoe has not improved during the past year.

Sincerely yours,

Thor H. Kiilsgaard
Acting Executive Officer
DMEA Field Team, Region II

cc: DMEA (2)
USBM (2)
Kiilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
February 16, 1953

Cost trouble here

W

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 - 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho.
Contract Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on January 30, 1953, with Messrs. Dave Bell and Joe Ruhavina, the miners at the project.

The crosscut adit had advanced 51 feet for a total of 286 feet since my visit of January 4, 1953. The crosscut is about 6½x8-foot cross section and is untimbered for 228 feet.

The first 16 feet of the above advance was in the tough siliceous limestone which retarded progress last month by requiring thirty hole rounds and 40 lbs. of dynamite per foot of advance. The balance or 35 feet has been in a diorite porphyry which has caused more than usual steel and bit breakage, but 15 holes have been sufficient to pull 5-foot rounds.

Access during the winter is by snowshoes, and since the above conditions have required more dynamite and steel than was anticipated the project may be forced to recess until the road is opened.

The writer pointed out the need of connecting up fan and ventilating tubing which are at the project. This job could be done while dynamite and steel are scarce.

Total units completed to date are 286 feet of crosscut of which 58 feet is timbered, 137 feet of adit enlarging and rehabilitation, and 12 feet of adit timbering.

The workmanship is satisfactory and has been done by experienced hard working miners who are expressing dissatisfaction at the $31.20 per foot price. It is recommended that the contract be amended to allow about $38.80 per foot for the 122 feet of crosscut advanced during December 1952 and January 1953. The excessive steel and bit breakage as well as the additional dynamite used and labor expended has increased the cost for advance in the limestone about $7.60 per foot as the contact was approached.

The increased cost over that estimated is distributed for a 4 foot round as follows:

	Original Estimate	Probable Current Cost
Labor and Supervision	$57.72	(Very little supervision) $60.00
Operating equipment furnished	8.48)	15.00
Operating equipment rented	2.00)	
Supplies	39.19	64.00
Engineering, sampling, assaying, accounting	6.00	2.00
	113.39	141.00
+ 10% contingency	11.34	14.10
Total	124.73	155.10

$\frac{124.73}{4}$ = $31.18 SAY $31.20 per foot $\frac{155.10}{4}$ = $38.77

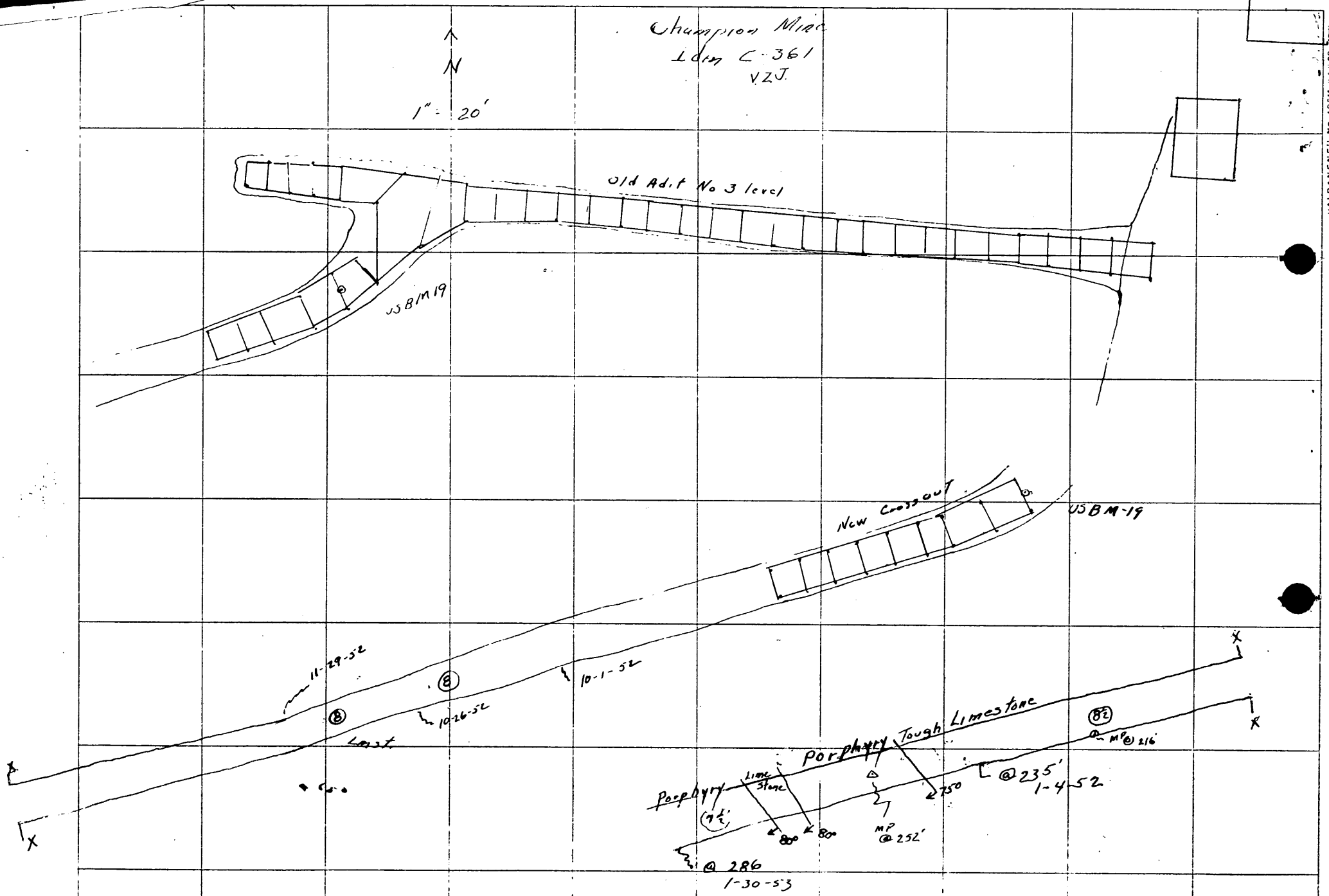
SAY $38.80 per foot

The writer has considered the possibility that ground conditions may become favorable in the 564 feet of drift and crosscut remaining so that the above loss of $7.60 per foot could be reasonably absorbed, but it must be pointed out that the Operator would hope to build up a reserve during this stage of the project to cover the heavier costs of tramming, ventilation and miscellaneous service associated with the later phases of the project at greater distance from the portal.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
VZJ/he



"ALBANENE" NO. 185M K&E CO.
REG. U.S. PAT. OFF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
Spokane, Washington
February 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

MEMORANDUM

To: Chairman, Operating Committee, DMEA, Washington, D. C.

From: DMEA Field Team, Region II

Subject: Docket No. DMEA 2502 (lead)
Contract Idm-E361
Joseph L. Ausich, Champion Mine
Unit cost of crosscutting

no reply necessary - per — W. R. Kenwell

Enclosed are four ozalid copies of the narrative for January 1953, submitted by the subject Operator, in which a request is made for an increase in the agreed unit cost of crosscutting.

Our inspecting engineers agree that costs probably have been higher than were estimated, as the hard silicified limestone through which about 120 feet of the crosscut has been driven was not exposed in the upper workings and thus was not anticipated when the original estimate was made.

Since the contract is on the short form, however, there is some doubt as to whether it can be amended. In any event, our data on actual costs to date are not complete enough to allow a specific recommendation. We have written the Operator for a detailed cost breakdown which will be forwarded to you upon its receipt here.

By Field Team, Region II

M. E. Volin

M. E. Volin, Acting Exec. Officer
U. S. Bureau of Mines
1201 N. Division Street

Thor H. Kiilsgaard

Thor H. Kiilsgaard, Acting Member
U. S. Geological Survey
157 South Howard Street

Enclosure

Feb. 8, 1953
Box 281
Mackay, Idaho

Mr. Glenn C. Reed, Mining Engineer
Bureau of Mines - Dept. of the Interior
1201 North Division Street
Spokane 2, Washington

Dear Mr. Reed:

Subject: Monthly Narrative Report
Jan. ~~Jan.~~ - 1953 Champion Mine
DMEA No. 2502

Cross-Cut Advance for the subject month of Jan. 1953 amounted to a total of 71 feet advance.

A very excessive cost has been experienced due to breakage of Tungesten Carbide insert bits as well as Drill Rods. The amount consumed to date equal 49 ea. bits and 76 ea. of Drill Rods. Drilling time will average from 14 to 16 hrs. per round, causing increased Fuel consumption and double estimated powder, caps and fuse costs. Various expeirments have been conducted in different types of bits and placing of holes to most ecomomicaly minimumize advance costs, many rounds have had to be re-blasted and re-drilled due to this unprecedent hardness of rock that has been encountered and indications are that this martieral is still continuous. To the writer the rock or dike is of a extremely hard quartzite, with enough highly silicified limestone and iron pyrites ~~xxxx~~ interspersed., being of such a dense ~~xxxxxxx~~ nature, causing extreme difficulty in pulling.

In spite of all the above difficulty, Contractor Bell & partner have made remarkably good progress., but it is fearful that the project may have to be recessed inasmuch as the costs have so materialy increased in costs., the amount of supplies, such as Diesel Fuel., Powder costs etc. that were moved in prior to snow-fall to carry the project through the winter months until April are at present nearly depleted.

With the increased use of supplies etc., the cost of per ft. to the project has so far averaged the sum of $38.43 per ft. I feel that an amendment is in order to offset the added increase in costs until such a time as the project again assumes a semblence of normal nature.

I trust that some immediate consideration and relief can be obtained due to the above mentioned facts, so that the project can be carried forowrd to completion.

I remain,

Respectfuly yours,

Jos. L. Ausich, Partner & Agent
Champion Mine

a
encl. 14

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D.C.

Spokane, Washington
February 17, 1953

Mr. Joseph L. Ausich
Box 281
Mackay, Idaho

Subject: Docket No. DMEA 2502 (lead)
Contract Idm-E361
Unit cost of crosscutting

Dear Mr. Ausich:

This is to inform you that the Washington, D.C. office of the Defense Minerals Exploration Administration has been advised of your request for an amendment to the subject contract to provide for an increase in the agreed unit cost of crosscutting. Referral to the Washington, D. C. office was necessary as such an amendment cannot be made by the Field Team.

Though we have no doubt that costs have been considerably higher recently than the contract price, we are not certain that a short form contract will be amended by that office. The estimated unit cost must be an average for the total job, and it is to be expected that certain portions of the work may cost more than average, while other portions may cost less. As the crosscut has now entered easier ground there is the chance that costs may be lowered enough to compensate for excessively high costs incurred in driving through the hard section just completed.

In any event, it is doubtful that any action can be taken without a more detailed accounting of the cost of the completed work. It is suggested, therefore, that you submit a detailed breakdown of the costs incurred for crosscutting to date, to show how you arrived at the unit cost of $38.43 per foot mentioned in your narrative of progress. With this information, action on your request can be expedited.

By Field Team, Region II

M. E. Volin, Acting Exec. Officer
U. S. Bureau of Mines
1201 N. Division St.

Thor H. Kiilsgaard, Acting Member
U. S. Geological Survey
157 South Howard Street

cc: DMEA, Wash. (2)
USGS (2)
DMEA
VZJ
DF

TEH/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Wash.
January 14, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho
Contract Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on January 4, 1953, with Messrs. Dave Bell and Joe Rukavina, the miners at the project. Snowshoes breaking through a lightly crusted snow made it necessary to climb to the project one day and return to Mackay the next.

The crosscut adit had advanced 96 feet for a total of 235 feet since my visit of November 29, 1952. The crosscut is about 6x8-foot cross section and untimbered for 177 feet.

The siliceous limestone is very tough and hard drilling. Thirty or more holes are used, requiring either chambering of holes or the refiring of rounds. Dynamite used is about 40 lbs. per foot of advance. The round-in round-out cycle cannot be maintained - 4 feet advance requires about 16 hours.

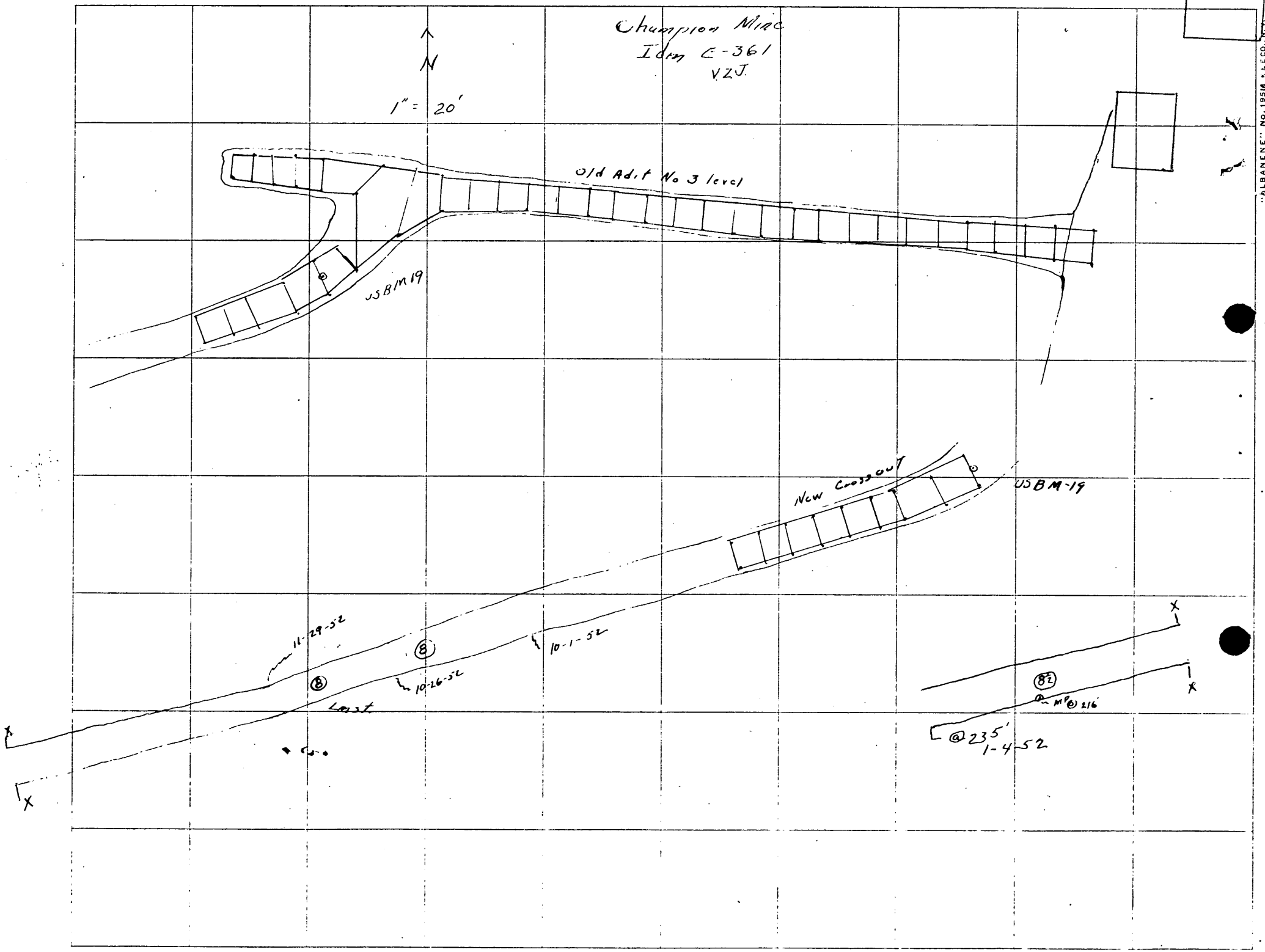
The writer stressed the necessity of securely tamping at least 1-1/2 feet of each hole fired under these conditions if the dynamite is to be efficiently utilized.

Total units completed to date are 235 feet of crosscut of which 58 is timbered, 137 feet of adit enlarging and rehabilitation, and 12 feet of adit timbering.

Workmanship is satisfactory but probably unprofitable at $31.20 per foot untimbered.

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
VZJ/he



"ALBANENE" No. 195M K+E CO., N.Y.
REG. U.S. PAT. OFF.

2502

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~

1201 North Division St.
Spokane 2, Washington

December 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho
Contract Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on November 29, 1952, with Mr. Joe Ausich, one of the partners.

The crosscut adit had advanced 22 feet to a total of 139 feet since my visit on October 26, 1952. An 8 x 6 cross section is arched to minimize timbering which is now completed to about 58 feet in the new crosscut.

Overhaul of compressor and power unit during the period prevented working at the face. Substantial fuel and miscellaneous supplies have been brought in for the winter. There was less than 6 inches of snow on the ground but drifting made the road passable by four wheel drive equipment only.

Total units completed to date are 139 feet of crosscut, 58 feet crosscut timbering, 137 feet of enlarging and rehabilitation, and 12 feet of timbering adit.

The face is now in limstone with a calcite filled fissure striking NNW and dipping 65° westward crossed at about 132 feet. There is no apparent lead or zinc mineralization exposed so far.

Two men are living at the mine and they have been able to muck, tram, drill and blast a four to five foot round daily when all equipment is operating properly.

Workmanship is satisfactory. Costs are relatively low at $31.20 per foot untimbered and $39.30 per foot timbered.

V. Z. Johnson

V. Z. Johnson

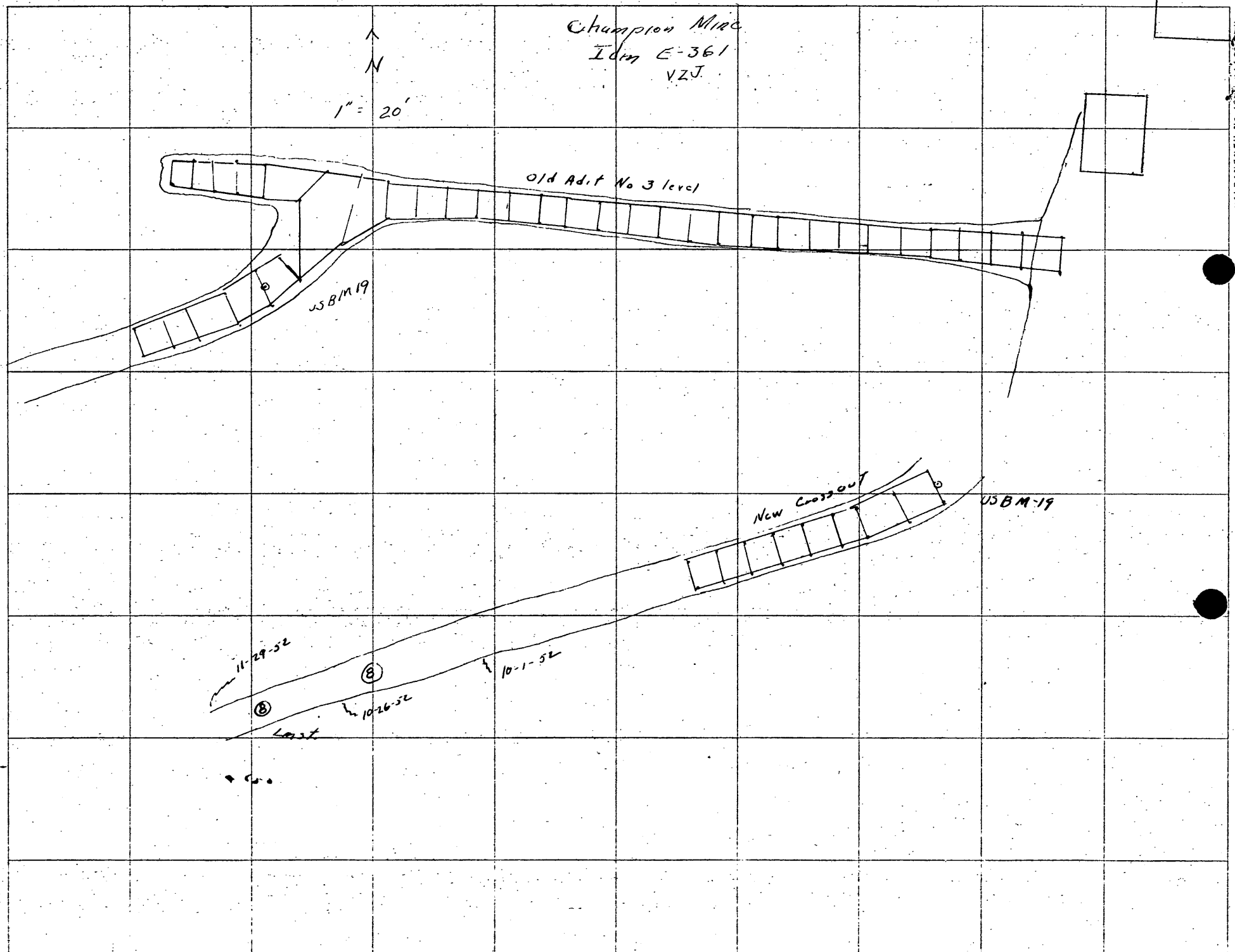
Orig. & 3 - Wash.
USGS - 2 DMEA
M/D VZJ

CHAMPION PROJECT PORTAL
LOOKING NORTH EAST

Portal at left in rear of horizonal fuel tank, First building houses 315 cu. ft. Schramm Compressor and International TD 18 diesel power unit. Second building is living quarters.

ACCESS ROAD TO CHAMPION

The snow is shallow but there is some drifting, November 30, 1952. Project at level marked †


Champion Mine
Idm E-361
VZJ
N
1" = 20'
Old Adit No 3 level
USBM 19
New Crosscut
USBM-19
11-29-52
10-1-52
10-26-52
Last

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

1201 North Division St.
Spokane 2, Washington
November 13, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Champion Mine, Custer County, Idaho, Contract Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The inspection was made on October 26, 1952, with partners, Mike and Joe Ausich.

The crosscut adit had advanced only 25 feet to a total of 117 feet, since Mr. Holt's visit on the first of October. Ten feet of this advance was in porphyry and fifteen feet was in hard siliceous limestone where drill bit loss was excessive.

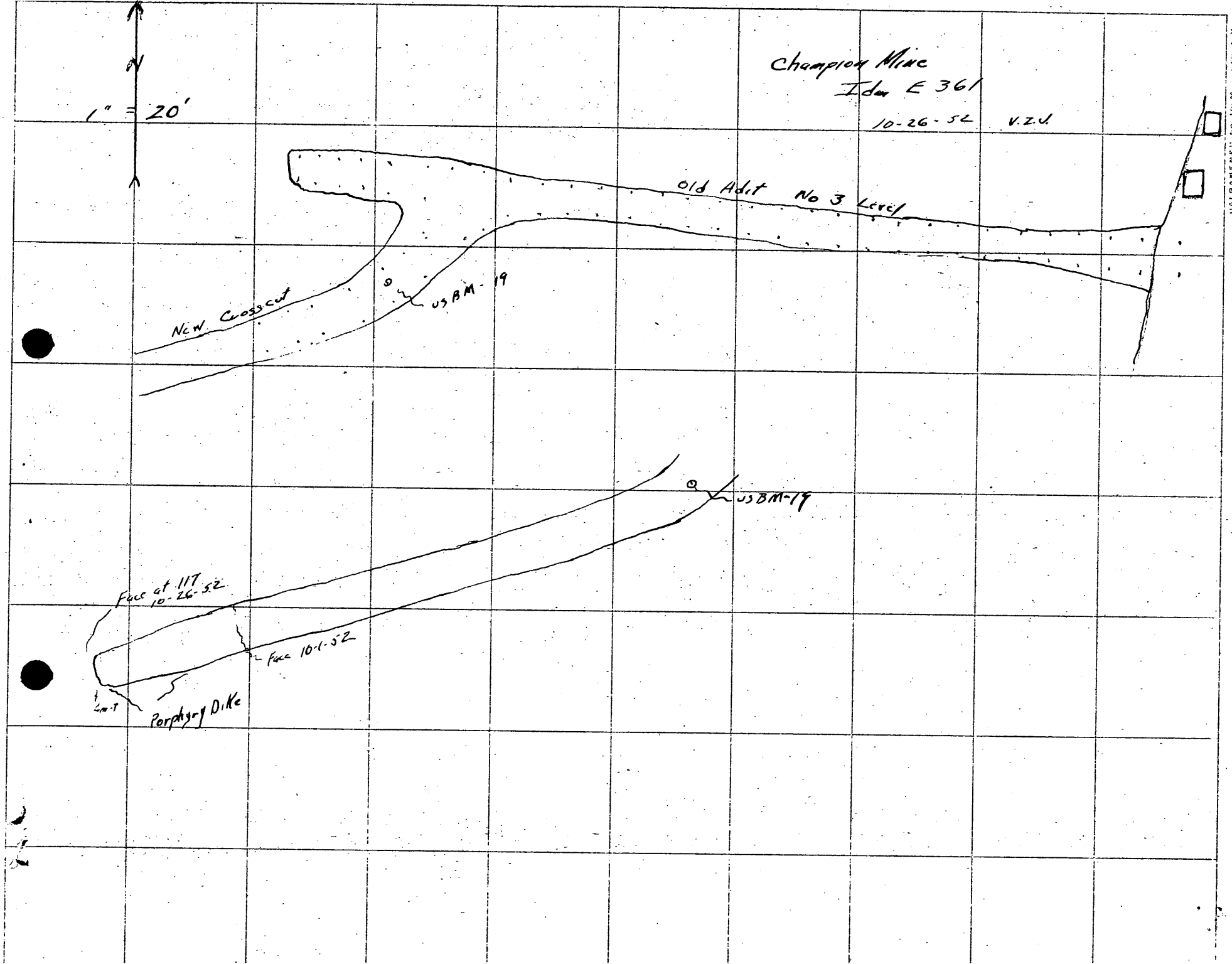
Rehabilitization timbering has been completed at the junction with the old adit and the track is in a completed condition to near the face. Considerable winterizing has been done during the past month, i.e., housing the compressor and bringing to the portal a supply of timber. Compressor repairs and adjustments have caused some delay.

The cross section for the last 80 feet has been about 7 x 7 feet with an arched back to eliminate some timbering. Workmanship is satisfactory.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
VZJ/vf


N
1" = 20'
Champion Mine
Idaho E 361
10-26-52 V.Z.J.
Old Adit No 3 Level
New Crosscut
USBM-19
USBM-19
Face at 117
10-26-52
Face 10-1-52
Porphyry Dike

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Wash.
September 15, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 18 1952

9/22/52

MEMORANDUM

To: DMEA Field Team, Region II

From: Dean C. Holt, Mining Engineer, Bureau of Mines

Subject: Routine progress inspection, Champion Mine, Custer County, Idaho, Contract Idm-E92, Docket No. DMEA 2502 (lead-zinc)

The subject inspection was made August 29, 1952, in company with Mr. Joseph Ausich, partner and manager of the project.

On inspecting the project I found that the Operator had been unsuccessful in an attempt to rehabilitate beyond the timbered area at the head of the old adit. It was apparent that an old cave, which had been partially caught in the past, gave way when the operator started to muck out the head of the adit. The operator had installed a bridge preparatory to driving spiling when the old blocking from the cave obstructed his work.

The time and cost necessary to rehabilitate this section of the old adit would have been too excessive; therefore, the operator backed up 30 feet and started a by-pass heading on a bearing S. 47° W. This should give the operator a strong pillar between the new heading and the caved area.

The new heading had been advanced 17 feet at the time of inspection. The wide back and the heavy nature of the ground at the start of the by-pass heading necessitates the use of timber for a short distance. The operator was advised to install the necessary timber. He was also advised to continue the new heading in the same direction until a good solid pillar is established and then to make a gradual turn to the proper bearing of S. 70° W. and continue as stated in the contract.

A total of 137 feet of enlarging has been completed thus far under the contract. The 121 feet to be allowed for the month of August requires additional track work and therefore only 90% of the specified unit price should be allowed.

A temporary measure point was established at 109.5 feet from 0 + 9. This measure point is located on the point of the switch frog at the entrance to the by-pass peading.

Dick Miller, one of the subcontractors, quit on August 14, 1952, and since that time the operator has been actively helping Dave Bill, the remaining subcontractor.

Invoicing procedure and monthly progress reports were discussed in detail with the operator. The operator was uncertain as to the number of units which he could properly charge to the project; therefore, he requested that we notify him as to the correct number of units allowable for the month of August.

Dean C. Holt

Dean C. Holt

Orig. & 3 cys--Wash.
USGS (2)
DMEA
M/D
DCH

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 12 1952

1201 N. Division St.
Spokane 2, Wash.
September 8, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: Dean C. Holt, Mining Engineer, Bureau of Mines

Subject: Initial inspection of Champion Mine, Custer County, Idaho, Contract Idm-E361, Docket No. DMEA 2502 (lead-zinc)

The subject inspection was made August 2, 1952, with T. E. Howard, USBM, and Joseph L. Ausich, operator.

Work was started July 15, 1952, moving in equipment and dozing out the road and the No. 3 adit portal. About 3 feet of the original adit was removed with the bulldozer in preparing an adequate portal site.

A measure point (USBM #165) was established on a cap near the portal at 0 + 9 feet. Enlarging and rehabilitation were complete for a distance of 7 feet ahead of this point, making a total of 16 feet accomplished thus far under the contract. Of this distance 12 feet was timbered.

It may be necessary to stand another set of timber at the portal because of possible slide conditions due to winter snows.

Invoicing procedure and monthly reports were discussed in detail with both the operator and the subcontractors.

Dean C. Holt

Dean C. Holt

Orig. & 3 cys—Wash.
USGS (2)
DMEA
M/D
DCH

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DMEA 2502

1201 N. Division St.
Spokane 2, Wash.

September 5, 1952

Mr. Joseph L. Ausich
Box 281
Mackay, Idaho

Subject: Monthly Report for August, 1952,
Contract Idm-E361

Dear Mr. Ausich:

Enclosed are six copies each of monthly report forms MF104 and MF 104A, to be used in preparing the subject report.

Our field engineer reports that inasmuch as you have found it unfeasible to penetrate the caved section near the face of the adit you have started a new bypass heading from a point behind the cave. As a result of this change you are uncertain as to units of work which may be properly charged to the project.

Measurements on August 29, 1952, show that a total of 137 feet of enlarging had been accomplished since the start of the contract. As 16 feet were completed and charged in July, 121 feet would be chargeable for August. However, as more work must be done on the track before this portion can be considered completely rehabilitated, only 90 percent of the specified unit price or $11.25 per foot should be claimed for August work completed. When the track work is completed the remaining 10 percent can be claimed.

On the same date measurement indicated 17 feet of new crosscut advance which may be charged at $31.20 per foot.

It is again emphasized that five copies of the narrative of progress must accompany the completed forms MF 104 and MF 104A.

Sincerely yours,

Glenn C. Reed

Enclosures

CC: 2-Wash
2-USGS
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

August 20, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Routine examination of Champion mine, Custer County, Idaho, Contract Idm-~~E92~~ 361, DMEA No. 2502, Lead-Zinc

I examined the Champion mine on August 12, 1952, in company with Mr. Joe Ausich, partner and manager of the project.

Work on the project began in early July and has since been confined to rehabilitating the No. 3 adit. The back of the adit has been raised and in places the sides widened to accomodate a mucking machine. The dike shown on the contract map had been reached and the crew was retimbering the adit in that area at the time of the visit. While it could not be determined with certainty, the face of the adit appeared to be 141 feet from the portal, at which point routine adit driving will commence.

The adit was mapped up to a point 113 feet from the portal. Throughout this distance the rock was chiefly limestone with some intruded dioritic dikes. The Operator was advised to keep the adit on the bearing from the portal until the dike at the face was completely penetrated and possibly for two rounds beyond, and at that point to turn the adit to a S. 70° W., bearing and hold this bearing until the Champion deposit was encountered.

Thor H. Kiilsgaard

cc: DMEA (4)
USBM (2)
USGS (SRO)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 26 1952

50

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

August 1, 1952

Mr. W. Rulon Lee
Fiscal Officer
U. S. Bureau of Mines
Albany, Oregon

Dear Mr. Lee:

Enclosed herewith is the Finance Office's copy of Contract Idr-2361, Docket No. DMEA 2502, on the Champion Mine, Custer County, Idaho.

Sincerely,

S. Marron Hobb
for: A. L. Heisserborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM, Spokane (1)
DMEA (2)

DEPARTMENT OF THE INTERIOR
Bureau of Mines
AUG 4 1952

FILE COPY
SURNAME:

200

Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane 8, Washington

JUL 29 1952

Dear Mr. Weissenborn:

There is enclosed herewith the Finance Office's copy of contract Idm-E361, Docket No. DMEA 2502, on the Champion Mine, Custer County, Idaho.

Ordinarily this copy of the contract would be transmitted by the Bureau of Mines Fiscal Office, however, in accordance with Operating Committee Memorandum No. 10, the copy for the Finance Officer will be distributed by the Executive Officer at the time a copy is retained for his files, and a copy forwarded to the Operator.

Operating Committee Memorandum No. 10 covering this change will be issued shortly.

Sincerely yours,

C. O. Mittendorf (fw) 7/29/52

Acting Administrator
Defense Minerals Exploration
Administration

Enclosure

READams/meb
7-28-52
cc to: Adm.Reading File
Mails & Files Br.

DL

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

July 14, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Champion Mine, Custer Co., Idaho
Contract Idm-E361
Docket DMEA-2502, (Lead-Zinc)

Dear Mr. Johnson:

Enclosed are the original and three copies of the contract for the Champion mine, Michael E. and Ann Ausich, Box 281, Mackay, Idaho. One copy has been retained by the operator and one for our files.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 21 1952

SDS
7-21-52

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

N. F. Keller

DMEA, Dept. of Interior

1420137 - Salaries and Expenses, Defense Production Activities Interior, 1952

July 8, 1952

JOSEPH L. AUSICH
MACKAY, IDAHO

RETEL JULY 7 PROPOSED CONTRACT DMEA-2502 WAS MAILED TO REGIONAL EXECUTIVE OFFICER IN SPOKANE ON JUNE 30 FOR YOUR APPROVAL AND SIGNATURE.

(signed) FRANK E. JOHNSON
~~Chairman, Operating Committee~~

7/10

HFKeller/bjl

Copy to: Adm. R. File
Docket
Mr. Keller
Operating Committee
Chron.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

(581)

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WP056 NL PD=MACKAY IDA JUL 6= 1952 JUL 7 PM 12 59

=H F KELLER ACTING CHIEF DEPT OF INTERIOR DEFENSE MINERALS EXPLORATION ADMN=

OUR MINING SEASON LIMITED DUE TO EARLY SNOW CONDITIONS TIME RAPIDLY APPROACHING WHEREBY ONE MUST SOON COMMENCE OPERATIONS THEREFORE IMPORTANT IN KNOWNING STATUS OF DMEA 2502=

JOSEPH L AUSICH=

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

ack. 7/8/52
H F Keller

DMEA 2502=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

FILE COPY
SURNAME:

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

J. W. L.
W. Keller

JUN 30 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 2502 (Lead-Zinc)
Joseph L. Ausich
Champion Mine

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above contract, signed by this office for the Government, together with Exhibit "A" (1 page), Appendix (1 page), and two maps.

If the contract meets with your approval, kindly present it to the applicant for approval and signature, and when completed distribute in the usual manner. In event the contract is not satisfactory, return all copies with your recommendation concerning any modification.

It will be necessary to insert in the contract in the space provided under Article 3 the number of days from the date of the contract in which work shall commence.

Sincerely yours,

6/30

(signed) FRANK E. JOHNSON
(JWS)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures - 6
APPROVED:

J. H. Hedges (JWS)
Member, Bureau of Mines

T. P. Thayer (JWS)
Member, Geological Survey

JWAlt/mb
6/26/52
cc to: Adm R. File
Opp. Comm.
Docket
Mr. Keller
Mr. Alt
Mr. Bishop
Mr. McKnight
Region II

FILE COPY
SURNAME:

Kane
Hofflund

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

June 24, 1952

Memorandum

To: Acting Administrator

Through: H. F. Keller

From: Chief Counsel

Subject: Champion Mine, Docket No. DMEA-2502

There is attached in satisfactory legal form for execution a contract covering the subject project.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

N.S
R+R

Attachment

AEKane/ema
cc: Mails & Files
J. L. Hofflund
A. E. Kane
Chron.

Alt
Code 500

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

JUN 17 1952

Mr. C. O. Mittendorf,
Acting Administrator,
Defense Minerals Exploration Administration,
Department of the Interior,
Washington 25, D. C.

Re: David E. Bell
Mackay, Idaho

Dear Mr. Mittendorf:

Reference is made to your letter dated May 27, 1952.

I wish to advise that this Corporation interposes no objection to the proposed "Exploration Project Contract" with the captioned individual and further that in the event commercial production of ore results, this Corporation will not assert any claim against the proceeds of production.

Very truly yours,

Edward J. Singer
Acting Secretary

DMEA
2502
Hosp/Ausich.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 19 1952

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

H. F. Keller, Acting Chief, Base
Metals Division
Defense Minerals Exploration Adm.

1/20137, Salaries and Expenses

Defense Production Activities, Interior,
1952.

JUNE 17, 1952

MR. JOHN L. MUSICH
BOX 261
MACKAY, IDAHO

CONTRACT BEING PROCESSED ON DMEA 2502.

Signed (mef)

H. F. KELLER, ACTING CHIEF
PROJECTS DIVISION

cc
6/17

JWAlt/mef
cc to: Adm. R. File
Docket
Mr. Keller
Mr. Alt

OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
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PRA105

PR PKA169 NL PD=MACKAY IDA 13= 1952 JUN 13 PM 3 37

ROBERT E ADAMS, ADMN OFFICER DEPT OF INTERIOR

DEFENSE MINERALS=EXPLORATION ADMN WASHDC=

SUBJECT DMEA NUMBER 2502 EXPLORATION LOAN CHAMPION MINE.

WOULD GREATLY APPRECIATE IN KNOWING DISPOSITION OF PENDING

LOAD THANKS=

JOSEPH L AUSICH=

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 10, 1952

Memorandum

Re: DMEA-2502
Champion Mine
Alder Creek District
Custer County, Idaho
$31,650
Lead-zinc

To: Mr. D. E. Moulds

From: E. L. Newcomb

Subject: Geological Recommendation

The applicant requests Government assistance to explore for a down-dip extension of oxidized lead-zinc mineralization in a shear zone adjacent to a limestone-granite contact. He proposes to continue the No. 3 adit on a westerly heading for 800 feet to intersect the mineralized zone at depth, and then to drift 100 feet north and 100 feet south from the point of intersection. In an earlier application, DMA-1091, this same proposal was recommended for denial on the basis that the proposed work would probably be in the oxidized zone and therefore much of the ore might not be minable.

The field team recommends that the present application be approved. However, they recommend a change in the direction of the No. 3 adit heading. Because the oreshoots explored on the No. 1 and No. 2 levels appear to rake to the south at angles of 40-50 degrees, this change in heading is necessary in order to intersect the projected position of the oreshoot on the No. 3 level. This change in heading has been discussed with the applicant and he is agreeable to the change.

After rehabilitation of the existing 154 feet on the No. 3 level, the westerly heading is to be continued until the dike shown on the field team map is completely intersected. At this point the heading will be changed to S 70° W and continued until the ore zone is intersected. The estimated distance from the dike to the ore zone is about 600 feet.

The Champion deposit occurs on a strong shear zone, which is traceable on the surface for about 1400 feet. The shear zone strikes approximately north and dips 60° west. The ore zone is 15-30 feet wide and has been explored from the No. 1 and No. 2 levels a total distance of 250 feet downdip from the surface. Oxidized lead mineralization occurs throughout the explored portions of the deposit. Since there is no indication that oxidation diminishes on the No. 2 level, it is reasonable to expect that oxidation has extended below the level of the proposed exploration work. Although the depth of oxidation in the Champion mine is unknown, some indication of the

possible depth can be inferred from the White Knob mine a few miles to the north, where the zone of oxidation is known to reach a depth of 700 feet. In a War Minerals Report on the Champion mine, which was published in 1945, the Bureau of Mines estimated that oxidation extended at least 500 feet below the No. 2 level.

Available geological reports and records of past production indicate that oxidized ore from the No. 1 level averaged 20.3% lead, 5% zinc and 6 oz. of silver, and ore from the No. 2 level averaged 11.8% lead, 2.82% zinc and 2.92 oz. of silver. Production in the latter part of 1951, from a raise above the No. 2 level, averaged 11.85% lead, 2.96% zinc and 2.99 oz. of silver. This recent production has been shipped as crude ore to smelters in the Salt Lake City area.

Since the Champion deposit shows strong mineralization in the areas of the mine above the No. 3 level, it can reasonable be expected that oxidized ore of a comparable grade will extend below the depth of the proposed exploration. The applicant's proposal, as modified by the field team, is recommended geologically for approval.

E. L. Newcomb
E. L. Newcomb
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 10, 1952

Memorandum

Re: DMEA-2502
Champion Mine
Alder Creek District
Custer County, Idaho
$31,650
Lead-zinc

To: Mr. D. E. Moulds

From: E. L. Newcomb

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E. L. Newcomb

E. L. Newcomb
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

June 2, 1952

Memorandum

Re: DMEA-2502
Joseph L. Ausich
Champion Mine
Alder Creek District
Custer Co., Idaho
$31,650

To: D. E. Moulds, Chief,
Lead-Zinc Branch, DMEA

From: O. M. Bishop
Base Metals Branch, USBM

Subject: Recommendation for approval of Exploration Loan.

Mr. Joseph L. Ausich submitted an application for a loan (DMA-1091) in April 1951, which was denied. Mr. Ausich conducted mining operations during the fall months of 1951, during which time he shipped 490.81 dry tons of ore which ran 0.33 percent Cu, 11.83 percent Pb, 2.96 percent Zn, 2.99 ounces Ag and .0065 ounces Au per ton and netted him $10,103.63, after freight and treatment charges. This amounted to a net of $20.50 per ton to cover all costs at the mine and his profit. He, therefore, made another application for an exploration loan, DMEA-2502, which has been examined by the field team and endorsed for approval.

There is no evidence that the oxidized zone will change any above the 3rd tunnel level and, therefore, the ore found will be approximately as that at the 200 foot level and above. The U.S.G.S. member of the field team says that the ore shoot could contain about 15,000 tons of inferred ore between the No. 2 and No. 3 levels.

Since the above ore was shipped the price of lead has dropped from 19 cents per pound to 15 cents per pound. As this latter price may exist for some time, the value of the inferred ore will be reduced from $20.50 per ton to $12.30 per ton, net smelter returns, after freight and smelter charges.

There will remain very little, if any, profit to the owners of the mine, as the cost of mining, development, taxes, insurance, etc. will be about that amount per ton.

The field team has itemized the costs of the work, and these costs all appear to be reasonable. They recommend that a short form "unit price for work performed" type of contract be negotiated, if the application is approved.

The total cost of the project is as follows:

850 ft. of drift & cross-cut @ $31.20 per ft. --	$26,520
300 ft. of timber @ $8.10 per ft. ----------	2,430
75 ft. of enlarging & rehabilitation (untimbered) @ $12.50 ----------	937
75 ft. of enlarging & rehabilitation (timbered) @ $23.50 ----------	1,763
Total estimated cost of project ------	$31,650

In view of the modest amount of the contract and the liklihood that a considerable amount of commercial lead ore may be discovered, we recommend approval of the exploration loan.

O. M. Bishop

O. M. Bishop

May 31, 1952
Box 281
Mackay, Idaho

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 2 1952

D. E. Moulds, Chief
Base Metals Division
Defense Minerals Exploration Administration
U. S. Dept. of Interior
Washington 25, D. C.

Dear Mr. Moulds:

Re: Docket No. DMEA 2502
Champion Mine

Reference is made to your letter of 5/23-52 wherein you request additional data to above referenced Docket Number.

Find enclosed herein a claim map of the Champion Mine and refer to page No. 102., fig. 13 of Joseph B. Umpleby's Report., U.S.G.S. Prof. Paper 97 for comparison of the present Champion Group., the present valid claims have been re-located and therefore are in a different relation-ship as shown in Paper 97.

Following is the legal description, as recorded at the County Seat in Challis, Custer County, Idaho, viz:

NOLAN CABIN SPECIAL recorded 7/26-43., instrument No. 84434 in Book 12 of Quartz., page No. 573. VICTORY CLAIM No. 1 recorded 7/26-43., instrument No. 84432 in Book 12 of Quartz., page No. 571. VICTORY CLAIM No. 2 recorded 7/26-43 in Book 12 of Quartz Instrument No. 84433 page No. 572. MONEY GETTER recorded 7/6-43 in Book 12 of Quartz., Instrument No. 84361 on page No. 568. NEW HOPE recorded 7/8-41 in Book 12 of quartz., instrument No. 52234 page No. 393. NOLAN CABIN recorded 8/25-41 in Book 12 of Quartz page No. 411, instrument # 52401. CHAMPION recorded 7/8-41 in Book 12 of Quartz page # 393., Instrument No. 52235. BRIGHTER DAYS recorded 7/8-41 in Book 12 of Quartz, page No. 392, instrument # 52233. GOLDSTONE recorded 8/25-41 in Book 12 of Quartz, page # 412 Instrument # 52402.

I sincerely trust that the above information is what is needed.

I remain,

Yours truly,

Jos. L. Ausich

Jos. L. Ausich
Champion Mine

JLA:a
encl. 1
cc:f
tab

FILE COPY
SURNAME:

J. W. G.
Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Docket

MAY 2 7 1952

Mr. Leo Nielson, Secretary
Reconstruction Finance Corporation
Washington 25, D. C.

My dear Mr. Nielson:

There is pending in this office an application (Docket No. DMEA-2502) of Joseph L. Amich, for a grant from the Government to assist him in carrying out an exploration project upon certain property, Champion Mine, in the State of Idaho, County of Custer, consisting of the following unpatented mining claims known as the Champion group of mining claims: Champion, New Hope, Brighter Days, Money Getter, Nolan Cabin, Goldstone, Nolan Cabin Special, located in Sec. 12, T. 6 N., R. 23 E., Boise Meridian. It is my understanding that a lessee, David E. Bell, obtained a loan from the Reconstruction Finance Corporation in 1943 to finance development of this property. The applicant states that:

> "Several Engineers & Geologists examined this property of the R.F.C. and granted a $5,000.00 loan to Lessee David E. Bell upon May 1943., reference thereto is made to David E. Bell., Lessee., Docket No. B-MB-4736 (R.F.C.) Salt Lake City, Utah"

The application for a grant for exploration is made under DMEA Order-1 of the Defense Minerals Exploration Administration, and if granted, the contract would be made on Form MF-200 (A), "Exploration Project Contract", copies of which are attached. The estimated total cost of the exploration project is $31,650.00 of which sum the Government would contribute 50 percent, or $15,825.00.

This sum would be repayable to the Government only if the Government considers and certifies "that a discovery or development has resulted from the work from which commercial production of ore may be made",(Article 6 of the Contract Form), and the Government takes a lien upon the property and upon such production to secure this repayment.

Ordinarily, the Defense Minerals Exploration Administration would require the Subordination Agreement of an encumbrancer as a prerequisite to entering into such an exploration project contract, except that where the encumbrancer is an agency of the Government,

in this case the Reconstruction Finance Corporation, it seems unnecessary to require any Subordination. However, I believe that the interest of the Reconstruction Finance Corporation should be considered before entering into any such exploration project contract, and the purpose of this letter is to give you notice of the pending transaction.

Please advise, at your earliest convenience, if you have any objection to the proposed contract. We would also appreciate any suggestions or comments which you care to make.

Sincerely yours,

C. O. Mittendorf (for) cc 5/27

C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration
Administration

Enclosures

JWAlt/mef
5/26/52
cc to: Docket Files Copy
Adm. R. File
Mr. Bishop
Mr. McKnight
Mr. Moulds
Mr. Alt
Region II

500

FILE COPY
SURNAME:

J.W.A.
Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

MAY 23 1952

Mr. Joseph L. Ausich
Champion Mine
Box 281
Mackay, Idaho

Re: Docket No. DMEA 2502

Dear Mr. Ausich:

In order to complete the processing of your application for Government assistance for your exploration project of the Champion Mine, we will require a map showing the location of your claims and where the proposed work is to be done. It also will be necessary to supply the legal description of these claims such as you have done with the New Hope claim in your application, Form MF-103 - 10(b).

Upon the receipt of this information, we can proceed with the processing of your application.

Sincerely yours,

D. E. Moulds (mf) 5/23

D. E. Moulds, Chief
Base Metals Division
Defense Minerals Exploration
Administration

JWAlt/hmj
5-23-52
CC to: Adm. Reading File
Docket File Copy
Mr. Moulds
Mr. Alt
Region II

DMEA-2502

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

APR 28 1952

ON-SITE Report

April 23, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey, Region II

Subject: Field report on Champion mine, Custer County, Idaho, Docket No. DMA-1091

RECOMMENDATION

It is recommended that the subject application be favorably considered and that the owners of the Champion mine be granted a DMEA Exploration Project Contract to continue advancement of the No. 3 adit to crosscut the Champion deposit, and to do a minimum of 200 feet of drifting on the deposit from the point where the deposit is intersected.

INTRODUCTION

Mr. Joseph L. Ausich submitted an application for a DMA loan, for the Champion mine, which was forwarded from this office to DMA, Washington, D. C., on April 24, 1951. On June 24, 1951, this office received a copy of a letter from the Lead-Zinc Branch, DMA, to the Executive Secretary, DMA, recommending denial of the Champion mine application. As reason for the denial, the letter stated that work proposed in the application probably would be in the oxidized zone, much of which might not be minable.

In February, 1952, Mr. Ausich visited the Region II office and stated that he wished to resubmit application for a DMEA exploration contract for the Champion mine. He stated that during the period October 19, 1951, to December 12, 1951, he had shipped from the Champion mine 490.85 tons of lead-zinc ore that had yielded net smelter returns of $10,103.63. This ore was mined from a raise driven above the No. 2 level, and represented mine-run ore, which was not hand-sorted.

Following the visit of Mr. Ausich, the Champion mine was examined by the writer on March 15, 1952. The mine was covered by a heavy blanket of snow which precluded a thorough examination; however,

Reviewed by
DMEA OPERATING COMMITTEE
5-5-52
(date)

the No. 2 level was hurriedly mapped and a general picture of the mine geology was obtained. Since returning to the office, reports on the Champion mine by Umpleby 1/, Tabor 2/, Youngberg 3/, and Guard 4/, have been examined, the contents of which were drawn on in this report.

PROPERTY

The Champion mine is owned by a partnership composed of members of the Ausich family. The ownership is distributed as follows:

Joseph L. Ausich	5/9	ownership
Michael E. Ausich	2/9	"
Ann Ausich	2/9	"

Mr. Joseph L. Ausich operates the mine and has power-of-attorney on record to execute all dealings concerning the mine.

The property is composed of eight unpatented mining claims in Sec. 12, T. 6 N., R. 23 E., Boise meridian, in the Alder Creek mining district, Custer County, Idaho. The mine is at an altitude of about 8500 feet and about 8 miles southwest of Mackay, Idaho, by way of an unimproved access road. The greater part of this road was constructed under the mine access road program sponsored by the U. S. Government during World War II. The road could be kept open for the greater part of the year with a minimum of expense. It has a moderate grade and for the most part crosses open country along eastern and southeastern ridge-slopes which, under normal conditions, are relatively free of snow.

There are two shacks on the property that could crudely accomodate a small crew. However, the nearness to Mackay would make it advantageous to the Operator to keep the mine crew in town and transport them daily to and from the mine.

1/ Umpleby, Joseph B., Geology and Ore Deposits of the Mackay Region, Idaho, U. S. Geological Survey Prof. Paper 97, 1917.

2/ Tabor, John W., the Champion Mine, U. S. Bureau of Mines War Minerals Report, 1945.

3/ Youngberg, Elton A., Private report on the Champion mine prepared for the Cascade Exploration Company, 1948.

4/ Guard, A. K., A report on the Champion mine, 1951.

The mine is equipped with a stock of mining equipment capable of sustaining a 2-heading mining operation. Water, for mining purposes, is in short supply. Some water is caught in the mine from drippings, but most of it has previously been hauled to the property. A spring about 800 feet below the No. 2 level could provide water for mining, if operations advanced to the point where pumping of such water was warranted.

MINE WORKINGS

The Champion mine is developed by two adit-levels, the No. 1 and No. 2 levels, and by some short sublevels below the No. 2 level. Two other adit-levels, No's. 3 and 4, have been started toward the deposit but have not been completed.

The No. 1 level consists of about 370 feet of crosscuts, drifts, winzes, and raises.

The No. 2 level, 145 feet below the No. 1 level, contains more than 1,500 feet of crosscuts, drifts, raises, and winzes. Two winzes have been put down from the No. 2 level; one winze is down 63 feet, from which has been driven a short crosscut and drift; the other winze, called the Bell shaft, is down 30 feet. A sublevel drift and stope have been driven from the Bell shaft.

The No. 3 adit level is 187 feet vertically below the No. 2 level. This level is accessible for 154 feet, to a point where the face is caved. The adit is reported to end in the caved area but may extend beyond.

The No. 4 adit, 400 feet vertically below the No. 3 adit, extends 73 feet into the hillside. The face of this adit is an estimated 1,500 feet away from the Champion deposit.

GEOLOGY

The Champion deposit is in a brecciated and sheared zone in gray Mississippian limestone. The zone closely follows bedding in the limestone, striking north-south, and dipping from 60° to 70° to the west. It is also adjacent to a granitic contact, which, on the No. 2 level, is about 55 feet west of the breccia-zone hanging wall. Granitic rocks west of the limestone contact comprise a stock that is one of the prominent geologic features in the Mackay area. Several mineralized areas and some formerly productive mines are located near the periphery of the stock.

On the No. 2 level the brecciated zone is about 40 feet wide and has been followed along the strike for about 240 feet. A short sub-level crosscut and drift has been driven from a 63-foot winze sunk from the No. 2 level, which gives a dip-explored distance of 250 feet from the outcrop. The zone is reported to extend 1400 feet to the north on the outcrop.

The footwall of the brecciated deposit is marked by a sheared and crushed zone; however, the hanging wall is quite indefinite. Rock within the deposit is highly leached and so altered as to make its identity difficult, although some limestone horses are noticeable. In addition to the brecciated limestone, there are fine-grained acidic intrusives that are highly altered and crushed. The more brecciated areas are commonly surrounded by earthy, iron-stained gouge, and often by a clay which appears to have been transported into the deposit, probably by migrating ground waters. Limonite, hematite, oxidized lead and zinc ores, and fine-grained silica--probably jasper--are disseminated throughout the deposit. Nodules of oxidized ore containing remnant pieces of galena are occasionally found.

Although mineralization is disseminated throughout the zone, certain parts of the deposit are more mineralized and constitute high-grade ore shoots. These ore shoots appear to be lenticular along the strike, and quite probably are lenticular in dip also. On the No. 2 level the most prominent ore shoot has been explored below the level by the Bell shaft, and above the level by the raise driven during the fall of 1951. This ore shoot has a strike length of about 85 feet, and a width ranging from 6 to 12 feet. It has been explored below the No. 2 level for a vertical distance of 30 feet, and above for a distance of 78 feet. In longitudinal section it would appear that this ore shoot extended to the 100 level, and that it rakes to the south at angles of 40 to 50 degrees. A second ore shoot has been worked by an inclined stope leading off the No. 2 level adit. Not too much is known of this shoot; however, it appears to parallel the ore shoot explored by the Bell shaft.

CHARACTER OF ORE

All ore produced thus far from the Champion mine has been highly oxidized, consisting chiefly of cerussite but also containing other more complex secondary lead, silver, and zinc minerals. Occasional nodules of oxidized ore are found containing remnant fragments of galena, which suggests oxidation of sulphide ores in place with little, if any, secondary enrichment by descending solutions. Migrating solutions may have removed some of the more soluble products from the ore shoots, thereby causing some gravity enrichment; however, the oxidized ore shoots are believed to more or less occupy the same positions as did the original sulphide bodies.

There are no signs of oxidation diminishing on the No. 2 level, and it is probable that oxidation will extend below the lowest of the present mine levels. A few miles to the north, the White Knob mine produced oxidized ore 700 feet below the outcrop; whether this depth of oxidation exists at the Champion mine is unknown.

Low-grade, disseminated lead-zinc minerals occur throughout the deposit. The U. S. Bureau of Mines report that these low-grade oxidized ores include such complex minerals as jarosite, plumbojarosite, plumboferrite, and complex salts of zinc, iron, and manganese. These minerals present complex metallurgical problems and cannot be commercially concentrated by present milling methods.

MINE PRODUCTION

The early-day production of the Champion mine is unknown, although Umpleby 1/ mentions a shipment from the No. 1 level that assayed 20.3 percent Pb, 5 percent Zn, and 6 ozs. Ag per ton.

Records held by Mr. Ausich show that from 1937 until 1950 the mine produced 992.56 dry tons, which yielded net smelter returns of $8,307.80. The bulk of this ore came from the No. 2 sublevel area, worked from the Bell shaft. The average assay value of this ore was:

Percent Pb	Percent Zn	Ozs. Ag per ton
11.8	2.82	2.92

During the period October 19, 1951, to December 12, 1951, the mine produced 10 carload shipments of mine-run ore. The ore came from a raise above the No. 2 level (see accompanying map). The average assay value of this ore was:

Percent Cu	Percent Pb	Percent Zn	ozs. Ag	Ozs. Au
.33	11.85	2.96	2.99	.0065

Total dry tons- - - - - - - - 490.81

Net smelter returns on ore after freight and smelter charges- - - - - - - - - - - - -$10,103.63

The ore mined in 1951 was shipped crude to smelters in the Salt Lake Valley, Utah.

1/ Umpleby, op. cit.

ORE RESERVES

The limited development of productive ore shoots at the mine makes it difficult to estimate ore reserves. Moreover, the lenticular nature of the oxidized ore shoots makes any projection of measurements from one level to another speculative.

The raise driven from the No. 2 level in 1951 partially delineates an indicated reserve of 1,600 tons. If the ore shoot explored by this raise continues to the No. 1 level, holding the dimensions measured on the No. 2 level, it could contain an additional 5,000 tons of inferred ore. If this same ore shoot continues undiminished to the No. 3 level, and if it holds to the suggested rake indicated between the No. 1 and No. 2 levels, the shoot could contain 15,000 tons of inferred ore.

No attempt has been made to infer a reserve of the ore shoot worked from the inclined stope of the No. 2 level, nor of other smaller, lenticular bodies scattered within the brecciated zone.

PROPOSED EXPLORATION PROGRAM

The applicant proposes to extend the No. 3 adit on its present bearing until the deposit is intersected, and then to drift 100 feet to the north and 100 feet to the south from the point of intersection. This drifting program would explore that part of the deposit lying directly down-dip from the No. 2 level workings (see applicant's map). The portal of the No. 3 adit is directly accessible by road and is the most economical site from which to conduct a lower-level exploration program.

In view of the fact that the ore shoots explored on the No's. 1 and 2 levels appear to rake to the south at angles of 40 to 50 degrees, it would be to the operator's advantage to turn the No. 3 heading to the southwest to intersect the projected position of the ore shoot on that level. It is therefore recommended that any exploration work on the No. 3 level should first rehabilitate the No. 3 adit to the face and then continue advancement of that adit on its present bearing until the dike shown on the accompanying map is thoroughly intersected. When the adit reaches the limestone on the west side of the dike, the adit should be turned to a S. 70° W. bearing and continued on this bearing until the deposit is intersected; this distance should be about 600 feet. Once the deposit is intersected, drifting can proceed to the north and south as desired by the applicant.

The proposed change in the bearing of the No. 3 adit to a S. 70° W. direction has been discussed with the applicant who states that he is in favor of such a change.

CONCLUSIONS

The Champion deposit occurs in a strong brecciated shear zone that is continuous on the outcrop for a reported 1,400 feet, and which has been explored down the dip for about 250 feet. Oxidized lead mineralization occurs throughout the deposit in those areas that have been explored with the more concentrated mineralized areas constituting productive ore shoots. The most productive ore shoot is on the No. 2 level where it has been explored by the Bell shaft and by the raise driven in 1951. The raise driven in 1951 produced 490.81 dry tons of mine-run ore that yielded net smelter returns of $10,103.63, after freight and smelter charges. This tonnage of ore was produced by two miners in 44 working shifts. The ore shoot that produced this ore continues below the Bell shaft and above the back of the raise driven in 1951 with no apparent diminishing of grade or dimension.

The limestone host rocks within and adjacent to the brecciated deposit are favorable for ore deposition as evidenced by other mines within the district. Furthermore, the Champion deposit is strong in those areas where it has been explored and it should continue below the proposed exploration area. The deposit definitely warrants further exploration.

Oxidized lead ore within the productive ore shoots can be shipped as mine-run ore, or it could be concentrated on the property if it is found to be extensive enough to warrant installation of necessary milling equipment. The submarginal, complexly oxidized ores cannot be concentrated by presently known methods and should not be considered as potential ore reserves. Below the zone of oxidation, these submarginal ores could become minable.

cc: USBM, Spokane
USBM, Albany
Spokane Regional Office

DMEA-2502

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

APR 28 1952

April 23, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: Field Team, Region II

Subject: Submittal of application for DMEA exploration assistance, Champion mine, Custer County, Idaho, Docket No. DMA-1091, together with memorandum reports on the Champion mine from DMEA Examining Team, Region II.

The following are enclosed:

Original and 2 copies of Forms MF-103 and 100, concerning the Champion mine, Custer County, Idaho, submitted by Mr. J. L. Ausich, Mackay, Idaho. These applications are accompanied by maps of the Champion mine, and copies of a report by Mr. A. K. Guard.

Four copies of a memorandum report concerning cost estimates for proposed exploration work at the Champion mine, prepared by Mr. Tom Howard, U. S. Bureau of Mines.

Original and 3 copies of a geologic report on the Champion mine by Mr. Thor H. Kiilsgaard, U. S. Geological Survey, accompanied by 6 copies of a map showing proposed exploration work.

Mr. Joseph L. Ausich submitted application for a DMA loan on the Champion mine in 1951, which was denied in Washington, D. C. Mining operations conducted at the mine during the fall months of 1951 by Mr. Ausich offers considerable proof on the merits of the property; consequently, Mr. Ausich wishes to resubmit application for DMEA assistance.

The Champion mine was examined on March 15, 1952, by Mr. Thor Kiilsgaard, U. S. Geological Survey, who states that the mine warrants further exploration, and who recommends granting DMEA assistance to owners of the property.

Mr. Tom Howard, U. S. Bureau of Mines, has prepared a cost estimate of the exploration program as proposed by the applicant. Mr. Howard notes that as the applicant intends to carry on the exploration program in conjunction with mining operations, a Short Form "unit price for work performed" contract should be negotiated. The cost estimates given in Howard's report were discussed with Mr. Ausich, who has stated in a letter dated April 16, 1952, that the estimated unit costs meet with his approval. Mr. Ausich also advised the Examining Team that he would prefer a "unit price for work performed" contract, if his application was approved.

The Field Team concurs with the Examining Team, recommending that the subject application be given favorable consideration, and that a Short Form contract be negotiated using the cost estimates outlined in Mr. Howard's memorandum.

By DMEA Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

for Glenn A. Reed

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures.

cc: USBM
Spokane Regional Office, USGS

DMEA-2502

1201 N. Division St.
Spokane 2, Wash.
April 18, 1952

MEMORANDUM

To: M. E. Volin, Member, DMEA Field Team, Region II

From: T. E. Howard, mining engineer, Bureau of Mines

Subject: Cost estimate for exploration work proposed by J. L. Ausich, Champion Mine, Custer County, Idaho, Docket No. DMA 1091 (lead-zinc)

Application for Government assistance for the subject exploration work was made over a year ago and was denied by Washington prior to field examination. The applicant believes that additional information gained from mining operations carried on last summer offers further proof of the merit of the property, so he has resubmitted his application. The work, proposed to explore the ore zone about 185 feet below the present lowest working level, consists of enlarging and rehabilitating an estimated 150 feet of existing crosscut, driving an additional 650 feet of crosscut to intersect the ore zone, and drifting 200 feet in the zone.

I have not visited the property and it is reported that it will be inaccessible for another month due to weather conditions. Therefore, the following cost estimate is based on information obtained from USBM engineers who examined the property sometime ago, from Thor Kiilsgaard, USGS, who recently examined it, and from the application. As the applicant intends to carry on the exploration project in conjunction with mining operations, it is recommended that a short form "unit price for work performed" type contract be negotiated, if the application is approved.

COST ESTIMATE

Unit cost for breaking and mucking - average 4' advance/shift (7x5 cross-section

Labor and Supervision for 1 shift

2 miners @ $16.00	$32.00	
1/2 surface laborer @ $16.00	8.00	
1/2 supervisor @ $600/mo = 300/mo or	12.00	
Total	$52.00	per shift
+ 11% for FICA and other ins.	5.72	" "
	$57.72	per 4 ft. adv.

OPERATING EQUIPMENT

Furnished	Cost	Allowance for depreciation
1 - 315 cfm compressor	$8,000.	$133.33
1 - truck	2,300.	38.33
1 - jackhammer	300.	5.00
1 - drifter with column and arm	500.	8.33
1 - blower	440.	7.33
4 - cars @ $100/ea.	400.	6.67
1 - water tank	60.	1.00
1 - pneumatic saw	300.	5.00
1 - chain saw	300.	5.00
1 - air receiver	120.	2.00
		$211.99/mo.

$211.99 for 25 shifts = $8.48 per shift

Rented	*Rental	Allowance for depreciation
1 - Mucking machine	$ 300.	$ 50.00

*Rented but depreciation only allowed for unit price computations. It is estimated that about 10 months actual working time would be required to complete the project. During this period $3,000 would be paid as rental which is almost equal to the purchase price of the machine; therefore, it would be to the operator's benefit to buy it either outright or under a rental-purchase plan. As the Government's equity could not be recovered under a unit-price type exploration contract it is considered that an allowance for depreciation rather than the rental price should be used to determine the unit cost for work performed.

$50.00 for 25 shifts = $2.00 per shift

Supplies per 4-foot Round Broken

Powder - 40#	$ 9.60
Caps - 14 @ .0285	.40
Fuse - 112' @ .016	1.79
Bits - 500' per bit at $20/bit 70' of hole per round	2.80
Steel	1.00
Rail - 140.00 per ton	3.73
Fish plates, bolts, etc.	.25
Ties	.42
Power (gas, oil, diesel fuel, etc.)	13.00
Pipe	3.20
Repair parts	3.00
Total	$39.19

Engineering, sampling, assaying, accounting

$150 per month = $6.00 per working shift

Recapitulation - cost of breaking and mucking for 4 ft. advance - untimbered heading

Labor and supervision	$ 57.72
Operating equipment furnished	8.48
Operating equipment rented	2.00
Supplies	39.19
Engineering, sampling, assaying, accounting, etc.	6.00
	$113.39
+ 10% contingency	11.34
Total	$124.73

$\frac{124.73}{4}$ = 31.18 SAY $31.20 per foot of advance

Unit cost of installing timber (It is assumed that standing 3 sets or 15 lineal feet of timber, together with the extra work entailed in breaking and mucking the larger cross-section is equivalent in time required to breaking and mucking 1 - 4 foot round in an untimbered section.)

	For 15' of timber or 1 shift
Labor	$ 57.72
Operating equipment	10.48
Timber	23.00
Power	13.00
Engineering, sampling, assaying, accounting, etc.	6.00
	$110.20
+ 10% contingency	11.02
Total	$121.22 for 15 feet

$\frac{121.22}{15}$ = 8.08 SAY $8.10 per foot of timber

Unit cost for enlarging and rehabilitation
Untimbered section; assume 10' advance per shift.

Labor and supervision	$ 57.72
Track (rail, ties, splice bars)	11.00
Pipe	8.00
Equipment depreciation @ $262/mo.	10.50
Powder	6.00

Unit cost for enlarging and rehabilitation - continued

Untimbered section

Caps	.50
Fuse	1.00
Power	13.00
Repair parts	3.00
Bits and steel	3.00
	113.72
+ 10% contingency	11.37
Total	$125.09

$\frac{125.09}{10}$ = $12.51 per foot SAY $12.50

Timbered section; assume 5' advance per shift; remove old timber and install new.

Labor and supervision	$ 57.72
Track	5.50
Pipe	4.00
Equipment depreciation	10.50
Powder	3.00
Caps	.25
Fuse	.50
Power	13.00
Repair parts	3.00
Bits and steel	1.50
Timber	7.75
	$106.72
+ 10% contingency	10.67
Total	$117.39 for 5 feet

$\frac{117.39}{5}$ = $23.48 SAY $23.50 per foot

TOTAL COST OF PROJECT

1.	850 feet of drift and crosscut @ $31.20/ft.	$26,520.00
2.	300 feet of timber @ $8.10 per foot	2,430.00
3.	75 feet of enlarging and rehabilitation (untimbered) @ $12.50	937.50
4.	75 feet of enlarging and rehabilitation (timbered) @ $23.50	1,762.50
	Estimated Total Cost of Project	$31,650.00

EXPLORATION

Subject: DMEA-2502
Re: Exploration Loan
Champion Mine
April 28, 1952

Mr. Joseph L. Ausich
Box 281
Mackay, Idaho

My dear Mr. Ausich:

This will acknowledge receipt of your application dated March 24, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2502 and referred to the Operating Committee.

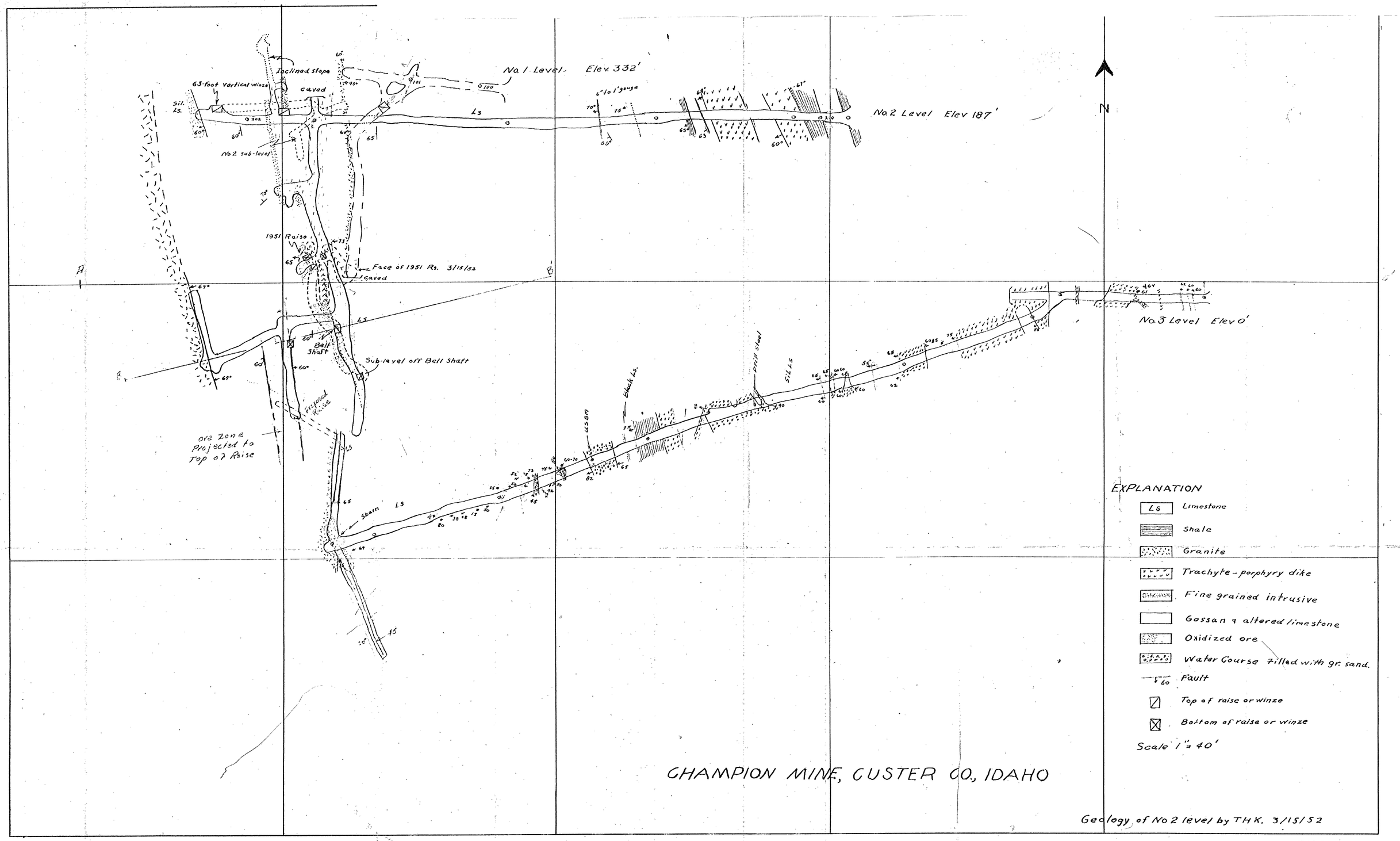
Kindly refer to DMEA-2502 in any future correspondence relating to your application.

Sincerely yours,

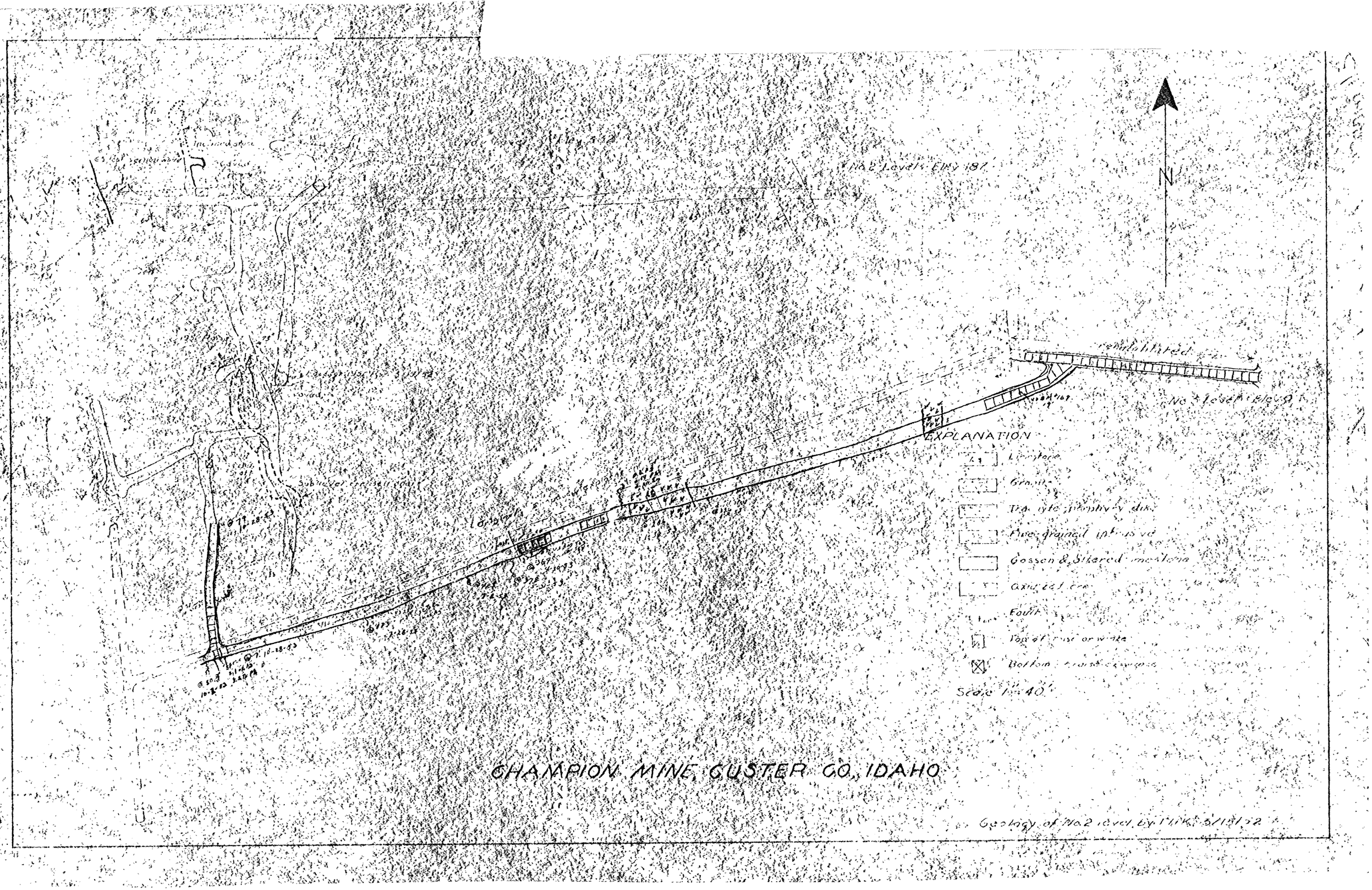
ROBERT E. ADAMS

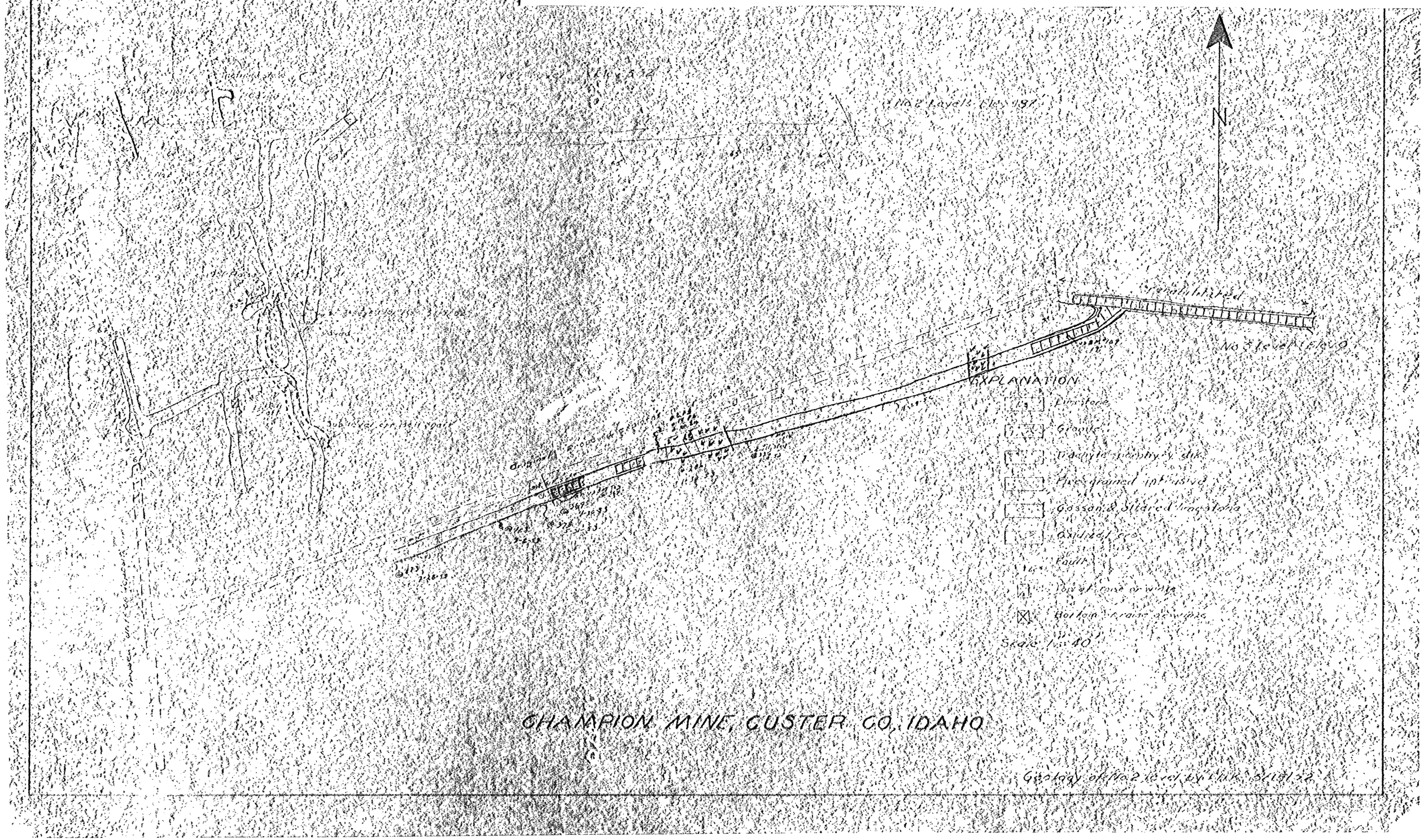
Robert E. Adams
Administrative Officer

7862


No. 1 Level Elev. 332'
No. 2 Level Elev 187'
No. 3 Level Elev 0'
N
Inclined stope
63-foot Vertical winze
Caved
No 2 sub-level
1951 Raise
Face of 1951 Rs. 3/15/52
Caved
Bell Shaft
Sub-level off Bell Shaft
Proposed Raise
Ore zone Projected to Top of Raise
Skarn
Black Ls.
Drill steel
Silt Ls.
EXPLANATION
Limestone
Shale
Granite
Trachyte-porphyry dike
Fine grained intrusive
Gossan & altered limestone
Oxidized ore
Water Course filled with gr. sand.
Fault
Top of raise or winze
Bottom of raise or winze
Scale 1" = 40'
CHAMPION MINE, CUSTER CO., IDAHO
Geology of No 2 level by THK. 3/15/52

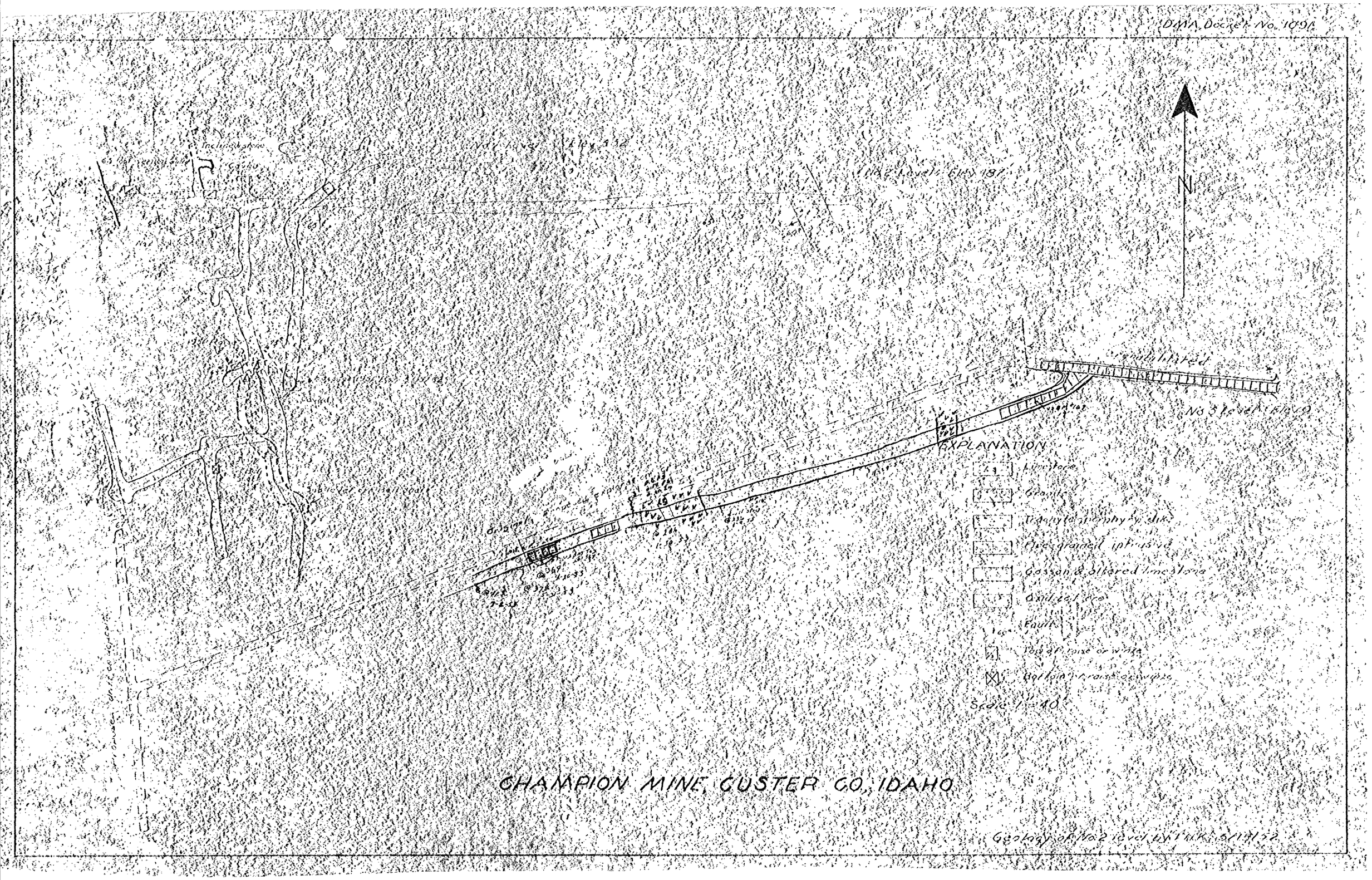
DMEA-2502


N
No 2 Level Elev. 187
rehabilitated
No 4 level Elev. 0
EXPLANATION
Limestone
Granite
Tra-lyte stringer-y dike
Fine grained intrusive
Gossan & Sheared limestone
Axis of fault
Fault
Top of rise or winze
Bottom of rise or winze
Scale 1" = 40'
Subnivel
CHAMPION MINE, CUSTER CO., IDAHO
Geology of No 2 level, by F.L.K. 5/15/52



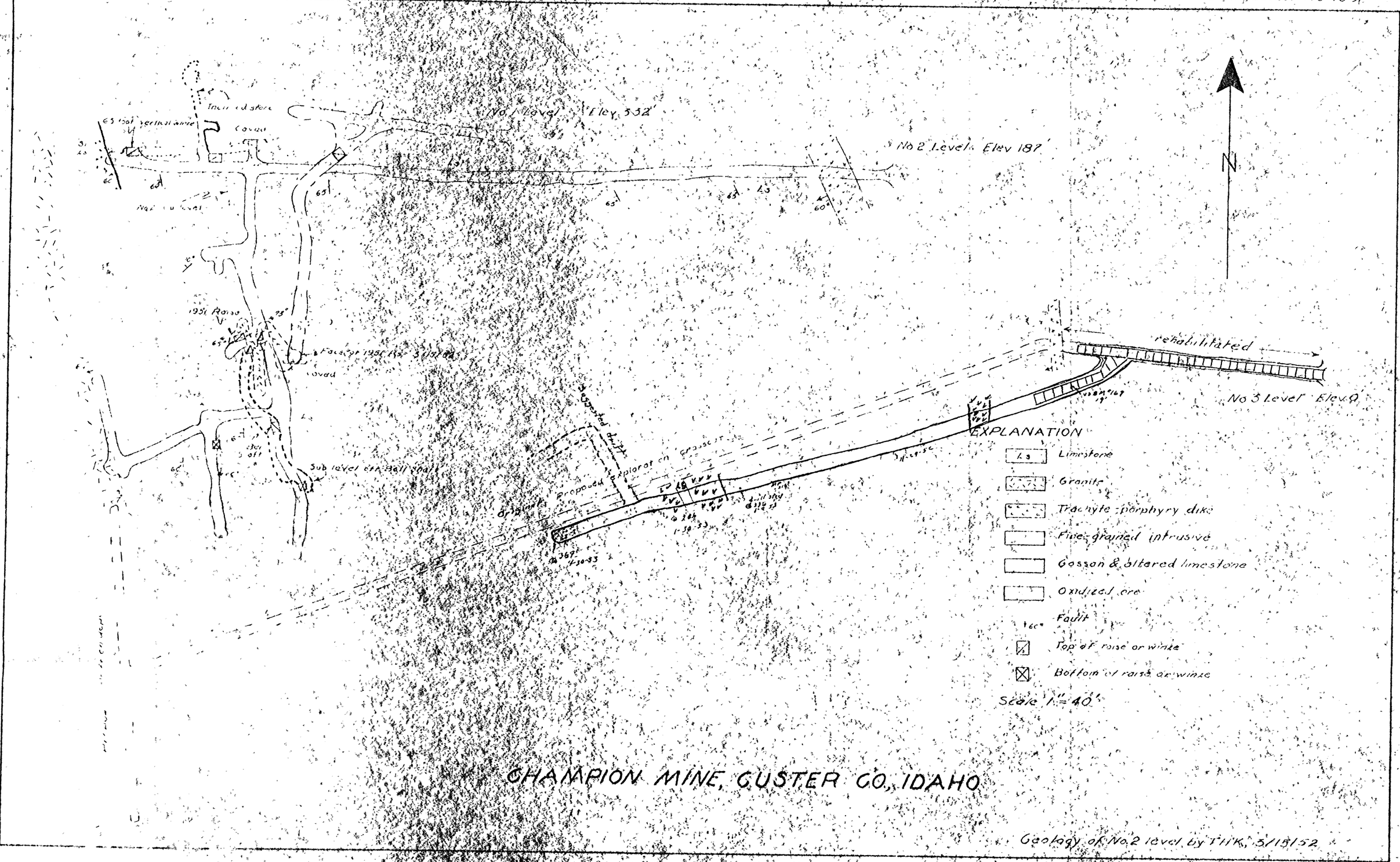
CHAMPION MINE, CUSTER CO., IDAHO

DMA Docket No. 1091



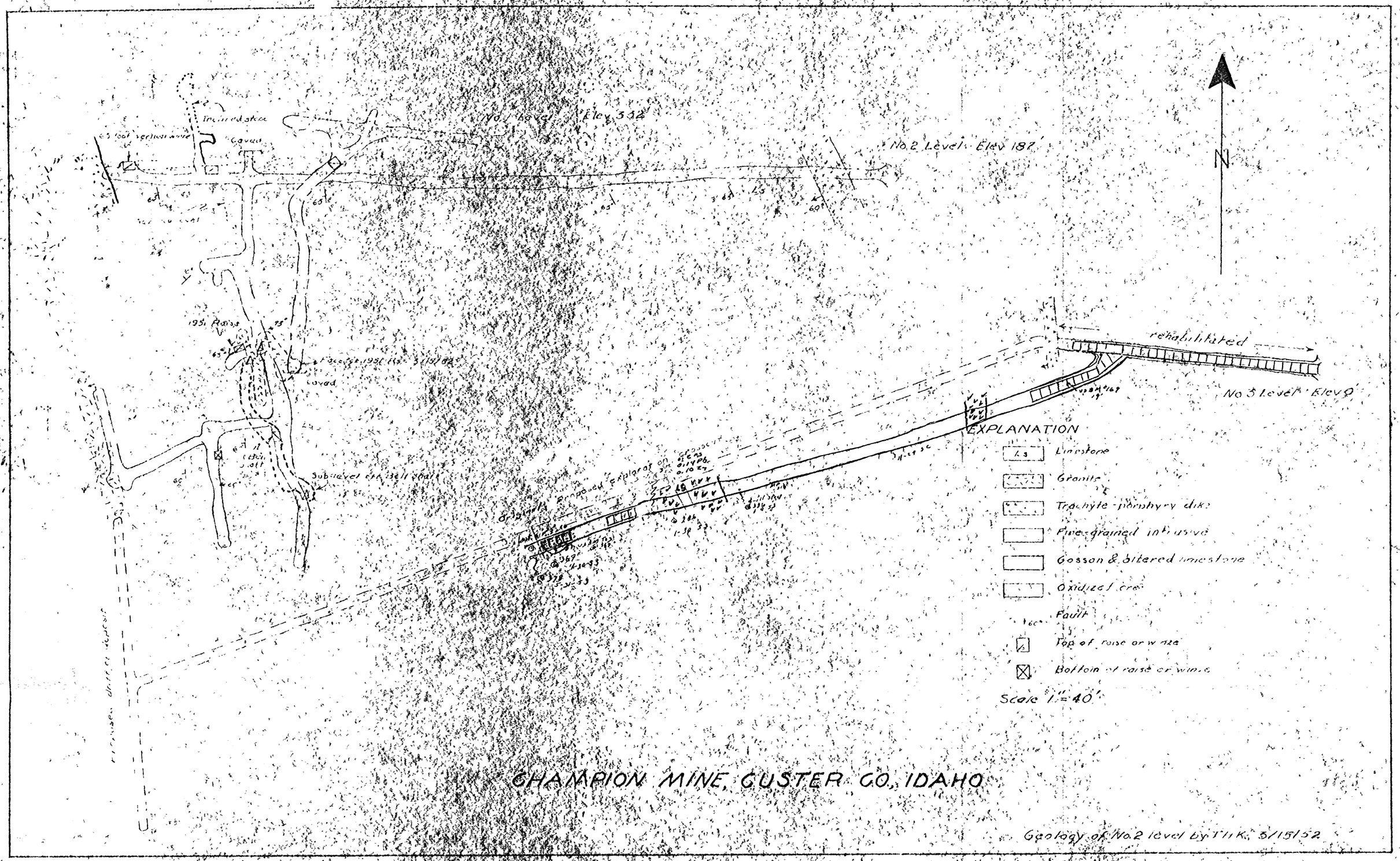
CHAMPION MINE, CUSTER CO., IDAHO

DMA Docket No 1091



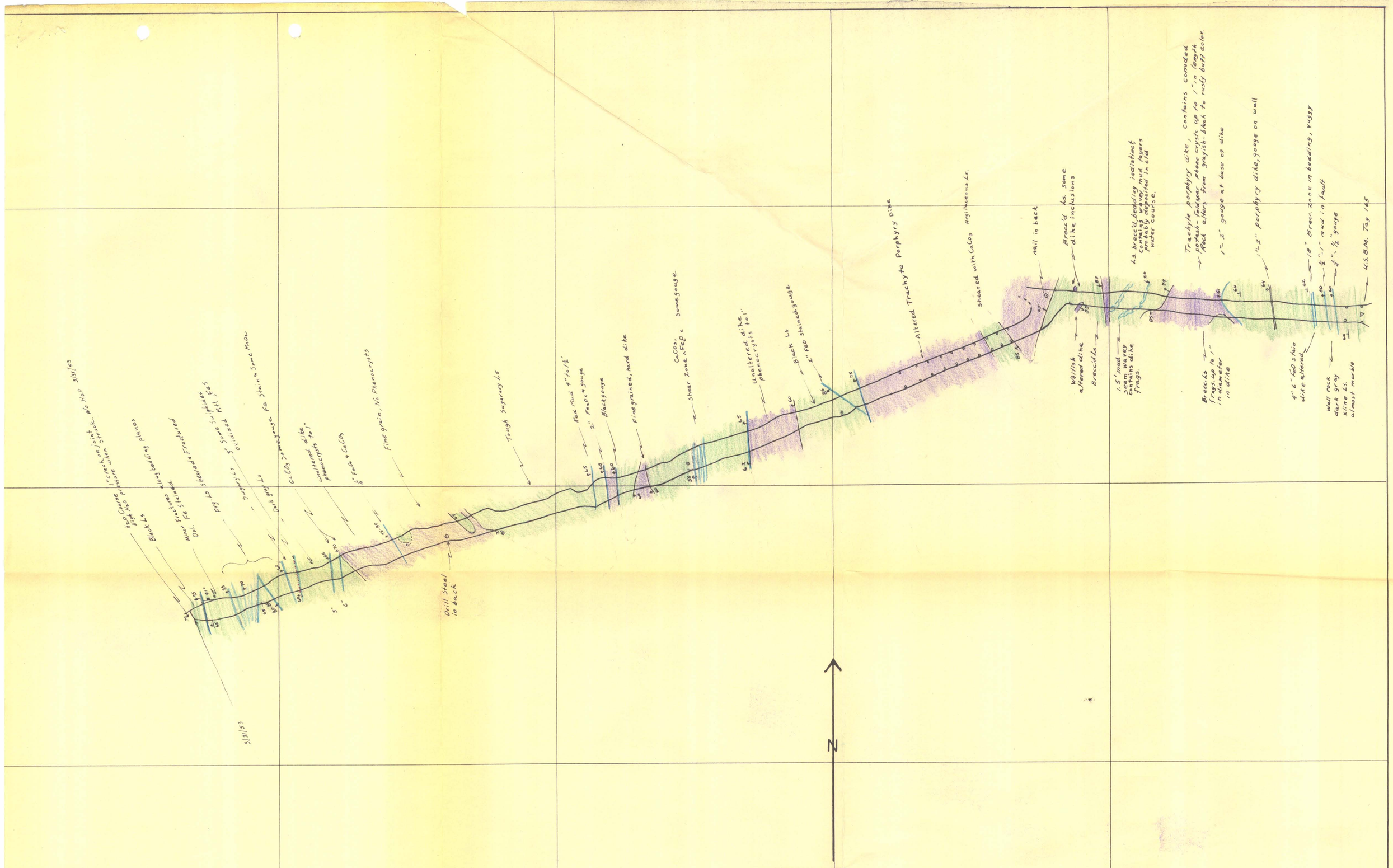
CHAMPION MINE, CUSTER CO., IDAHO

Geology of No. 2 level by T.H.K., 5/15/52



CHAMPION MINE, CUSTER CO., IDAHO

Geology of No. 2 level by T.H.K. 5/15/52



CHAMPION MINE

CUSTER COUNTY, IDAHO

DMEA ADIT

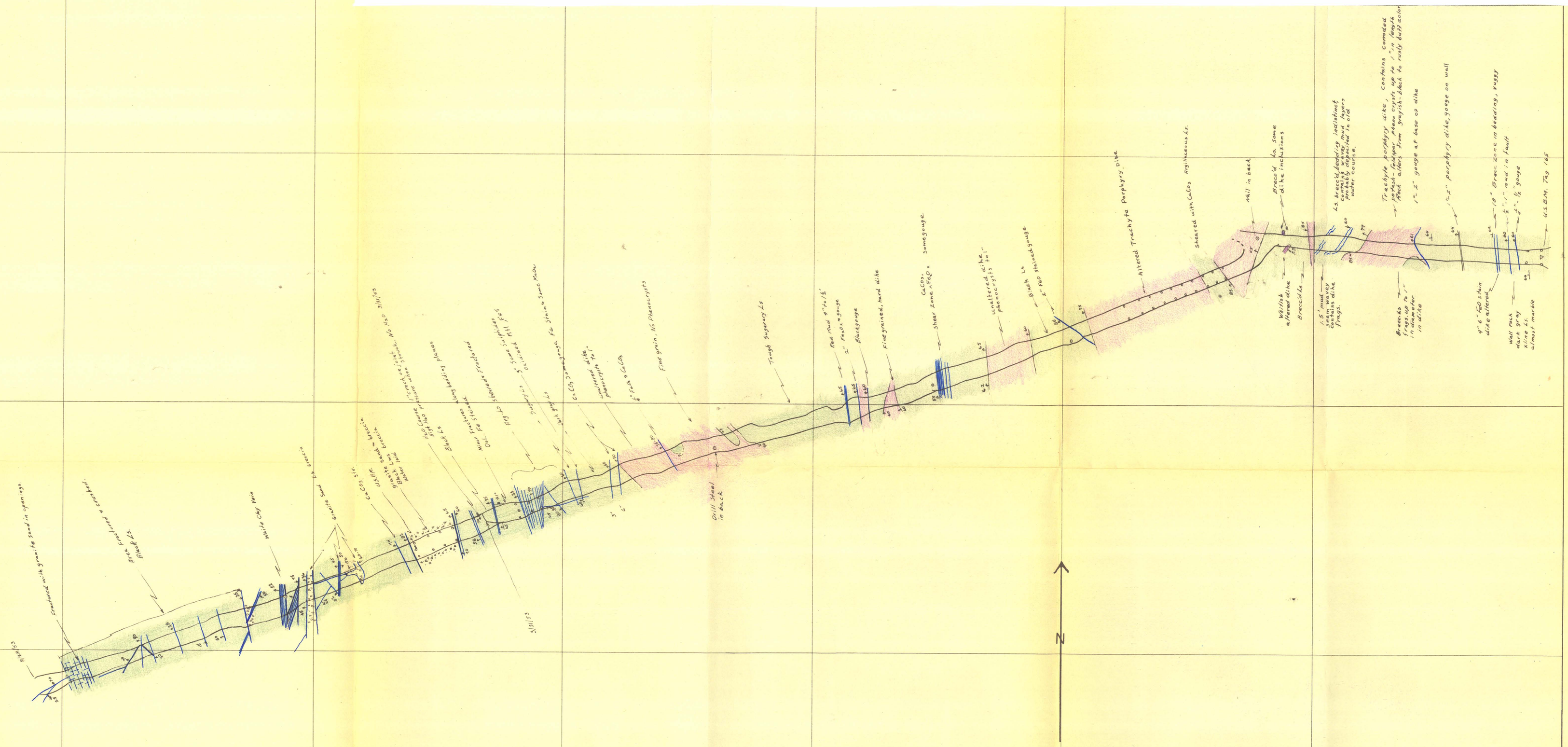
1" = 20'

— Limestone

— Dikes or Sills

U.S. Geological Survey

DMEA Docket No 1091 By TK & HDN

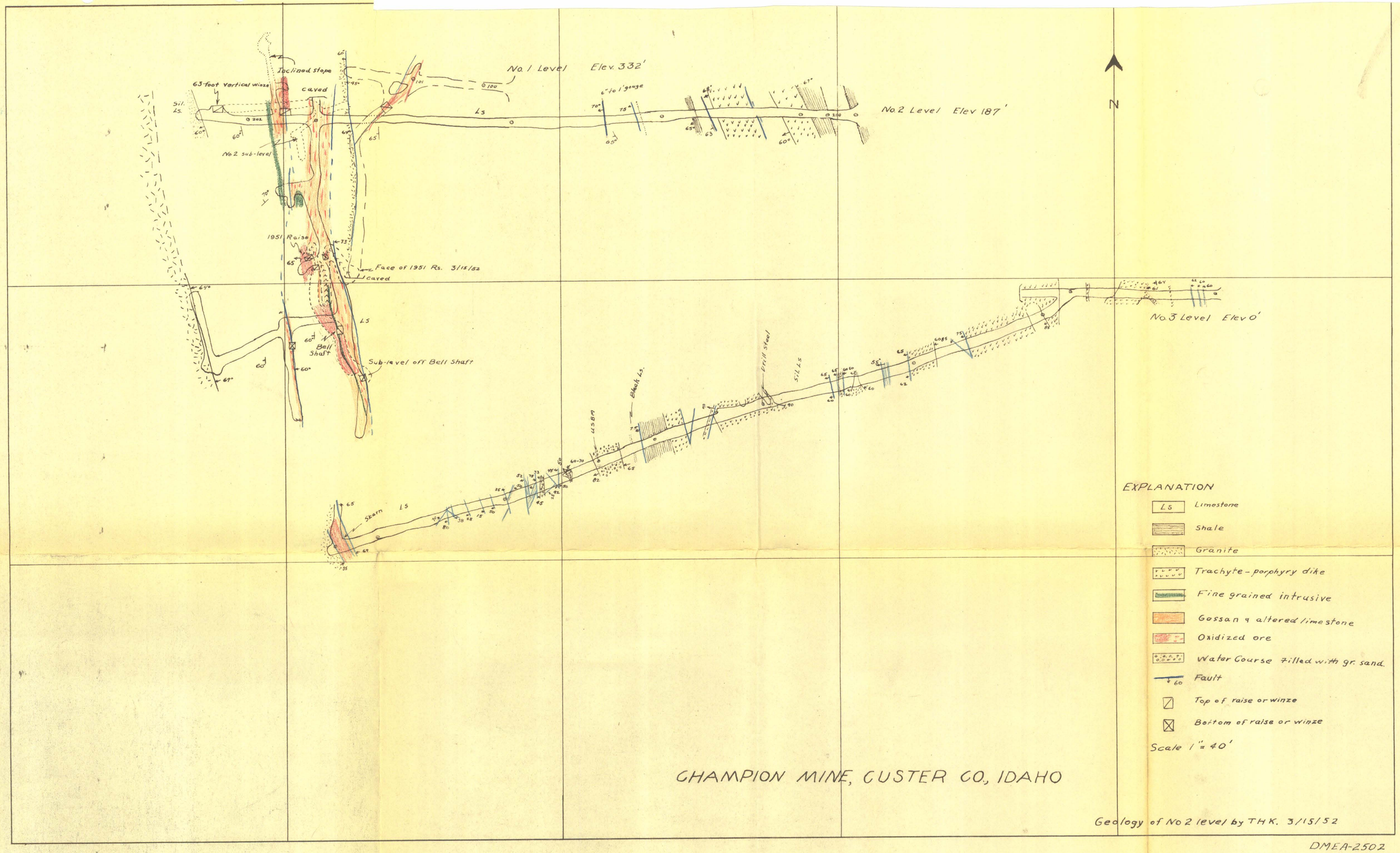


CHAMPION MINE

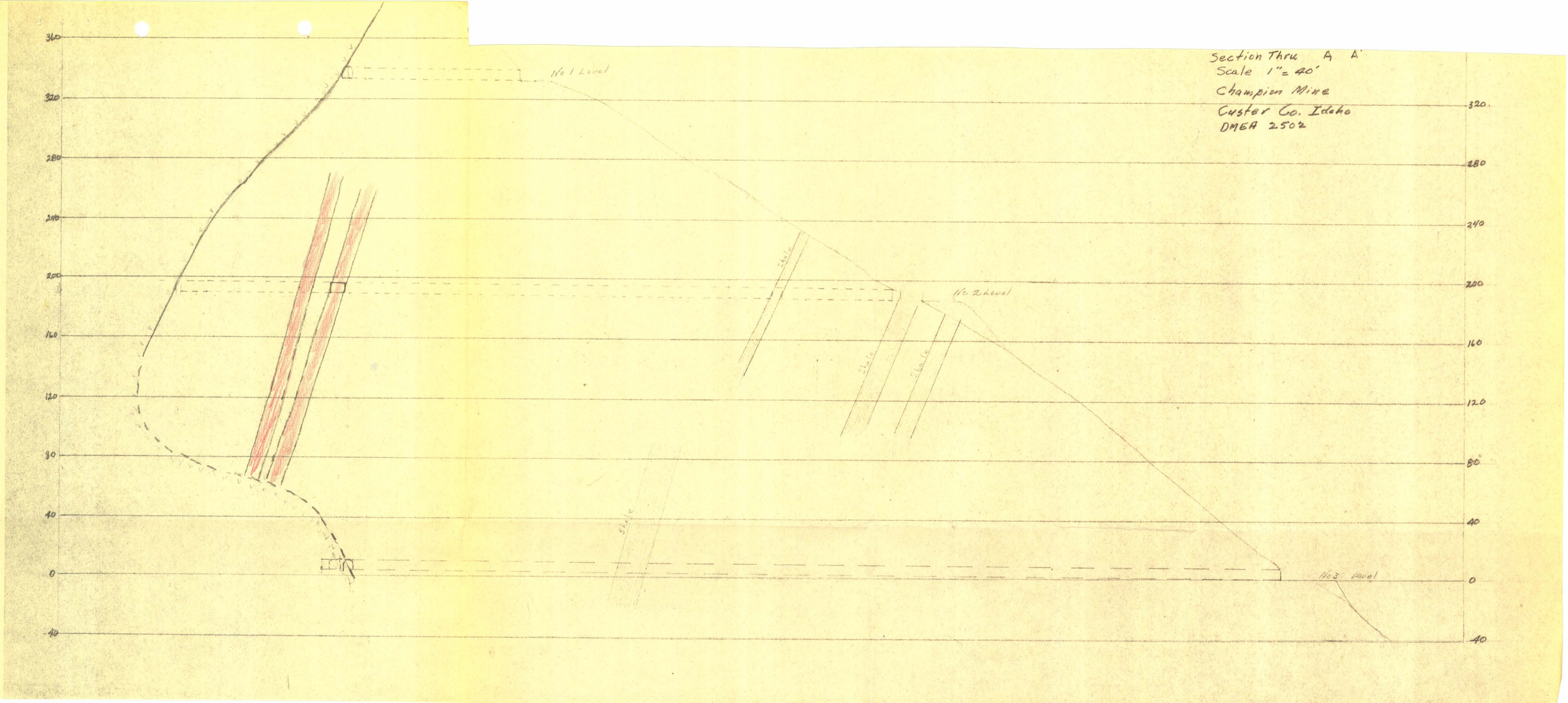
CUSTER COUNTY, IDAHO
DMEA ADIT
1" = 20'

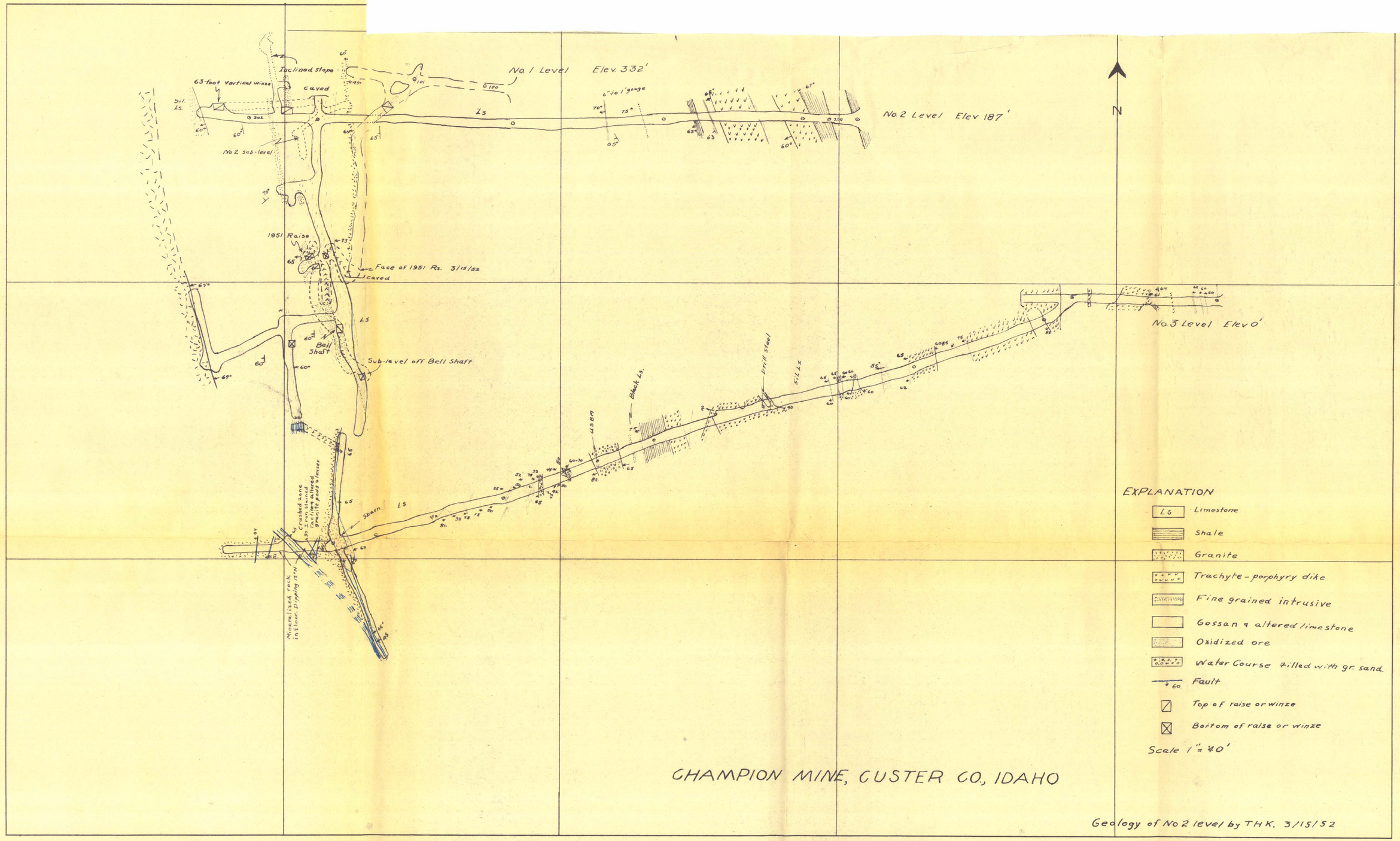
U.S. Geological Survey

DMEA Docket No 1091 By TK & HBK

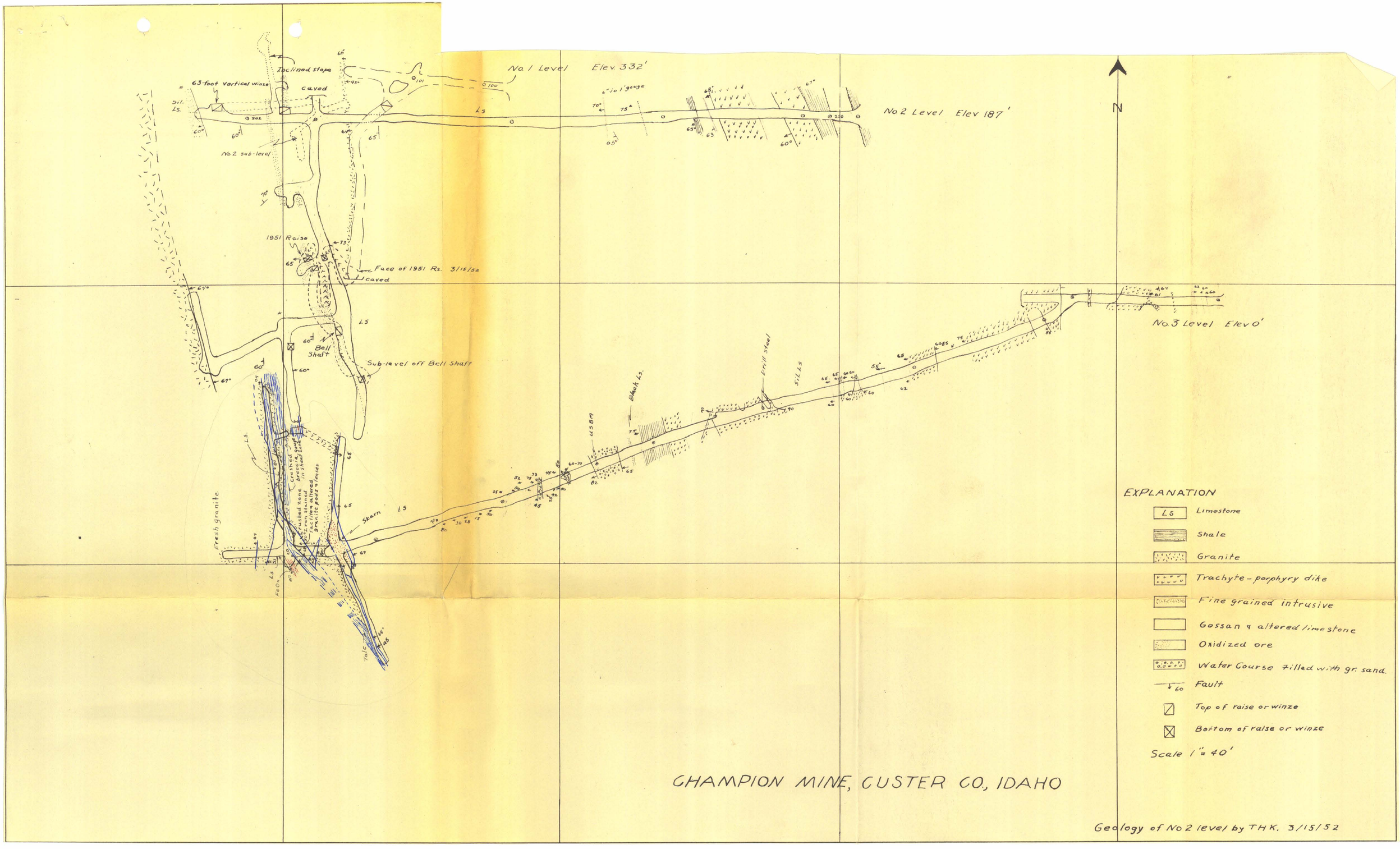

No. 1 Level Elev. 332'
No. 2 Level Elev. 187'
No. 3 Level Elev. 0'
N
Inclined Slope
63-foot vertical winze
Caved
Sil. Ls.
No. 2 sub-level
1951 Raise
Face of 1951 Rs. 3/15/52
Caved
Bell Shaft
Sub-level off Bell Shaft
Ls
6" to 1' gauge
Black Ls.
Drill steel
Sil. Ls.
Seam
EXPLANATION
Ls Limestone
Shale
Granite
Trachyte-porphyry dike
Fine grained intrusive
Gossan & altered limestone
Oxidized ore
Water Course filled with gr. sand.
Fault
Top of raise or winze
Bottom of raise or winze
Scale 1" = 40'
CHAMPION MINE, CUSTER CO., IDAHO
Geology of No 2 level by T.H.K. 3/15/52

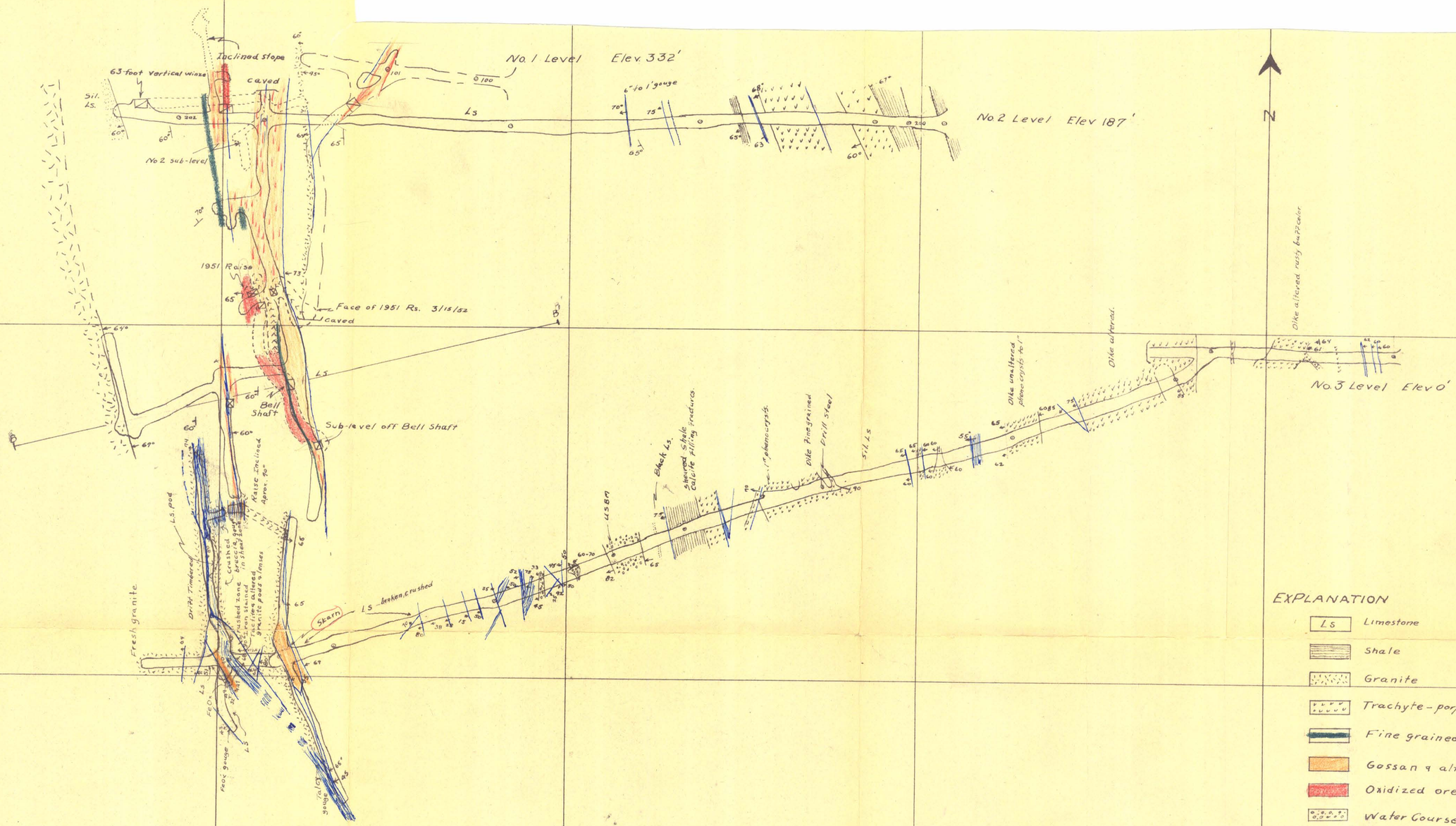
DMEA-2502


Section Thru A A'
Scale 1" = 40'
Champion Mine
Custer Co. Idaho
DMEA 250%
No 1 Level
No 2 Level
No 3 Level
Shale
Shale
Shale
Shale
360
320
280
240
200
160
120
80
40
0
-40


No. 1 Level Elev. 332'
No. 2 Level Elev. 187'
No. 3 Level Elev. 0'
N
Inclined Stope
63-foot Vertical Winze
Caved
No. 2 Sub-level
1951 Raise
Face of 1951 Rs. 3/15/52
Caved
Bell Shaft
Sub-level off Bell Shaft
Stern
Crushed zone
Mineralized rock in floor. Dipping 15°N
Black LS.
Drill steel
Sil. LS.
EXPLANATION
LS Limestone
Shale
Granite
Trachyte-porphyry dike
Fine grained intrusive
Gossan & altered limestone
Oxidized ore
Water Course filled with gr. sand.
Fault
Top of raise or winze
Bottom of raise or winze
Scale 1" = 40'
CHAMPION MINE, CUSTER CO., IDAHO
Geology of No 2 level by T.H.K. 3/15/52

DMEA-2502


No. 1 Level Elev. 332'
No. 2 Level Elev. 187'
No. 3 Level Elev. 0'
N
Inclined stope
caved
63-foot Vertical winze
Sil. LS.
No. 2 sub-level
1951 Raise
Face of 1951 Rs. 3/15/52
caved
Bell Shaft
Sub-level off Bell Shaft
Fresh granite
Crushed zone
Skarn
Talc
Drill steel
Black LS.
EXPLANATION
LS Limestone
Shale
Granite
Trachyte-porphyry dike
Fine grained intrusive
Gossan & altered limestone
Oxidized ore
Water Course filled with gr. sand.
Fault
Top of raise or winze
Bottom of raise or winze
Scale 1" = 40'
CHAMPION MINE, CUSTER CO., IDAHO
Geology of No 2 level by T.H.K. 3/15/52



EXPLANATION

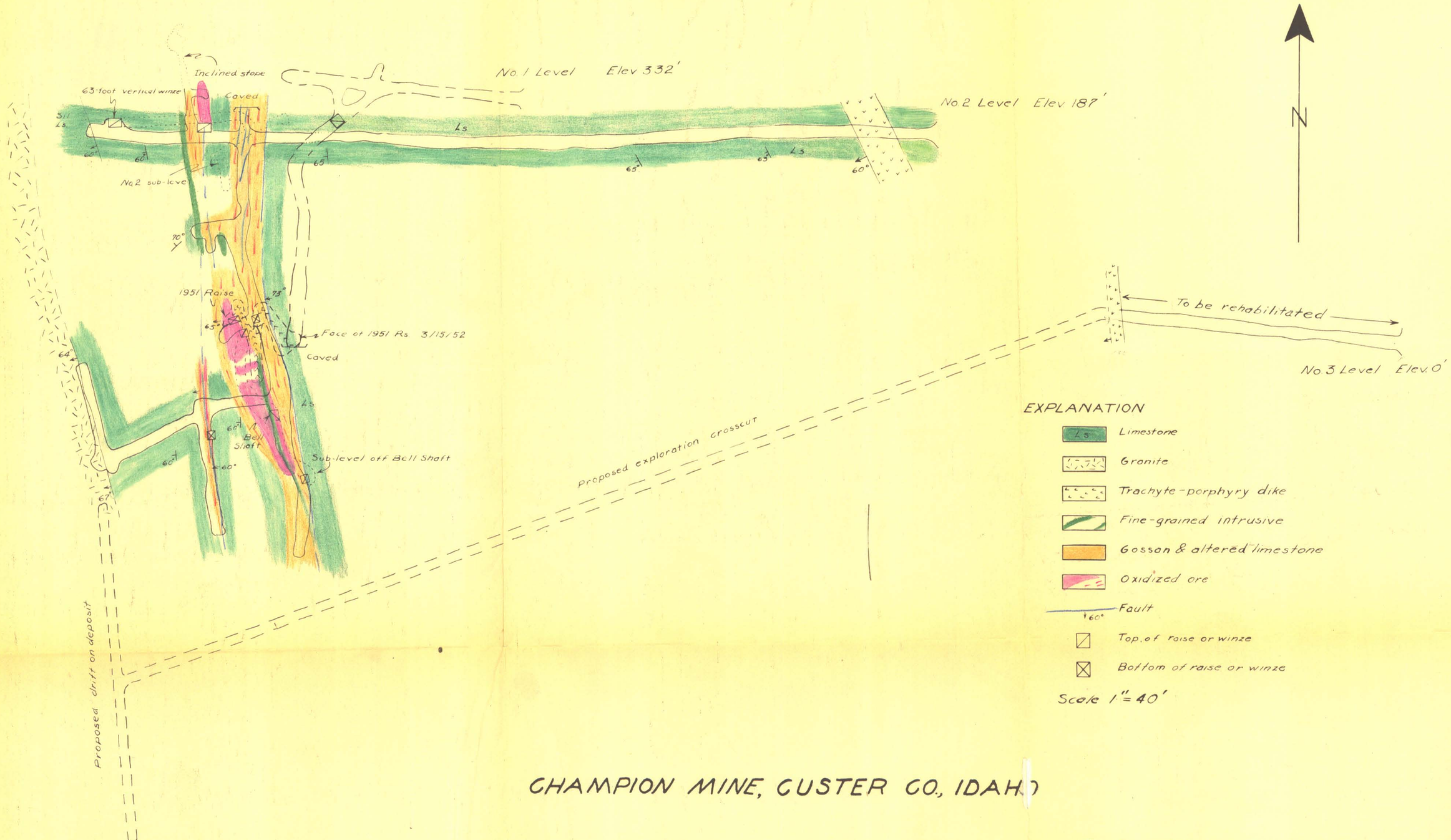
- Ls — Limestone
- Shale
- Granite
- Trachyte-porphyry dike
- Fine grained intrusive
- Gossan & altered limestone
- Oxidized ore
- Water Course filled with gr. sand.
- Fault
- Top of raise or winze
- Bottom of raise or winze

Scale 1" = 40'

CHAMPION MINE, CUSTER CO., IDAHO

Geology of No 2 level by THK. 3/15/52

DMEA-2502



CHAMPION MINE, CUSTER CO., IDAHO

Geology of No. 2 level by T.H.K., 3/15/52