MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/15/69		120
		220

AIRMAIL

Day Mines, Inc.
Attention Mr. Rollin Farmin
Manager of Mines
Box 1010
Wallace, Idaho 83873

APR 15 1969

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Gentlemen:

By the terms of the subject Amended Exploration Project Contract, as amended, and the certification under the Prior Contract (Idm-E6, Docket DMEA-106) and paragraph 4 of Annex II of the Amended Exploration Project Contract (Idm-E484), all minerals mined or produced from February 5, 1953, to February 5, 1969, were subject to the Government's royalty as set forth in said Amended Contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
Branch of Budget and Finance
OME docket
OME Reading File
OME Region I
130
Mr. Kirkemo

GLAult/a 4-15-69

IN REPLY REFER TO

Close 2/7/69

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
April 11, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
APR 14 1969

INITIALS	CODE
gla	120
HK	120
	220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

This refers to your memorandum of February 18, 1969, regarding production from the Hercules mine for the period April 19, 1963, to February 5, 1969.

I called the Bureau of Mines in Albany, Oregon, but Al Kauffman who usually gets production data for us was in a meeting. Accordingly, I submitted my request to the secretary in the records branch. My question was: "* * * production from Day Mines, Inc., Hercules mine * * *." I was given the production figures for 1964 and 1965 as shown in my letter of February 26, 1969, to Mr. Rollin Farmin.

Upon receiving the reply from R. H. Giles dated February 28, 1969, I got in touch with Kauffman who checked into the records and advised me that:

> "The 1964 production came from the Monitor mine according to smelter settlement sheets and was erroneously charged to the Hercules mine; the 1965 production was clean-up ore from the Farmin Lease."

According to the checked records of the Bureau, there was no production from the Hercules mine during the period in question.

D R MacLaren

D. R. MacLaren

DAY MINES, INC.
Box 1010
WALLACE, IDAHO 83873

February 28, 1969

Mr. D. R. MacLaren,
Field Officer, OME, Region I,
U. S. Court House, Rm. 656,
West 920 Riverside Avenue,
Spokane, Washington 99201

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine,
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. McLaren:

The production shown in your letter dated February 26, 1969 (attached), did not come as a result of any Day Mines' operation, and certainly not from the Hercules mine.

If you will give me the source of your information, I will be pleased to help you locate your error.

Sincerely yours,

R. H. Giles - Chief Engineer

RHG:KAE
Encl.

RECEIVED
MAR 5 1969
O. M. E.
SPOKANE, WASH.

OME (2)

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 1 1969
INITIALED
gla 130
~~120~~
220

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
March 6, 1969

Mr. R. H. Giles
Chief Engineer
Day Mines, Inc.
Box 1010
Wallace, Idaho 83873

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. Giles:

Upon receipt of your letter dated February 28, 1969, I had my source of information check their records.

It appears that there was a mutual misunderstanding as to the information requested and the information given. The production figures given in my letter of February 26, 1969, certainly did not come from the Hercules mine, making my letter unjustified and unnecessary.

Please accept my apologies for the error, and the inconvenience I unwittingly caused you.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

cc: OME(2) w/cpys incoming
CPF

Director's Reading File

Waiting for USBM report
Then MacLaren to answer
3/18/69 memo before closing

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ From February 21, 1968, to February 5, 1969, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. ~~Since~~ From February 21, 1968 to February 5, 1969, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Raymond H Giles Title Chief Engineer

Address Day Mines, Inc. Date February 28, 1969
Box 1010
Wallace, Idaho 83873

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

RECEIVED
FEB 21 1969
WALLACE, IDAHO

February 18, 1969

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Box 1010
Wallace, Idaho 83873

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1969

INITIALS	CODE
gla	130
HK	120
	220

Dear Mr. Farmin:

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

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-I

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/18/69		110
		220

FEB 18 1969

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

The expiration date of the subject contract is February 5, 1969. Please check with the U. S. Bureau of Mines on possible production from the property for the period April 19, 1963, to February 5, 1969, and advise.

FRANK E. JOHNSON (glr)
Frank E. Johnson

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
130 (2)

GLAult/a 2-18-69

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

February 15, 1968

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Box 1010
Wallace, Idaho 83873

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 26 1968

INITIALS	CODE
FEJ	110
JLH	130
	220

Dear Mr. Farmin:

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

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 1967**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [x]

2. Since **February 1967**, has there been any production from the land subject to the contract? Yes [ ] No [x]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since **February 1967**, has any production been transported through workings (see of contract)? Yes [ ] No [x]

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

Disposition of Material	Quantity	Value

Submitted by:

Name **R. H. Giles** Title **Chief Engineer**

Address **Wallace, Idaho** Date **February 21, 1968**

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **April 1966**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [x]

2. Since **April 1966**, has there been any production from the land subject to the contract? Yes [ ] No [x]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since **April 1966**, has any production been transported through workings (see Notice of Intent of contract)? Yes [ ] No [x]

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

Disposition of Material	Quantity	Value

Submitted by:

Name Raymond H. Gibson Title Chief Engineer

Address Box 1010 Wallace, Idaho. Date Feb. 23, 1967

2/21/67

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

February 16, 1967

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Box 1010
Wallace, Idaho 83873

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 27 1967

INITIALS	CODE
2/27 M	120 M
JEO	110
HR V	120 K
	220

Dear Mr. Farmin:

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

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMEA-2719
Idm-E484

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 1965, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since March 1965, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since March 1965, has any production been transported through workings (see of contract)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Rollen Farmin Title gen mgr

Address Wallace, Idaho Date 11 Apr 66

IN REPLY REFER TO:

90

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

April 5, 1966

Mr. M. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Box 1010
Wallace, Idaho

Re: **DMEA-2719 (Lead-Zinc)**
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

OFFICIAL COPY

Dear Mr. Farmin:

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

4/14/66 JM ~~120 JM~~ ~~FEJ 110~~ HK 120 K RMS 120 S 220

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

Sincerely yours,

FRANK E. JOHNSON
Frank E. Johnson
Chief, Office of
Minerals Exploration

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

March 9, 1965

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

M. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Wallace, Idaho

Dear Sir:

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operation

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 31 1965

INITIALS	CODE
ama	800
	~~100~~
JH	~~110~~
3/31	~~120~~
	~~120~~

220

MME Form 63
Revised 3-62

DMEA-2719
Idm-484

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **October 1963**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **October 1963**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Rollin Farmin Title Gen Mgr, Day Mines, Inc

Address Box 1010 Wallace Idaho Date 29 Mar 65

4511

Oct 15, 1964

2719

Mr. Henry L. Day
President
Day Mines, Inc.
Wallace, Idaho 83873

Dear Mr. Day:

We are enclosing three sets of our pamphlet on the OME program, OME Regulations, and application forms as requested in your letter of October 12, 1964.

For the present, no changes in the OME Regulations are contemplated, except that relating to the increase in Federal financial assistance from a maximum of 50 to 75 percent of the costs of exploration for silver, which became effective on September 30, 1964.

The limitation of $250,000 on Government participation in any single exploration contract and the requirement that evidence must be submitted to show that the needed funds are unavailable from commercial sources on reasonable terms are provisions under Public Law 85-701, which authorized the exploration program.

Legislation was introduced in the last session of the Congress to increase the limitation on the Government's participation to $500,000 in any single contract, to eliminate the provision for submitting evidence of unavailability of needed funds from commercial sources as well as the provision for payment of interest on the Government's contribution to costs, and to include financial assistance for related development. This proposed legislation expired when the Congress adjourned. However, we propose to introduce it again in the coming session of the Congress.

Sincerely yours,

Mr Johnson/Day
read in file

Acting Director

Enclosures

FEJohnson/bih (10/15/64)
cc to: Files
Dir. reading file
Mr. F.E.Johnson

500

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

October 16, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 28 1963

DATE	INITIALS	CODE
10/28		800
		100
10/28		~~110~~
10/29	Murphy	500
		220

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Wallace, Idaho

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Sir:

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

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

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **January 11, 1963**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **January 11, 1963**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Rollin Farmin Title Mgr of Mines, Day Mines, Inc

Address Wallace Idaho Date 25 Oct 1963

4511

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 10 1963

DATE	INITIALS	CODE
	Received	500
		220

So. 157 Howard Street
Spokane 4, Washington
May 7, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, Region I

Subject: DMRA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract I6m-2484

There are enclosed the originals of a Royalty Audit Certificate and a Royalty Audit Report, dated May 2, 1963, covering the subject contract for the period May 6, 1961, through April 19, 1963.

One copy of the certificate and report have been sent to the Operator and one copy of each retained in the Spokane office files.

D. R. MacLaren

Enclosures

DRMacLaren:ay

cc: OMM(2)
CAAA
CFF
Running copies to:
Nolan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
May 7, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 10 1963
DATE | INIT.

Mr. Rollin Farmin, Manager of Mines
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMMA-8719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-8484

Dear Mr. Farmin:

There are enclosed one copy each of a Royalty Audit Certificate and a Royalty Audit Report, dated May 2, 1963, covering the subject contract for the period May 6, 1961, through April 19, 1963.

Sincerely yours,

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

Enclosures

DRMacLaren:ny

CC: OME(2)
CAAA
CFP
Reading copies to:
Nelson
McKelvey

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/2	Fisher	800
		220

MAY 2 1963

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

The original and two copies of a Royalty Audit Certificate and Royalty Audit Report covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

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

In connection with this report and others to follow, I wish to express appreciation for the courtesies extended to Mr. Fisher during his visit to Region I. Your cooperation greatly facilitated his audit work.

Enclosures

CEFisher/ama 5-2-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

So. 157 Howard Street
Spokane 4, Washington
March 11, 1963

OFFICIAL FILE COPY O. M. E RECEIVED MAR 13 1963		
DATE	INITIALS	CODE
3/14	[illegible]	800
	Drawer	500
		320

Mr. Rollin Farmin, Manager of Mines
Day Mines, Inc.
Box 1010
Wallace, Idaho

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended contract Idm-[illegible]84

Dear Mr. Farmin:

We have just been advised that Mr. Clarence E. Fisher plans to visit Spokane and will make royalty audits in the Coeur d'Alene area on or about April 17 through April 19.

Sincerely yours,

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

DRMacLaren:my

cc: OME(2)
CFF
Reading copies to:
Nelson
McNalway

MME-FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	1/3/63	
2.		
3.		
4.		
5.		

FROM: Margaret Yourt for
D. R. MacLaren, Act. Fld. Offr., Region I

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions X Your information

REMARKS: Two copies of letter dated 12/27/62, from Rollin Farmin, Manager of Mines, Day Mines, Inc., re DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended contract Idm-E484

Reply to letter of December 21, 1962, Acting Field Officer to Mr. Farmin.

M56300-59

INT.-DUP. SEC., WASH., D.C.

DAY MINES, INC.

[illegible]

[illegible]

ORIGINAL FILE COPY

RECEIVED [illegible] 1983

DATE

48 Gas 800
Underwood 500

[illegible]

Mr. [illegible] R. MacLaren,
Acting Field Office
Office of Minerals [illegible]
[illegible]
Spokane, Washington

[illegible]
[illegible]
[illegible]
[illegible]

Dear Mr. MacLaren:

On March 1, 1983 we made final payment of royalty on all Hecla/Day lease [illegible] DMEA had approved. The order you refer to in your letter of December 20, 1982 was for [illegible] from stock gifters, and before the money was spent, it erroneously subject to DMEA royalty. Perhaps we should have notified [illegible] that this was the case. In any event, we [illegible] for lead smelter [illegible] and payable [illegible] on October 20, 1982.

All [illegible] Silver Hill and [illegible] are currently not subject to DMEA royalty and [illegible] Planer Strike not subject to royalty. Final [illegible] are expected about January 15, 1983, and we will make final payment shortly afterward.

Sincerely,

[illegible]

[illegible]
Manager of Minerals

RF:RAF
[illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 19 1961

DATE	INITIALS	CODE
6/19	gad	VVO
6/19	[illegible]	800
"	[illegible]	500
		500
		VVO

So. 157 Howard Street
Spokane 4, Washington
June 16, 1961

Mr. Rollin Farwin
Assistant Manager
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMMA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Ida-2404 (Amended)

Dear Mr. Farwin:

There is enclosed for your information and files a copy of a Royalty Audit Report and Certificate dated June 6, 1961, pertaining to the stockpiling and sale of lead and zinc concentrates produced from the Hercules mine located at Burke, Shoshone County, Idaho, for the period February 1, 1961, through May 3, 1961, under terms of the above-referenced contract dated December 6, 1956.

Sincerely yours,

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

Enclosure

MLMacLaren:mls
cc: Fiscal Section, Div. of Admin. Services
Office of the Secretary w/orig. Royalty Audit Report and Certificate

CAAA Div., OME
OME
Reading copies to:
Nolan
Hobbs
Guild

Ans 1/2

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 13 1961

DATE	INITIALS	CODE
3-13	gad	VVO
3/13	[illegible]	800
"	[illegible]	500
		220

No. 157 Everett Street
Spokane 4, Washington
March 7, 1961

Mr. Rollin Furmin
Assistant Manager
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMSA-8710 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract 14m-2424

Dear Mr. Furmin:

There is enclosed for your information and files a copy of a Report of Royalty Review dated February 6, 1961, for the purpose of determining the amount of royalty due the U. S. Government on the stockpiling and sales of minerals from property referred to as the Hercules mine located at Burke, Shoshone County, Idaho, during the period June 24, 1959, through January 31, 1961.

Sincerely yours,

R. R. McLaren
Acting Field Officer, OME
Region I

Enclosure

cc: Fiscal Section, Div. of Admin. Services
Office of the Secretary w/orig. Report of Royalty Review

CAAA Div., OME
OME(2)
Director
Rem. Geol.
BLM

One (3)

DAY MINES, INC.

WALLACE, IDAHO

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 20 1961

DATE	INITIALS	CODE
2-20	gad	200
2/21	[illegible]	800
"	[illegible]	500
		220

February 16, 1961

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
Office of Minerals Exploration
U. S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

Re: DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. MacLaren:

It will be ten days or more before we receive the balance of the smelter settlements covering recent Hercules shipments from the stockpiled lead concentrates which had been milled somewhat earlier. We will send you an adjusted royalty accounting as soon as the information is available, together with a second copy of the smelter settlement sheets as requested by your letter of February 13.

Very truly yours,

ROLLIN FARMIN
Manager of Mines

RF/f

One (3)

So. 157 Howard Street
Spokane 4, Washington
February 13, 1961

OFFICIAL FILE COPY
O. M. F.
RECEIVED FEB 15 1961

DATE		
2/15	Cor	210
2/15	"	800
"	Returned	500
		220

Mr. Hallie Farmin
Assistant Manager
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMMA-2729 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract ID-2404

Dear Mr. Farmin:

According to our records, each month from January to September 1958, inclusive, 75 percent of the royalty due the Government on the estimated smelter value of concentrates produced was paid. According to Henry L. Day's letter of August 13, 1958, to A. E. Weissenborn, Executive Officer, DMMA Field Team, Region I, and Mr. Weissenborn's reply of August 14, 1958, the balance of royalty due is to be paid as concentrates are sold.

On December 29, 1960, we received one unsalé copy each of settlement sheets for Mine Lots 1 through 19 and on January 24, 1961, for Mine Lots 20 through 32. Two copies of the settlement sheets are necessary for our records. Will you please submit a second copy of the settlement sheets and a royalty statement based on these shipments that will coordinate them with the 75 percent royalty payments already made.

Sincerely yours,

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

cc: DMM(3)
CFF
Director
Econ. Geol.
BAFM

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/7	gad	220

FEB 7 1961

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract Idm-E484

Attached are the original and two copies of a Report of Royalty Review on the subject contract. If you concur in the facts stated in the report, distribution should be made as follows:

(a) Original of the report to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington, 25, D. C.;
(b) One copy to the Operator; and
(c) One copy for your file.

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

Inasmuch as the records indicate that no production has been sold during the period covered by this review, all ore produced has been milled and stockpiled, and all operations were discontinued during September 1959, the execution of a MME Form 22, Check Sheet of Examining Engineer, has not been deemed necessary. The form executed by S. W. Zoldok on June 26, 1959, in connection with the Royalty Audit Certificate of the same date, is considered equally applicable to this review.

Attachments

EDTalbert/ama
February 7, 1961

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

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		110
		~~246~~
1-15	gad	220
		225

(Refer to attached for surnames) 246 1/15/60

JAN 15 1960

Mr. Henry L. Day, President
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Day:

By letter dated February 20, 1956, transmitting a certification of discovery or development, you were advised that production from the land under the original contract was subject to a percentage royalty until the Government's contribution was repaid, or until February 5, 1964.

We wish to call your attention to the fact that, under the terms of the subsequent Amended Contract, the Government's total contribution of $198,450.27 is repayable for a period of sixteen years from the date of the prior contract, or until February 5, 1969.

Remittances should continue to be made to the Executive Officer, OME Field Team, Region I.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

JWAlt/gla 1-11-60
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, USBM
Harold Kirkemo, USGS
Contract Adm. & Audit Division
OME Field Team, Region I (2)
Code 500
Docket
Chron

8623

MME Form 7
(10-58)

RECEIVED
JAN 11 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL FILE COPY

Date	Surname	Code
1/11/60		500
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1/12/60		140
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1/15		800
1/15		130
1/15/60		130
1/15/60		130
		110
		220
		225

File

Mr. Henry Harry L. Day, President
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: Docket No. IMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Day:

By letter dated February 20, 1956, transmitting a certification of discovery or development, you were advised that production from the land under the original contract was subject to a percentage royalty until the Government's contribution was repaid, or until February 5, 1964.

We wish to call your attention to the fact that, under the terms of the subsequent Amended Contract, the Government's total contribution of $198,450.27 is repayable for a period of sixteen years from the date of the prior contract, or until February 5, 1969.

Remittances should continue to be made to the Executive Officer, OME Field Team, Region I.

Sincerely yours,

Acting Director

JWAlt/gla 1-11-60
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, USBM
Harold Kirkemo, USGS
Contract Adm. & Audit Division
OME Field Team, Region I (2)
Code 500
Docket
Chron

43683

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

OFFICIAL BUSINESS

Mr. Harry L. Day, President
Day Mines, Inc.
Day Building
Wallace, Idaho

15

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

Mr. Harry L. Day, President
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Day:

By letter dated February 20, 1956, transmitting a certification of discovery or development, you were advised that production from the land under the original contract was subject to a percentage royalty until the Government's contribution was repaid, or until February 5, 1964.

We wish to call your attention to the fact that, under the terms of the subsequent Amended Contract, the Government's total contribution of $198,450.27 is repayable for a period of sixteen years from the date of the prior contract, or until February 5, 1969.

Remittances should continue to be made to the Executive Officer, OME Field Team, Region I.

Sincerely yours,

Acting Director

OME (3)

DAY MINES, INC.

WALLACE, IDAHO

DUPLICATE

November 12, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 23 1959		
DATE	INITIALS	CODE
11-23	gad	220
11/23	gad	800
11/24	[illegible]	500
		225

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

DMEA 2719 Hercules

Dear Sir:

This will affirm the fact that the last of the Hercules DMEA ore was milled and reported to you as production in September, 1959. No more ore will be produced from this project.

The lead and zinc concentrates from 1959 Hercules milling remain stockpiled at Burke and will be subject to final accounting when they are sold to the smelters.

Very truly yours,

Rollin Farmin

Rollin Farmin,
Assistant Manager.

RF:KAE
Encls.

RECEIVED
NOV 13 1959
U. S. G. S.
SPOKANE, WASH.

OME 2 v

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 27 1959		
DATE	INITIALS	CODE
8-27	gad	220
		120
8/27	EEF	800
8/28	Dreamer	~~500~~
		225

So. 157 Howard Street
Spokane 4, Washington
August 24, 1959

Mr. Rollin Farmin, Assistant Manager
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. IBMA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Farmin:

Thank you for your letter of August 19, 1959, concerning the ore reserves at the Hercules mine.

We see no need for any representative of the Field Team to visit the workings prior to their abandonment.

Sincerely yours,

A. B. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME(2) w/2 cys incoming
USBM(2)wo/cys incoming
Sample w/cy incoming

OME(2)

DAY MINES, INC.

[illegible], Idaho

August 19, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 27 1959		
DATE	INITIALS	CODE
8-27	gad	2710
		1710
8/27	[illegible]	800
		500

Mr. A. E. Weissenborn
Executive Officer, OME
Field Team, Region I
So. 157 Howard Street,
Spokane 4, Washington.

Re: Docket No. DMEA 2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Weissenborn:

Your letter of August 11, 1959 requests our December 31, 1958 ore reserve estimate on the Hercules DMEA mine block and any significant changes since then.

The ore reserve now stands at zero because we have just completed extraction of all of the commercial ore in the lower part of the mine and now are removing the last of the broken ore and salvaging equipment preparatory to allowing the mine to fill with water.

Ore breaking terminated August 14, 1959, but milling will continue for several weeks. If members of the Field Team wish to visit the workings they should plan to arrive within the next week.

Very truly yours,

Rollie Farmin,
Assistant Manager

RFMAE
cc WDF

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 14 1959

DATE	INITIALS	ACTION
8-14	[illegible]	[illegible]
8/14	[illegible]	[illegible]
8/17	[illegible]	[illegible]

[illegible]

Bx. 177 Howard Street
Spokane 1, Washington
August 11, 1959

Mr. [illegible] L. Day, President
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: Docket No. [illegible] (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. [illegible]

Dear Mr. Day:

On August 6, 1959, Mr. S. V. Zoldak of the [illegible] had a discussion with Mr. Earth M. Crosby, Chief Geologist, about the problems developed under the referenced project.

It is Mr. Zoldak's understanding that any reserves at [illegible] that are reported at the end of every calendar year.

We would appreciate receiving a copy of the [illegible] reserves report of December 31, 1958. We would also appreciate it if [illegible] would advise us from time-to-time of any significant changes in the [illegible] reserves.

Sincerely yours,

A. E. Weinzheimer
Executive Officer, OME
Field Team, Region I

[illegible]

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/1	C	220
	wpty.	500
		225

JUL 1 1959

Memorandum

To: Mr. Clarence E. Fisher, OME Auditor

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

Subject: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Contract No. Idm-E484

Your Royalty Audit Certificate and Report on the subject contract is acceptable and normal distribution is authorized after changing the date "February 3, 1953" at the end of the 2nd line, last paragraph, page 1 of the report, to "February 5, 1953". This correction has been made in the Washington copies.

EDTalbert/ama
July 1, 1959

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

43683

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 11 1958		
DATE	INITIALS	CODE
12/11	C	220
12/11	[illegible]	800
12/16	[illegible]	500

So. 157 Howard Street
Spokane 4, Washington

December 9, 1958

Day Mines, Inc.
Day Building
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc., Hercules Mine
Shoshone County, Idaho
Contract No. Idm-2484

Gentlemen:

Enclosed for your information and files is a copy of a Report of Review dated November 14, 1958, for the period March 1953 to June 1958, inclusive, covering an exploration project for lead and zinc at the Hercules Mine.

The audit discloses that there is a balance due your company in the amount of $950.63, which you probably have received by now.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME (2)
USBM (2)
USBM(AD)

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 11 1958

DATE	INITIALS	CC.
12/11	C	220
12/14	[illegible]	200
12/16	[illegible]	500

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
OFFICE OF MINERALS EXPLORATION
1201 N. Division St.
Spokane 2, Washington

December 1, 1958

Mrs. Dorothy F. Long, Certifying Officer
OME Field Team, Region I
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA-2719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Contract No. Idm-2484 (Amended)

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement on August 29, 1958, effective as of August 10, 1958. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

Certification made under the Prior Contract is applicable to this Amended Contract.

A final Report of Review dated November 14, 1958 by OME Auditor George Mavor has been received.

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

Sincerely yours,

A. E. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)✓
USGS (2)
Contract Admin. (2)
Docket

alh

OFFICE OF MINERALS EXPLORATION
1201 N. Division St.
Spokane 2, Washington

December 1, 1958

Mrs. Dorothy F. Long, Certifying Officer
OME Field Team, Region I
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA-8719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Contract No. Ida-8424 (Amended)

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement on August 29, 1958, effective as of August 10, 1958. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

Certification made under the Prior Contract is applicable to this Amended Contract.

A final Report of Review dated November 14, 1958 by OME Auditor George Mayor has been received.

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

Sincerely yours,

A. E. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)
Contract Admin. (2)
Docket

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0377

FINAL REPORT

Docket No. DMEA - 2719 (lead-zinc)
Hercules Mine, Shoshone County, Idaho

Contract Idm - E484

I. SUMMARY OF THE PROJECT

Day Mines, Inc., owner and operator of the Hercules Mine at Burke, was given a contract February 5, 1953, to conduct an exploration project (see attached maps) which involved:

I. Recapturing the old bottom of the Hercules shaft, ± 70 ft.

II. Deepening the shaft for a new 1600 ft. level, ± 330 ft.

III. Cutting pocket, station, sump and tail drift at 1600 level.

IV. Installing pumps, chute gates, blowers, electrical fixtures, etc.

V. Crosscutting 1000 feet to the Hercules Vein.

VI. Drifting 1600 feet along the Hercules Vein.

VII. Raising 320 feet on the vein from 1600 to 1300 level.

Shaft rehabilitation was begun February 19, 1953; the sinking followed shortly thereafter. 1600 level drifting commenced October 15, 1953 and was completed in June, 1954. The raise from 1600 to 1300 level continued until November 27, 1954 for completion.

Amendment No. 1, (May 3, 1954) allowed additional drifting prior to raising.

Amendment No. 2, (November 10, 1954) provided for 650 feet additional west drift, for the completion of the raise to 1300 level and extended the time to August 5, 1955. It also increased the diamond drilling to 2000 feet.

Amendment No. 3 provided for a total of 3,505.8 feet of drifts and crosscuts on 1600 level and for an additional 2000 feet of diamond drilling subsequent to April 6, 1955.

A "Certification of Discovery or Development" was issued February 20, 1956.

The Project was amended on December 6, 1956, for Stage II work, which involved sinking a two-compartment vertical winze from the 1600 level Rambler drift and developing the vein 300 feet lower on a new 1900 level. This raised the total cost of the project to an allowable $415,250.00 and extended the program until December 5, 1958.

Stage II sinking was completed in November, 1957, and drifting and test drilling on 1900 level continued through May, 1958, and the final work of test drilling on 1600 and 1750 level was completed during June, 1958.

II. UNIT COSTS AND PROGRESS (Subject to Audit)

Stage	Operation	Cost	Units Completed	Unit Costs	Units Authorized
II	1900 Level Pocket	$ 1,645.	35.	$ 47/ft.	35.
I & II	Drifting & Crosscutting	204,869.	4,268.1	$ 48/ft.	4,575.8
I	Raising	23,135.	330.5	$ 70/ft.	330.5
I	Shafts	62,600.	313.	$200/ft.	313.
II	Head Raise	5,550.	75.	$ 74/ft.	75.
II	Head Pocket Raise	2,100.	50.	$ 42/ft.	50.
I	Drilling, core	4,492.	1,361.5	$ 3.30/ft.	1,361.5
I	Drilling, core	2,702.	772.	$ 3.50/ft.	2,000.
II	Drilling percussion	1,901.	1,267.5	$ 1.50/ft.	1,600.
II	1600 level Station	1,200.	1,600.	$ 0.75/ft.	1,600.
I	Shaft Station	4,030.	6,200.	$ 0.65/cu.ft.	6,200.
I	Sumps and Pits	8,586	6,456	$ 1.33/cu.ft.	6,456.
II	1900 Station	2,340.	2,600	$ 0.90/cu.ft.	2,600.
I - II	Timbering	1,230	246	$ 5.00/ft.	446.
II	Rockbolts	252.	63	$ 4.00 ea.	250.
II	2 cpt. Winze	55,125.	350	$157.50/ft.	350.
	Total distributed costs	$381,757.53			
I	Initial rehabilitation	8,123.00			
II	New Buildings, Improvements	7,020.00			
	TOTAL COSTS	$396,900.53			

III. GEOLOGY OF THE HERCULES DMEA PROJECT #2719.

The Hercules mine is located in the northeast corner of the Coeur d' Alene Mining District, about $1\frac{1}{2}$ miles north of the town of Burke, Idaho. The orebody occurs in the Prichard Formation, oldest of the Algonkian-Belt Series, primarily as a fissure filling but with important amounts of wall rock replacement. The vein, which transects the axis of a south-trending synclinorium, has a general east-west strike and a steep south dip. The mine is in a block of ground bounded on the east by the O'Neil Gulch fault and on the west by the monzonite of the North Gem Stock. Details of the occurrence have been published in Mining Engineering, December, 1953. The work of the DMEA Project 2719 was carried on within the west limb of the syncline, extending westward from the synclinal axis to the monzonite.

Unwatering the old mine, shut down since April, 1925, was started in 1947. The results of subsequent work on the bottom levels at the west end of the mine encouraged serious consideration of the possibilities for the depth extension of the Rambler orebody. In February, 1953, work was started under a participating agreement with DMEA in the bottom of the main shaft for the purpose of developing the 1600 level. At the completion of station and tail drift excavations on the new level, a crosscut bearing S. $83\frac{1}{2}°$ West was driven to intersect the vein, the footwall of which was cut at 780 feet. The crosscut was continued on line to expose the hangingwall, but the heading was stopped at 860 feet west of the shaft where very hard grunerite-magnetite-pyrrhotite vein material interrupted normal progress. Where the vein was first encountered it has a footwall zone 4 to 5 feet wide of strong shears and gouge typical of the vein in many places throughout the mine. The crosscut from this point forward exposes a zone of veins and stringers of grunerite, magnetite, pyrrhotite, garnet and biotite for a total width (measured normal to the strike) of 45 feet.

The country rock in the shaft and crosscut is medium to thin-bedded argillite and argillaceous quartzite. As can be seen on the accompanying Composite Plan, the beds are essentially flat indicating a broad, flat synclinal trough. The rocks are fresh in the footwall of the vein structure, but are metamorphosed to various degrees of hornfels within the mineralized zone.

Three diamond drill holes totalling 1,365 feet of length probe the vein zone south of the crosscut. This work disclosed a zone of mineralization from 80 to 95 feet in width consisting of one ore more veins,

associated stringery mineralization and very irregular, sparse, dissemination of quartz, sphalerite and galena scattered among the stringers. The massive mineralization is very irony.

Drifting was resumed about 80 feet from the abandoned crosscut face along the footwall of the vein structure. The average strike of the vein east of footwall to this point is about N. 70° West but in the next 300 feet the strike of the footwall swings toward the south to join the hangingwall shears at about 1,080 feet from the shaft. Beyond the junction the average strike of N. 70° West prevails to the Mercury fault, which was intersected at 1,615 feet west of the shaft. The last 535 feet of this advance is characterized by barren, confined fault zone from 2 to 24 inches wide. Occasionally lenses of irony mineralization are found within the shear zone, and are themselves sheared by post-mineral movements along the vein structure. No commercial amounts of galena and sphalerite were developed east of the Mercury fault. About 50 feet east of the junction mentioned above a small occurrence of disseminated sulfides outside the footwall structure was noted. This material was sampled and found to average across 4.6 feet, 0.6 ounces of silver per ton, 0.9 per cent lead and 0.2 per cent zinc.

The Mercury fault, with a strike of N. 15° East and 75° east dip, offsets the vein structure 265 feet to the right. The fault is made up of several narrow gouge seams on either side of 1 foot of gouge which marks the main structure. Near the footwall is a narrow basic dike found also near the fault on other levels. The strike of the vein on the west side of the fault has been changed to east-west by a 20-degree counterclockwise rotation of the block.

West of the Mercury fault the heading was again on line (N. 27° W) for 250 feet to the offset segment of the vein. In this crosscut the Prichard rocks show the first definite upturn to east dips (25° to 30°) marking the west flank of the syncline.

The offset segment of the vein was intersected at the east limit of what is known as the Rambler vein having been so named from earlier work on the 1000 level in the Rambler claim. The strike of the vein, as mentioned above, is east-west, and the dip is 72° south. The vein was followed from this point for a distance of 745 feet where the heading was temporarily stopped while the previously-started 378 raise was connected to the 1300 level. The raise, collared 30 feet west of the crosscut, followed from 4 to 6 feet of vein material consisting of grunerite, magnetitie, pyrrhotite,

garnet and biotite with some galena and sphalerite in the lower portion. In the drift, ore was followed along the strike for a distance of 60 feet west of the crosscut, and cut samples here average 3.8 feet wide, 2.4 ounces of silver per ton, 5.8 per cent lead, and no zinc. The raise developed ore 50 feet above 1600 level which averages 4.6 feet wide, 3.5 ounces of silver per ton, 8.3 per cent lead, and 0.4 per cent zinc. This short oreshoot has since produced a limited tonnage of fair ore.

West of the raise, drifting exposed an irregular vein varying in width from 4 to 5 feet of massive hard irony material to similar widths of narrow stringers a few inches wide consisting of the same material. Shearing along the vein walls is a common feature, but not always prominent. In the weakly mineralized, stringery parts of the vein shearing is weak or lacking. Transverse faults are numerous, but do not offset the vein more than half a drift width. About 530 feet west of the crosscut the strike of the vein changes abruptly from east-west to S. 65° West, and within the next 200 feet swings through an arc of 90° to a strike of N. 35° West. At this point another abrupt strike change takes place as the vein with a strike of N. 35° West swings into and abruptly joins the main vein with a strike of S. 75° West. This general area is referred to as the "knot" and is recognized as being related to similar occurrences on upper levels. None of these "knots" however, projects into another, and for the present might be considered distortions of the early vein fracture. The effect of the initial drifting into the knot was to expose its hanging wall. Later work developed its shape as shown on the 100-scale Composite Plan Map. A marginal oreshoot was developed by this work and subsequent raising. Samples cut from the vein in 145 feet of drift average 5.3 feet wide, 1.1 ounces of silver per ton, 2.8 per cent lead, and 4.6 per cent zinc.

To this point work has been covered by the original DMEA contract. Company work in the area of the "knot" just described justified Amendment No. 1, and drifting westward was resumed along the main vein on a strike of S. 75° West. Though better than average ore was developed in the first few rounds of the new drifting, the vein became progressively impoverished to the 200-foot point where the strike had swung to S. 45° West. Test holes disclosed the presence of excellent ore 10 feet in the footwall, and this oreshoot was subsequently developed over a length of 215 feet, samples from which average 4.4 feet wide, 2.1 ounces of silver per ton, 4.5 per cent lead and 14.0 per cent zinc. Raising on this oreshoot proved a limited vertical extent of excellent ore. In the drift this oreshoot is terminated by an abrupt cessation of mineralization. Ore of average width and grade is seen to "nose" out within a strike length equal to the vein width. This type of structure has been noticed in other parts of the Rambler vein, and is thought to be related to the "knot" phenomenon. Drifting, crosscutting, and diamond drilling west of this point shows the

vein, weakened and impoverished, probably continues to the east edge of the monzonite stock about 350 feet southwest.

Of particular interest in this area is the relationship between the Hercules fault, usually a transverse structure not to be confused with the Hercules vein structure, and the vein structure itself. The change in the strike of the vein to southwest makes it parallel to the Hercules Fault. Above the 800 level the fault has offset the vein to the right as much as 250 feet. On the 1600 level the two vein segments are within 20 feet or less of each other in overlap relationship, indicating a very large horizontal component and very small vertical component of movement on the fault.

Work was continued, under Stage II of the contract, with the sinking of a 300-foot winze at the west edge of the "knot." This work disclosed barren and sub-marginal vein along a strike length of over 600 feet. Test holes indicate a zone of mineralization up to 60 feet wide containing discontinuous strands of irony mineralization. Of academic interest is the coincidental occurrence of acid and basic dike rocks together with the vein. So far as is known this is the only such exposure in the district, and shows quite clearly that the ore pre-dates the acid dike, and that the basic dike, a hornblende lamprophyre, is the youngest of the three.

The country rock at the west end of the mine is considerably more altered than the altered rock first encountered in the line drive west of the main shaft. The strongest process seems to have been silicification and silication by contact metamorphic minerals too fine grained to be identified by the unaided eye. Many of the silicates occurring in vein are also products of alteration in the country rock.

The Hercules orebody, considering its entire extent from the surface to the Rambler area, is an example of the overlap between the contact-metamorphic and hypothermal ore types. The vein in the main part of the old mine has the characteristic tabular shape of hypothermal veins. In the Rambler area the vein begins to show the irregularities of shape characteristic of contact-metamorphic deposits. The hypothermal portion of the deposit, though it does contain some high temperature silicates and magnetite, contains a higher proportion of siderite and pyrite as compared with the contact-metamorphic portion where large amounts of pyrrhotite and grunerite are found. The irregularities of shape and lack of continuity in the lower part of the orebody, especially on the 1900 level, makes exploration at additional depths much less attractive than in the past.

IV. ORE RESERVES DEVELOPED BY DMEA 2719.

Ore reserves have been calculated on the basis of the cut samples taken during development work. Weighted averages have been obtained using both vein widths and drift or raise lengths. Two and one-half feet of barren wall rock has been added as unavoidable mining dilution. Net values are based on metal prices of 90 cents per ounce for silver, 15 cents per pound for lead and 12 cents per pound for zinc. Using a mining cost of $13.00 per ton a total of 14,150 tons of Indicated Ore with an average grade of 2.0 ounces of silver per ton, 4.7 per cent lead and 6.7 per cent zinc, and having a net value of $17.25 per ton has been developed. Indicated ore has not been sufficiently delineated to proceed with normal stoping operations. Additional drifting or raising or both will be required to bring this ore up to the Measured classification. No Measured Ore was developed by the work of the DMEA Project 2719.

Notable amounts of Inferred Ore have been developed, and are so classified because they lack continuity in values or because the net values are below the $13.00 estimated mining cost. Inferred Ore totals 30,550 tons having an average grade of 1.3 ounces of silver per ton, 3.3 per cent lead and 5.3 per cent zinc, and a net value of $12.55.

The locations of these ore reserves are shown on the accompanying Vertical Longitudinal Projection.

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1958

DATE	INITIALS	
11/10	C	220
11/10	all.	500

1201 N. Division St.
Spokane 2, Washington

November 5, 1958

CERTIFIED MAIL

Mr. George Mavor, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-2719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Amended Contract Idm-2484

Dear Mr. Mavor:

Enclosed herewith is memorandum from the Field Team, Region I, requesting final audit of the above-named account. In addition, the following material is being transmitted which you will need to complete your audit:

1. Contract and Correspondence file
   (Includes original contract and Amended Contract, with attachments and Termination Agreement)
2. Voucher File
   (Includes MF-104's and 104A's, with attachments)
3. File of pre-audit work papers prepared by Mr. C. A. Turner

We are withholding the June 1958 MF-104, pending final audit.

Sincerely,

Dorothy F. Long
Authorized Certifying Officer

Enclosure
cc: Mr. Chambers
OME (2)
USGS (2)
USBM (AD)

DAY MINES, INC.
WALLACE, IDAHO

HENRY L. DAY
PRESIDENT

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 12 1958

DATE	INITIALS	CODE
9/12	C	220

September 8, 1958

Mr. A. E. Weissenborn,
Executive Officer, DMEA
Field Team Region I,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Weissenborn:

This will acknowledge your letter of September 4th transmitting original and four copies of a proposed termination agreement to the above contract signed by the DMEA Administrator. This agreement meets with our approval; consequently, I am retaining the Operator's copy and returning the others to you with my signature appended.

We will be glad to have final accounting in due course.

Yours very truly,

HLD:KAE
Encls.

DMEA		
RECEIVED SEP 8 1958		
DATE		CODE
9-8	C	226
9/8	[illegible]	800
9/9	alt	500

So. 157 Howard Street
Spokane 4, Washington

September 4, 1958

Mr. Henry L. Day, President
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Day:

Enclosed are the original and four copies of a proposed Termination Agreement to the cited contract, signed by the Administrator for the Government. If the agreement meets with your approval, would you please sign all copies, retain that copy marked for the Operator, and return the rest to this office. If it does not meet with your approval, please return all copies, including the Operator's, with your comments.

Your particular attention is called to paragraph No. 3 which calls for the rendering of a final report and final account. As soon as we receive your final report and final voucher (if any), your account will be audited and any money due you from your June 1958 voucher will be released.

Sincerely yours,

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

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/28	Klugescheid	500
"	Chamberlin	800
8/29	[illegible]	136
8/29	Johnson	110
"	Whitehead	100
9/2	C [illegible]	320
		500

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

AUG 29 1958

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Weissenborn:

In accordance with your letter, dated August 14, 1958, we are enclosing the original and four copies of a proposed Termination Agreement for the cited contract, signed by the Administrator.

If the agreement meets with your approval, kindly present it to the Operator for signature and, when completed, distribute the copies in the usual manner. In the event that the agreement is not satisfactory, and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification. We are also enclosing two extra copies for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

P. F. Yopes (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

WPKlugscheid/izm 8-28-58
cc: Admr.'s Reading File
Operating Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS

8623

August 20, 1958.

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Director, Division of Base Metals

Subject: Preparation of Termination Agreement
Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484 (Amended)

Will you kindly prepare a Termination Agreement for the cited project, to be effective as of August 10,1958.

The project has already been certified.

W. R. Griswold

WRG/dl 8/20/58
cc to: Docket
Chron.

Dmea

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 22 1958

DATE	INITIALS	CODE
8/22	N.G.	225
		800
	Lm24	500

So. 157 Howard Street
Spokane 4, Washington
August 14, 1958

Mr. Henry L. Day, President
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Day:

This is to confirm that your proposed method of making payments of DMEA royalty on the Hercules production as set forth in your letter of August 13 is quite satisfactory.

By Field Team, Region I

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

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

cc: DMEA (3) w/ eq incoming
DEI (2)
DMW(A)
Turner
CFF
Wample

DAY MINES, INC.
WALLACE, IDAHO

August 13, 1958

HENRY L. DAY
PRESIDENT

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 22 1958

DATE	INITIALS	CODE

Mr. A. E. Weissenborn,
Executive Officer, DMEA,
Field Team Region I,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Idm-E484

Dear Mr. Weissenborn:

I have been away from Wallace for about six weeks which explains the delay in replying to your letter of July 11th with reference to method of settling the DMEA royalty on stockpiled concentrates from the Hercules mine.

It is perfectly agreeable to my company to make token royalty payments monthly with the balance to be paid when and as the concentrates are sold. These token payments are to be 75 per cent of the estimated amounts of the total royalty. The balance will be paid when the concentrates are sold. It is understood that the government can exercise its option at any time to require computation and payment of the royalty on the stockpiled ore.

If the foregoing is satisfactory, will you kindly confirm it by letter.

Yours very sincerely,

HLD:KAE
cc:LGG

Se. 157 Howard Street
Spokane 4, Washington

July 11, 1958

2/19 N.G. 225
7/17 800
7/9 500

Mr. Henry L. Day, President
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Idm-5484

Dear Mr. Day:

Your letter of May 30, 1958, in which you proposed three methods of paying royalty on ore stockpiled from the Hercules mine was referred to DMEA in Washington, D. C. The Field Team has been informed that the most satisfactory way for settlement of the royalty is your alternative (3): Taken royalty payments monthly, with balance to be paid when and as concentrates are sold. However, DMEA believes that the monthly payments should be 75 percent of the estimated amounts of royalty rather than the 50 percent proposed by you. The balance is to be paid when and as the concentrates are sold, or when the Government should exercise its option under Article 6(d) of the contract to require the computation and payment of the royalty on the stockpiled ore.

If this arrangement is satisfactory, will you please confirm it in a letter to me. No amendment of the contract will be necessary.

Sincerely yours,

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

cc: DMEA (3)
USBM (2)
USBM(AD)
Turner
CPF
Sample

So. 157 Howard Street
Spokane 4, Washington

July 8, 1958

DMEA
JUL 11 1958

7/11	C	220
7/14		800
7/15		~~500~~

Mr. Henry L. Day, President
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Day:

In accordance with your request of May 28, 1958, our Washington office has prepared Amendment No. 1 for your consideration. If it meets with your approval, please sign all copies, retain the copy marked for the Operator, and return the original and three copies to this office. If the amendment does not meet with your approval, please return all copies to us with your comments.

You will note that DMEA has allowed $1.50 per foot for long hole drilling, whereas you requested $2.00 per foot.

Sincerely yours,

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

Enclosures as above

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/2	[illegible]	500
7-2	Chambers	800
7/2	[illegible]	130
"	Johnson	110
"	[illegible]	100
7/3	[illegible]	220
		500

500

JUL 2 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Weissenborn:

Referring to your letter of June 12, 1958, we are enclosing the original and four copies of a proposed Amendment No. 1 (two pages) to the cited amended contract. All copies have been signed by the Administrator, for the Government.

We have allowed $1.50 per foot for long hole drilling; from our experience with other projects we believe this rate to be fair.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. Otherwise, and if any proposed change should lie beyond your delegated authority, return all copies to us with your recommendations.

Two extra copies of the amendment are enclosed for the use of the Field Team.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SLB)
WRGriswold/er 6/2/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures
APPROVED:

Frank D. Lamb (SLB)
Member, Bureau of Mines

N. E. Nelson (SLB)
Member, Geological Survey

8623

ORIGINAL FILE COPY
DMEA
RECEIVED 16 1958

6/16	C	220
6/16		800
6/17		500

So. 157 Howard Street
Spokane 4, Washington
June 12, 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mrs. Long:

Enclosed is Check No. 17018, dated June 11, 1958, for $14.26 from Day Mines, Inc., which represents the balance due the Government per royalty audit, dated April 23, 1958, prepared by C. A. Turner, DMEA Auditor. This is additional royalty on Lot No. HZ-28 due to erroneous computations in connection with this lot which resulted in understatement of zinc oncentrate sales.

Sincerely yours,

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

Enclosures
cc: DMEA(3)
USBM(2)
Turner
CPF

P. S. Also enclosed is a copy of a letter, dated June 10, 1958, from R. W. Anno, Treasurer, Day Mines, Inc.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/10	[illegible]	800
6/10	Chambers	800
	Amaral	500
6/11	Selfridge	130
"	[illegible]	110
"	[illegible]	100
6/12	C	220
		500

JUN 12 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Weissenborn:

Alternative (1) suggested in Mr. Day's letter dated May 30, 1958, for the treatment of DMEA royalty which your letter dated June 3, 1958, states to be the basis preferred by him, is not acceptable as it might involve the receipt of less royalty than the amount actually due under provisions of the contract. This would leave DMEA subject to criticism.

We believe that the most satisfactory manner for the settlement of royalty applicable to the stockpiled concentrates would be based on alternative (3) set forth by Mr. Day. However, the token monthly payments should be 75 percent of the estimated amounts of royalty. The balance is to be paid when and as the concentrates are sold or when the Government should exercise its option under Article 6(d) of the contract to require the computation and payment of its royalty on the stockpiled ore.

You should endeavor to reach an informal agreement with Day Mines, Inc., along these lines through the exchange of letters. No formal amendment to the contract is deemed to be necessary covering what we trust will be a relatively short period of time during which the Operator will find it to be advisable to stockpile his concentrates.

APPROVED:

Frank D. Lamb (DFB)
Member, Bureau of Mines

Thor H. Kiilsgaard (DFB)
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (DFB)

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Bishop
Mr. Kiilsgaard
Mr. Chambers

CEFisher/ama
June 10, 1958

8623

1201 N. Division St.
Spokane 2, Washington

June 10, 1958

OFFICE OF THE ... DMEA
JUN 16 1958

6/16 C 220
6/16 800
6/17 500

Day Mines, Inc.
Wallace, Idaho

Re: Contract No. Ida-E484
Docket No. DMEA-2719
Monthly operating report for
May 1958

Gentlemen:

This is to inform you the subject voucher could not be paid in the full amount claimed.

The deletion is explained in the attached copy of a memorandum to the Field Team from the Certifying Officer, Region I.

By Field Team, Region I

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

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

cc: DMEA (2)
USGS (2)
AD

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0377

DMEA Field Team, Region I

June 10, 1958

DMEA Certifying Officer, Region I

Contract No. Idm-E484
Monthly operating report for May 1958

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

We have deleted 11.8 feet of drifting because of a difference in adjustments on curves. The Operator claims 825.9 feet of drifting and crosscutting on the 1900 level; while the project engineer's measurement totals 814.1 feet, or a difference of 11.8 feet.

Dorothy F. Long

cc: DMEA (2)
USGS (2)

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 2 1958
CODE
5/2 220
5/2 500

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

April 29, 1958

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

Re: Application for more work
Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Selfridge:

Enclosed are two copies each of two self-explanatory letters dated April 15 and April 21, 1958 from Day Mines, Inc. with reference to their current application.

We were preparing a recommendation on this proposal but I understand in the course of a recent telephone conversation with Mr. Griswold about another matter that a denial has been decided on. In view of this, we will not complete our report but will concentrate on completing other examination reports in the limited time that remains before June 30.

Sincerely yours,

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

Enclosures

cc: USBM (2)
Sample

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

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BATES NO. 0377

DAY MINES, INC.

WALLACE, IDAHO

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 2 1958
DATE | INITIALS

COPY

April 15, 1958

Mr. A. E. Weissenborn,
Executive Officer, DMEA,
Field Team Region I Northwest District,
S. 157 Howard,
Spokane 4, Washington.

Docket No. DMEA-2719 (lead-zinc)
Hercules Mine, Shoshone County, Idaho.
Contract Idm - E484.

Dear Sir:

In our application of April 8, 1958, for amendment of this contract for additional work the following cost statement should have been included:

The same unit costs as those used in earlier work of the program are being requested because this procedure has been followed in earlier amendments to the contract and we understood that changed unit rates were not acceptable during the life of a contract.

Actual costs for work under this contract have been higher than estimates: e.g., the Hercules main shaft sinking cost $214.09 per foot instead of the $200.00 per ft. allowance by DMEA. The 1600 winze cost was $223.97 per ft. contrasted to the $157.50 per foot allowed as unit cost.

Please note that in the letter to you from Mr. H. L. Day dated July 6, 1956, a detailed cost estimate for certain drifting was submitted in which the cost was $60.00 per foot contrasted to the current unit cost of $48.00 per ft. plus $2.00 per ft. in case of rock bolting. Cost of mining work has risen steadily since 1946 and the end has not yet been reached. In his audit of the Hercules DMEA-2719 dated April 23, 1956, Mr. C. E. Fisher, Auditor for DMEA, stated "unit costs accepted."

Yours very truly,

Rollin Farmin

Rollin Farmin,
Assistant Manager.

RECEIVED
APR 16 1958
U. S. G. S.
SPOKANE, WASH

RF:KAE
Submitted in Quadruplicate.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 27 1958
COPY

DAY MINES, INC.

WALLACE, IDAHO

April 21, 1958

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

Re: Docket No. DMEA-2719
(Lead-Zinc)
Hercules Mine,
Shoshone County, Idaho
Contract No. Idm-E484

Dear Sir:

In reply to your letter of April 16th and our application for an expanded program of work:

The present property under DMEA contract includes mining claims Protection #1654, Selkirk #2069, Granite Contact #1654, Mercury #1782, Tacoma #2101, Irene #2101, Rambler #1904, Montana #2101, and Mars #2101, shown in yellow on the accompanying map at a scale of 1" : 1000'.

The expanded program may enter three additional claims owned by Day Mines, Inc., which we propose to include in the amended contract, namely, Old Veteran, M.S. #1654, Old Veteran Extension, M.S. #1870 and Granite Contact Extension, M.S. #1870. These claims are colored green on the above mentioned map and form a contiguous group with the claims now in the contract. Day Mines owns additional property surrounding all above named claims so in event the work led us beyond this proposed area it could be expanded still further.

Yours very truly,

R. W. Anno, Treasurer.

RECEIVED
APR 22 1958
U. S. G. S.
SPOKANE, WASH.

RF:KAE
Encls.

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0377

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/28	[illegible]	500
4/29	[illegible]	130
"	[illegible]	100
"	[illegible]	100
4/2	[illegible]	220
		500

500

APR 29 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Weissenborn:

We have your letter of April 10 with enclosed copies of an application for additional work in the Hercules Mine area.

We note your comment that a Field Team report will be prepared, however, we have decided, as per enclosed letter to the Applicant, that the Government cannot properly participate in further work on this property. Hence, it will not be necessary to prepare a report covering this application.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

WRGriswold/er 4/28/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Frank D. Lamb (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/28	[illegible]	500
		500
4/29	[illegible]	130
4/29	[illegible]	130
4/29	[illegible]	130
"	[illegible]	110
"	[illegible]	100
		220
		500

APR 29 1958

Mr. Henry L. Day, President
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Day:

This is with reference to your letter of April 8, 1958, to Mr. Weissenborn, and your application of the same date for additional Government assistance in an exploration project in the Hercules Mine area.

Careful study of all our information regarding the previous two projects in which the Government has participated in this same general area, indicates to us that significant ore reserves have already been disclosed and reasonably delineated by the past work and the work currently being done.

Therefore, to enter into still a third project in this same area would be going beyond the intent and purpose of the DMEA program. We regret to advise you, under these circumstances, your application for additional exploration assistance is denied.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WRGriswolder 4/28/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region I (2)
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

April 28, 1958

Memorandum for the Docket

From: Director, Division of Base Metals

Subject: Justification for Denial of Application for Additional Work on Docket No. DMEA-2719, Day Mines, Inc., Hercules Mine, Shoshone County, Idaho, Contract No. Idm-E484, Lead-Zinc.

The basis for denial is well covered in the Kiilsgaard's memorandum of April 25, 1958.

Possibly the DMEA could have particpated in this presently proposed upper level project if we had had no previous participation in any project in this mine area. However, we have already found a significant ore body and done a very considerable amount of work to delineate it. Further work could be considered as little other than development.

W R Griswold

W. R. Griswold

8623

OFFICIAL FILE COPY
DMEA
RECEIVED APR 21 1958
DATE

So. 157 Howard Street
Spokane 4, Washington

April 16, 1958

Mr. Henry R. Day
General Manager
Day Mines, Inc.
Box 1010
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-5484

Dear Mr. Day:

In reference to your application for more work at the Hercules mine, we note that three additional patented mining claims may be entered by your proposed work. We presume that they are owned by Day Mines, Inc. For the record, will you please clarify this?

Also, will you please send us four copies of a claim map similar to the one you sent in connection with the Tamarack-Mars 30-22 crosscut proposal, showing the claims already included in the present DMEA contract and the three claims to be added. The two groups should be designated by different colors or distinguished by some other means.

Sincerely yours,

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

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

DMEA

Form MF–103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

DAY MINES, INC.
Box 1010
Wallace, Idaho.

RECEIVED
APR 9 1958
U. S. G. S.
SPOKANE, WASH.

APPLICANT NOT TO USE THIS BLOCK

Docket Number

Date Received

Government Participation %

Region

Division Code

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Idaho

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Henry L. Day	Wallace, Idaho.	General Manager
Rollin Farmin	" "	Assistant Manager
G. M. Crosby	" "	Chief Geologist

Mineral(s) for which you wish to explore: Lead, Zinc, Copper, Silver

Estimated Cost of Project: $ 348,725

LOCATION OF PROPERTY

Name	County	State
Hercules Mine	Shoshone	Idaho

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

April 8, 1958
Dated

Henry L. Day
BY *(Signature)*

GENERAL MANAGER
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

NON-PRIVILEGED DOCUMENT

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DO NOT CODE

BATES NO. 0377

OFFICIAL FILE COPY
DMEA
RECEIVED APR 14 1958
DATE | INITIALS | CODE

DAY MINES, INC.
WALLACE, IDAHO

HENRY L. DAY
PRESIDENT

April 8th, 1958

Mr. A. E. Weissenborn,
Executive Officer, DMEA,
Field Team Region I Northwest District,
S. 157 Howard Street,
Spokane 4, Washington.

Docket No. DMEA-2719 (lead-zinc)
Hercules Mine
Shoshone County, Idaho,
Contract Idm. - E484.

Dear Sir:

Mineralization found thus far by the Stage II exploration at the 1900 level of the Hercules mine is of sub-commercial grade under the current depressed metal prices. The vein at this depth contains too high a percentage of iron-bearing gangue minerals relative to the lead and zinc commercial minerals, a situation all too common at the "bottoms" of ore-bodies in the area. Higher in the Hercules mine the iron content was low and the tenor of ore much higher in lead, zinc and silver, especially the first-mentioned.

We propose to amend the current project to explore the Rambler vein possibly eventually as much as 1900 feet higher or to No. 2 tunnel, starting at the level of the No. 5 Adit, and successively on higher levels. It is hoped that the Rambler vein can be developed upward and that it will yield a much better grade of lead ore, comparable with the old Hercules ore-body. The first block to be explored lies between No. 5 and No. 4 levels, 640 feet vertically apart. Depending on the degree of success attained, the project can be extended further

toward the surface. The expenditure of a contemplated $348,725 over 24 months' time should thoroughly develop all possibilities between No. 5 and No. 4 levels.

Three additional patented mining claims may be entered by this new work, the Old Veteran, M. S. #1654, the Old Veteran Extension, M. S. #1870, and the Granite Contact Extension, M. S. #1870, all in Section 33, T. 49 N., R. 5 E.B.M.

The proposed Stage III work involves re-entering and extending certain very old Hercules workings which long have been inaccessible, principally because of caving that followed the incendiary "wobbly" mine fires of 1917-1919. The initial re-entry will be made by a new lateral on No. 5 level. This work can be estimated accurately but the subsequent work obviously cannot be estimated closely at present. It may be desirable to do the new work on the unit cost basis but rely on actual cost basis for the rehabilitation work.

Attached is a schedule descriptive of the work, its estimated cost and time requirement.

Also attached is a plan on a scale of 100 feet to the inch showing the proposed work on No. 5 level, and a longitudinal vertical section on a scale of 250 feet to the inch outlining the raising and drifting above that level. The area to the surface, quite generally unexplored, will be noted.

This application is made in quadruplicate.

Yours very truly,

Henry L. Day.

HLD:KAE
Encls.

DMEA - 2719 - HERCULES

AMENDMENT FOR STAGE III, EXPLORATION PROPOSED BY DAY MINES, INC., 4/8/58.

PROPOSED WORK ON HERCULES No. 5 (MAIN HAULAGE) LEVEL:

		Cost	Time, Month No.
Item 1.	Drive a connection from the present haulage terminal near the main shaft into the old Ambergris crosscut.		
	100 ft. crosscut at $48.00 per ft. plus $2.00 per ft. for rockbolting	$ 5,000	1
Item 2.	Drive a lateral entry from the Ambergris crosscut to the old Hercules West drift at the junction of the Hercules fault and the Hercules vein.		
	600 ft. lateral at $48.00 per ft. plus $2.00 per ft. for rockbolting.	30,000	2 - 4
Item 3.	Rehabilitate old Hercules West drift to West end of No. 5 level.		
	1200 ft. at $15.00 per ft., (or use actual cost).	20,000	5 - 6
Item 4.	Drive a by-pass around possible caved stopes.		
	270 ft. drift at $48.00 per ft. plus $2.00 per ft. for rockbolting.	13,500	7 - 8
Item 5.	New drift westerly on Hercules vein toward monzonite stock on No. 5 level.		
	600 ft. at $48.00 per ft. plus $2.00 per ft. for rockbolting.	30,000	9 - 11
Item 6.	Exploratory drilling on No. 5 level.		
	Percussion drilled holes 2" diameter, 500 ft. at $2.50 per ft., diamond drilled holes "AX", 2,000 ft. at $5.00 per ft.	11,250	7 - 14

Item 7.	Select location for Old Veteran Raise.		
	Cut station and hoistrooms.	10,000	12
Item 8.	Install electric cable (4,200 ft. No. 2 cable at $2.50 per ft., salvage valued) $10,600, plus.		
	Install electric hoist for 675 ft. shaft raise, $5,000, plus electric controls and signal system.	15,600	13 - 14
Item 9.	Raise a 3-compartment vertical shaft (16 ft. wall plates by 6 ft. end plates; 10-inch by 10-inch timbers) from No. 5 level to No. 4 level, 675 ft. One compartment will be lined to use as a waste or ore pass.		
	675 ft. at $135.00 per ft.	91,125	14 - 20
Item 10.	Excavate stations for levels at 150 ft. intervals as the shaft is extended upward. The stations will include pockets with grizzlies for receiving broken ore or waste from the level and will include overhead transfer gates to control the lowering of muck from overhead.		
	5,000 cu. ft. excavation at each station at $1.00 per cu. ft. complete, 3 stations at $5,000	15,000	16 - 20
Item 11.	2,000 ft. of crosscuts and drifts on No. 4B and No. 4 levels above the No. 5.		
	2,000 ft. at $48.00 per ft. plus $2.00 per ft. for rockbolting.	100,000	18 - 24
Item 12.	Percussion drilled exploratory holes, 1,000 ft. at $2.50; Diamond drilled exploratory holes, 1,000 ft. at $5.00	7,250	18 - 24
	TOTAL COST	$ 348,725	
	TOTAL TIME		Months 24

No. 157 Howard Street
Spokane 1, Washington

March 6, 1958

EXTRA COPY
DMEA
RECEIVED MAR 10 1958
DATE
CODE
500

Mr. C. A. Turner
DMEA Auditor, Region 1
1201 N. Division Street
Spokane 2, Washington

Dear Mr. Turner:

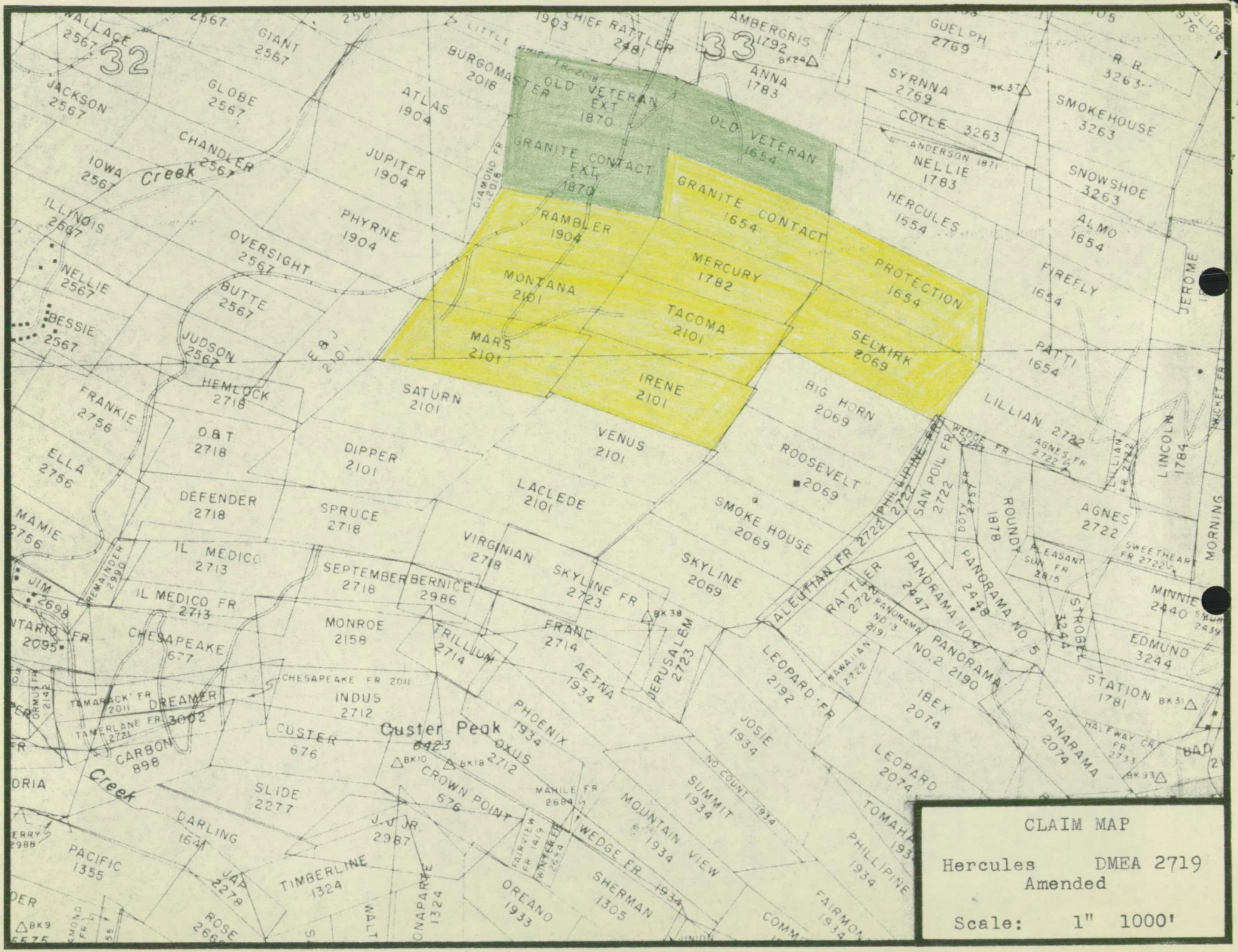
It would be appreciated if you would conduct a royalty audit of the properties listed below:

Docket No. DMEA	Operator and mine name	Contract No.
2879	Polaris Mining Co., Polaris East Exploration Project	Idm-8541
2719	Day Mines, Inc., Hercules Mine	Idm-8484 (Amended)
2764	Bunker Hill Co., Crescent Mine	Idm-8493

Sincerely yours,

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

cc: DMEA (3)
USBM (2)
USBM (AD)


CLAIM MAP
Hercules DMEA 2719
Amended
Scale: 1" 1000'
32
33
Custer Peak 6423
Creek
Creek
OLD VETERAN EXT 1870
GRANITE CONTACT EXT 1870
OLD VETERAN 1654
GRANITE CONTACT 1654
RAMBLER 1904
MERCURY 1782
PROTECTION 1654
MONTANA 2101
TACOMA 2101
MARS 2101
SELKIRK 2069
IRENE 2101
WALLACE 2567
GIANT 2567
BURGOMASTER 2018
CHIEF RATTLER 2481
AMBERGRIS 1792
ANNA 1783
GUELPH 2769
SYRNNA 2769
COYLE 3263
R R 3263
SMOKEHOUSE 3263
SNOWSHOE 3263
ALMO 1654
NELLIE 1783
HERCULES 1554
FIREFLY 1654
PATTI 1654
JACKSON 2567
GLOBE 2567
ATLAS 1904
CHANDLER 2567
JUPITER 1904
IOWA 2567
ILLINOIS 2567
PHYRNE 1904
OVERSIGHT 2567
NELLIE 2567
BUTTE 2567
BESSIE 2567
JUDSON 2567
HEMLOCK 2718
FRANKIE 2756
O.&T. 2718
ELLA 2756
DEFENDER 2718
SPRUCE 2718
MAMIE 2756
IL MEDICO 2713
IL MEDICO FR 2713
JIM 2698
ONTARIO FR 2095
CHESAPEAKE 677
CHESAPEAKE FR 2011
TAMARACK FR 2011
DREAMER 3002
TAMERLANE FR 2721
CARBON 898
INDUS 2712
CUSTER 676
SLIDE 2277
DARLING 1641
PACIFIC 1355
JAP 2278
TIMBERLINE 1324
ROSE 266
SATURN 2101
DIPPER 2101
VENUS 2101
LACLEDE 2101
VIRGINIAN 2718
SEPTEMBER 2718
BERNICE 2986
MONROE 2158
TRILLIUM 2714
FRANC 2714
AETNA 1934
JERUSALEM 2723
SKYLINE FR 2723
SKYLINE 2069
SMOKE HOUSE 2069
ROOSEVELT 2069
BIG HORN 2069
LILLIAN 2722
AGNES 2722
LINCOLN 1784
MINNIE 2440
EDMUND 3244
STATION 1781
PANARAMA 2074
PANORAMA NO 5 2448
PANORAMA NO 4 2447
PANORAMA NO 2 2190
PANORAMA NO 3 2191
IBEX 2074
LEOPARD 2192
LEOPARD 2074
JOSIE 1934
ALEUTIAN FR 2722
PHILLIPINE FR 2722
SAN POIL FR 2722
RATTLER 2722
ROUNDY 1878
PLEASANT SUN FR 2815
STROBEL 2824
SWEETHEART FR 2722
WEDGE FR 2722
AGNES FR 2722
HALFWAY CR FR 2733
PHOENIX 1934
OXUS 2712
CROWN POINT 676
MAHILE FR 2684
WEDGE FR 1934
MOUNTAIN VIEW 1934
SUMMIT 1934
NO COUNT 1934
SHERMAN 1305
OREANO 1933
BONAPARTE 1324
J.J. JR. 2987
DOREMUS FR 2142
REMAINDER 2990
JEROME
MORNING

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DMEA
RECEIVED MAY 2 1958

DATE	INITIALS	CODE

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BATES NO. USGSP00000377

OMe(2)

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
February 26, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 28 1969

INITIALS	CODE
gla	130
HK	~~170~~
	220

Mr. Rollin Farmin
General Manager
Day Mines, Inc.
Box 1010
Wallace, Idaho 83873

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Expiration date of royalty repayment period is 2/5/69

Dear Mr. Farmin:

We have been advised that since April 19, 1963, the date of our last Royalty Audit Report, the following shipments have bee reported from the Hercules mine:

Year	Tons	Ounces/Ton Au	Ounces/Ton Ag	Pounds Cu	Pounds Pb	Pounds Zn
1964	104	Nil	456	Nil	13,600	4,100
1965	45	1.0	710	100	23,800	3,800

In order to complete our records and bring them up-to-date, will you kindly advise us as to the part of the mine from which this production came, and whether it was transported through any workings to the cost of which the Government contributed under the DMEA contract?

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME(2)
CPF

Director's Reading File

So. 157 Howard Street
Spokane 4, Washington
December 21, 1962

RECEIVED
DATE
12/27 and 800
120
Business 500
220

Mr. Rollin Farmin, Manager of Mines
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMRA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. Farmin:

On October 26, 1962, we received photostat copies of settlement sheets dated October 24, 1962, by American Smelting & Refining Company, East Helena Plant, covering the following smelter lots, mine lots, and net proceeds:

Smelter Lot	Mine Lot	Net Proceeds
1131	HL-1	$2,640.83
1132	HL-2	3,629.08
1133	HL-3	3,781.45
1134	HL-4	3,802.74
1191	HL-6	5,343.12
1208	HL-5	5,385.88
1209	HL-7	3,580.85

The fiscal records of OME, successor to DMRA, are now kept in Washington, D. C., so I am unable to make a positive check of the royalty status. If royalty is due on the above shipments, will you please advise me about what date payment will be made, so I can forward the settlement sheets to Washington?

Sincerely yours,

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

DRMacLaren:my

cc: OME(2)
CPF
Reading copies to:
Nolan
McKelvey

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 10 1962

DATE	INITIALS	CODE
8/10	[illegible]	800
8/7	[illegible]	100
8/10	[illegible]	110
8/13	[illegible]	500
		220

DAY MINES, INC.

Box 1010
WALLACE, IDAHO

August 8, 1962

Mr. W. R. Griswold, Chief
Division of Minerals,
Department of the Interior,
Washington 25, D. C.

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Sir:

Your letter of August 3rd points out discrepancies in the stock-pile figures of the June 6, 1961, audit and those I furnished you July 24, 1962, on Form 63.

Regrettably, I furnished you incorrect figures on Form 63. The original figures of 1,035 tons of zinc concentrate and none of lead concentrate are correct. The larger, incorrect figures, include 102 tons of zinc concentrates and 60 tons of lead concentrates produced from Hercules areas not subject to DMEA royalty.

We now plan to sell all of these concentrates in the next month or two and will be in position to make final accounting. The mine has remained closed since 1960 and there is no likelihood of further production from it.

Yours very truly,

Rollin Farmin

ROLLIN FARMIN,
Manager of Mines.

(I could re-submit form 63 if supplied with copies.)

RF:KAE
Air Mail

2 copies to Region I, 8/13/62

Re: DMBA-2719

See 2nd par., page 2, of 6/6/61 Royalty Audit Report: Opr. has no intention of selling Zn concentrates at present prices.

The 60 tons "Pb" on Form 63 is undoubtedly the cleanup tonnage of Pb concentrates. The 1137 tons of Zn concentrates is 102 ton increase over stockpile at time of audit.

Opr. should be requested to pay 75% of Royalty Due (est.) on 60 tons Pb + 102 tons Zn concentrates.

Talbert 8/2/62

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/3		500
8/3	Fallert	800
8/3	On leave	120
"	Johnson	110
"	Mlear	100
		220

AUG 3 1962

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. Farmin:

Thank you very much for submitting the Form 63 which you completed and returned to us on July 24.

With reference to your stockpiled material, we presume the 60 tons of lead concentrate have been accumulated since our June 6, 1961, royalty audit. At that time we noted that you were carrying a stockpile of 1,035 tons of zinc concentrate. Since you now report 1,137 tons, should we assume that you have added 102 tons of zinc concentrate since our audit date, or should we assume that the 1,137 tons are in addition to the 1,035 previously reported? In any event, we feel that you should make royalty payments to the extent of 75 percent of present estimated value, on all stockpiled material not previously covered by such provisional payments.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla 8-1-62
Rewritten: WRGriswold/gla 8-3-62
cc to: Director's Reading File
Contract Division
Region I (2) w/1 cy Form 63 dated July 24, 1962
Docket
Code 500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 2, 1961, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since March 2, 1961, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade Ag. oz.	Pb. %	Zn. %	Location
Ore	60	Tons	26.10	60.25	2.90	Burke, Idaho
Concentrates	1,137	Tons	4.49	1.44	52.21	" "
Other		Tons				

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

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

Disposition of Material	Quantity	Value

Submitted by: Rollin Farmin

Name ROLLIN FARMIN Title Manager of Mines

Address Box 1010, Wallace, Idaho Date July 24, 1962

4511

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

JUL 20 1962

Re: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-5484

Mr. Rollin Farmin, Manager of Mines
Day Mines, Inc.
Day Building
Wallace, Idaho

Dear Mr. Farmin:

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

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

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 7
(10-58)

OFFICIAL FILE COPY

D	Surname	Code
8/1		500
~~8/2~~	~~[illegible]~~	800
8/2	Dr Kane	120
		110
		100
		220

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMEA -2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. Farmin:

We have your notation of July 24 to the effect that you have 60 tons of lead concentrate and 1,137 tons of zinc concentrate stockpiled at Burke, Idaho. Would you be kind enough to advise us regarding your plans for future disposal of this material.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla
8-1-62
cc to: Director's Reading File
Contract Division
Region I (2) w/1 cy Form 63 dated July 24, 1962
Docket
Code 500

43683

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

Mr. Rollin Farmin
Manager of Mines
Day Mines, Inc.
Day Building
Wallace, Idaho

Re: DMEA -2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-E484

Dear Mr. Farmin:

We have your notation of July 24 to the effect that you have 60 tons of lead concentrate and 1,137 tons of zinc concentrate stockpiled at Burke, Idaho. Would you be kind enough to advise us regarding your plans for future disposal of this material.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 8 1960

DATE	INITIALS	CODE
1/18	gad	220
"	FEQ	110
1/20	CEF	800
"	glu	500
	Received	
		225

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: December 31, 1958 to December ~~22, 1959~~

Date of examination: December 22, 1959

Operator: Day Mines, Inc., Wallace, Idaho

Mine name: Hercules

County and State: Shoshone County, Idaho

Docket number and commodity: DMEA-2719 (lead-zinc)

Contract number: Idm-E484

Date of contract: February 5, 1953

Date of certification: February 20, 1956

Expiration date of royalty payments: February 5, 1969

Total amount of contract: $415,250.00

Total expenditures under contract: 396,900.53

Amount of Government participation @ 50%: 198,450.27

Royalty payments: on smelter returns

This period	$ 5,493.76
Previous period	39,719.77
Total	$45,213.53

stockpiled lead-zinc concentrates

This period	$10,135.66 1/
Previous period	-0-
Total	$10,135.66

Grand Total	
This period	$ 15,629.42
Previous period	39,719.77
Total	$ 55,349.19

1/ 75 percent of estimated royalty paid.

Percent Government participation repaid: 27.89%

Royalty due on production to date: none

Royalty remarks: Royalty audit dated June 26, 1959, by C. A. Fisher, OME Auditor.

Original estimate of DMEA reserves
(from Field Team final report)
Mines ___ Survey ___ Joint X

	Tons	Oz. Ag per ton	%Pb	%Zn
Indicated above 1600	14,150	2.0	4.7	6.7
Indicated between 1600-1900	31,500	1.7	4.2	5.8
Inferred above 1600	30,550	1.3	3.3	5.3
Total reserves	76,200	1.5	3.9	5.8

Revised estimate of DMEA reserves
(Field Team)
Mines X Survey ___ Joint ___

	Tons	%Pb	%Zn	Oz. Ag
Operator's Oct. 1955 estimate above 1600 level	190,500	3.6	4.6	1.53
Less mined above 1600	71,407 1/	6.2	2.8	2.78
Balance remaining above 1600 level	119,000	2.1	5.7	0.78
Field Team estimate between 1600 and 1900 levels	31,500	4.2	5.8	1.7
Estimate of remaining "in ground" reserves	150,500	2.5	5.7	1.0

1/ From Operator.

Increase of reserves by work performed subsequent to DMEA project work: none

Production of DMEA ore:

	Tons	Lbs. Pb	Lbs. Zn	Oz. Ag
Lead concentrates				
Sold - this period	301.0031	394,873	15,050 2/	9,018.87
" - previous period	4,453.0240	5,693,914	222,651 2/	122,032.78
Stockpiled	1,658.8200 1/	2,123,290	82,941 2/	45,750.26
	6,412.8471	8,212,077	320,642	176,801.91
Zinc concentrates				
Sold - this period	54.5525	1,930	55,589	197.03
" - previous period	2,284.7382	89,791	2,433,350	7,985.87
Stockpiled	982.4700 1/	37,334	1,000,154	3,291.27
	3,321.7607	129,055	3,489,093	11,474.17
Grand Total	9,734.6078	8,341,132	3,809,735	188,276.08

1/ Grade assumed to be the same as that of concentrates sold.

Lead concentrates = 64.0% Pb, 2.5% Zn, 27.58 oz. Ag
Zinc " = 50.9% Zn, 1.9% Pb, 3.35 oz. Ag

2/ Lead concentrates estimated to contain 2.5 percent zinc.

Production of Operator's ore found subsequent to DMEA work: none

Percent of revised reserves mined ?

Production remarks: Mine is now abandoned.

S. W. Zoldok (Engineer)

Distribution
OME (3)
USGS(2)
USBM(AD)
USBM

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1201 N. Division St.
Spokane 2, Washington

September 16, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE
9-21	gad	220
9-21	[illegible]	170
9/22	[illegible]	800
8/22	[illegible]	500
		225

Memorandum

To: Chairman, Operating Committee

From: OME Field Team, Region I

Subject: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

We have contacted the Operator in connection with DMEA ore estimates and have been informed that as of August 14, 1959, commercial ore reserves were nil and that mining equipment was being removed preparatory to abandoning the mine. Copy of his letter is enclosed.

At various times the Operator reported commercial ore reserves as follows:

In October 1955, during negotiations to sink the winze from the 1600 to the 1900 level, the Operator estimated 145,000 tons indicated ore between the 1000 and 1600 levels assaying 2.9 percent lead, 5.3 percent zinc and 1.2 oz. silver per ton. In addition, there was 45,500 tons indicated of non-DMEA ore above the 1600 level which was subject to royalty and assaying 5.8 percent lead, 2.4 percent zinc and 2.6 oz. silver per ton, or a combined total above the 1600 level of 190,500 tons assaying 3.6 percent lead, 4.6 percent zinc and 1.53 oz. silver per ton. He also inferred 165,000 tons below the 1600 level assaying 2.8 percent lead, 6.3 percent zinc and 1.1 oz. silver per ton. **(See attached sketch.)**

The Operator in his final report (as of October 1958) estimates 14,150 tons indicated and 30,550 tons inferred or a total of 44,700 tons above the 1600 level having a grade of 3.7 percent lead, 5.7 percent zinc and 1.5 oz. silver per ton.

Again as of December 31, 1958, the Operator estimates 20,940 tons assaying 6.8 percent lead, 3.7 percent zinc and 3.2 oz. silver per ton above the 1600 level.

These apparently inconsistent ore estimates are due to the fact that several variables are used by the Operator in his computations. Ore reserves can be increased by developing additional reserves, increased metal prices, technological advances in mining and milling, more favorable smelter schedules, and lower labor costs. Conversely the opposite of these factors could decrease the ore reserves.

The Field Team final report (May 1959) accepts the Operator's ore estimate above the 1600 level and indicates an additional 31,500 tons assaying 4.2 percent lead, 5.8 percent zinc and 1.7 oz. silver per ton between the 1600 and 1900 levels.

To arrive at some reasonable figure for "ore" remaining "in ground" we are taking the Operator's October 1955 estimate of 190,500 tons, above the 1600 level, containing 3.6 percent lead, 4.6 percent zinc and 1.53 oz. silver per ton, and the Field Team estimate of 31,500 tons, between the 1600 and 1900 levels, containing 4.2 percent lead, 5.8 percent zinc and 1.7 oz. silver per ton. The ore remaining "in ground" then would be the Operator's estimate above the 1600 level, less the tonnage mined, plus the Field Team estimate between the 1600 and 1900 levels; none of which was mined.

As of July 31, 1959, the Operator sold 4754.0271 tons of lead concentrate and stockpiled 1331.06 tons or a total of 6085.0871 tons. The concentration ratio of all ore mined to August 31, 1958, is 15.61 and using this factor about 95,000 tons of DMEA ore has been mined above the 1600 level. This leaves a balance of 95,500 tons of indeterminate grade still remaining above the level. This figure will change somewhat when the final concentrate tonnage figure is available (see Operator's August 19, 1959 letter).

The lead concentrates average 64 percent lead and 27.58 ounces of silver per ton. There have been 304,439 units of lead sold and 85,188 units (1,331.06 tons @ 64% Pb) stockpiled or a total of 389,627 units. Silver sold amounts to 131,125 ounces and 36,711 ounces (1331.06 x 27.58) stockpiled or a total of 167,836 ounces.

Zinc concentrates average 50.9 percent zinc, 1.9 percent lead and 3.35 ounces silver per ton and 892.93 tons have been stockpiled. There have been 124,447 units of zinc, 4,384 units of lead and 7,830 ounces of silver sold and the zinc concentrate stockpiled contains 45,450 units of zinc, 1,697 units of lead and 2,991 ounces of silver.

Total metal sold and contained in lead and zinc concentrate stockpiles is 395,708 units of lead, 169,897 units of zinc and 178,657 ounces of silver. Assuming a metal recovery of 95 percent then 416,535 units of lead, 178,839 units of zinc and 188,060 ounces of silver have been mined from DMEA reserves above the 1600 level.

The Operator's October 1955 estimate of 190,500 tons of ore above the 1600 level, on the basis of given grade, contains 685,800 units of lead, 876,300 units of zinc and 291,465 ounces of silver. Deducting the units sold and stockpiled leaves a balance of 269,265 units of lead, 697,461 units of zinc and 103,405 ounces of silver. The grade for the remaining 95,500 tons would then be 2.8 percent lead and 7.3 percent zinc and 1.08 oz. silver per ton.

In summary the "in ground" reserves (as of July 31, 1959) would be as follows:

Indicated	Tons	Oz. Ag/ton	% Pb	% Zn
(above 1600)	95,500	1.08	2.8 (4.5)	7.3
(between 1600 and 1900)	31,500	1.7	4.2	5.8
	127,000	1.25	4.1	6.9

The Semi-Annual Report of Certified Project for the July 1-December 31, 1958 period is incorrect due to error in computing the contained lead and zinc. The next report will show the correct figures.

Donald R. MacLaren
Donald R. MacLaren
Acting Alternate Exec. Officer
U. S. Geological Survey

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

[illegible]

DAY MINES INC

[illegible]

[illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE

Mr. A. E. Weissenborn,
Executive Officer, OME
Field Team, Region I
[illegible] Howard Street,
Spokane 4, Washington.

Re: Docket No. DMEA 2719 (Lead-Zinc)
[illegible] Mine
[illegible]
[illegible] E484

[illegible] Mr. Weissenborn:

[illegible] Your letter [illegible] August [illegible] December [illegible] [illegible] DMEA [illegible] [illegible]

[illegible] we have just [illegible] were part [illegible] and [illegible] equipment preparatory [illegible] the mine to fill with [illegible]

Ore breaking terminated August [illegible], 1959, but milling will [illegible] for several weeks. [illegible] the Field Team wish to [illegible] workings they should plan to arrive within the next week.

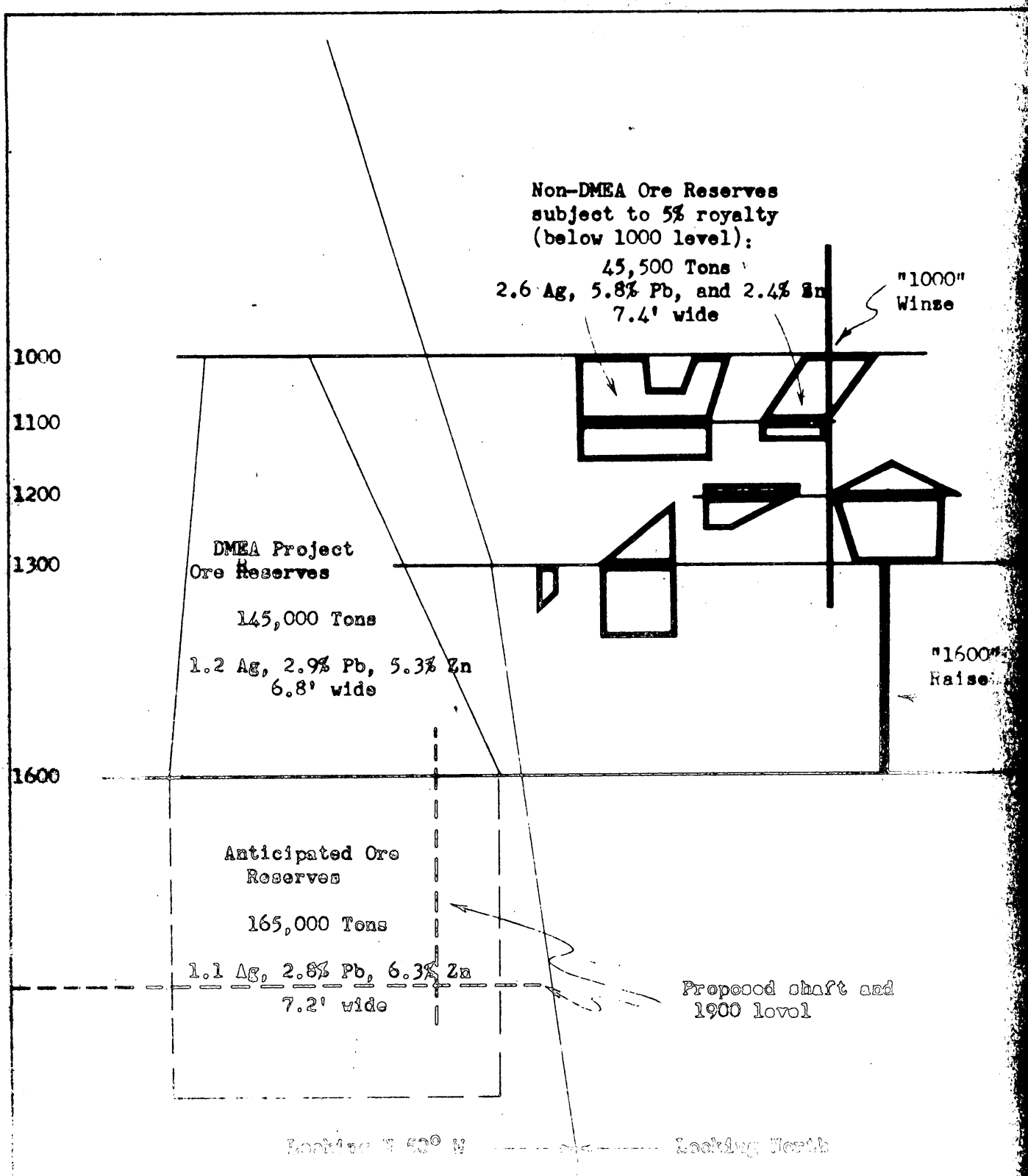
Very [illegible]

[illegible]
[illegible]

RE: KAE
WIN

1 = 200'

Special Longitudinal [illegible] Shoaling
Part of the West Hercules Mine - Rambler
Vein Area



OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7-15	Aminel	500
7/15	Talbert	800
7/17	GCL	130
7/	Johnson	110
		~~100~~
		~~HB~~
7-17	gab	220
		500

500

JUL 17 1959

Memorandum

To: Executive Officer, OME Field Team, Region I

From: Chairman, Operating Committee

Subject: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

On all of our certified projects, from which production has been made, we try to maintain approximate figures on ore tonnages remaining "in ground". However, on the cited project, we would appreciate some clarification.

In the final Field Team Report, dated May 1959, we note the total tonnage above the 1600 level (indicated and inferred) is 44,700 tons with a grade of 1.5 oz. silver, 3.7% lead and 5.7% zinc. The total lead content available for lead concentrate (after allowance of a 10% reduction for mill losses and lead into zinc concentrate) would be 2,977,020. It is our understanding that no ore is being produced below the 1600 level.

Correct?

The royalty audit dated June 26, 1959, shows that, as of June 23, 1959, 4,754.0271 tons of lead concentrate (subject to DMEA royalty) had been sold and 1,059.5050 tons stockpiled; a total of 5,813,5321 tons. From a cursory review of the settlement sheets it would appear that an average grade is 63.5 % lead; hence, we would have 7,383,186 pounds of DMEA lead already produced, as contrasted to the 2,977,020 pounds available from the ore reserve (above level 1600).

The Semi-Annual Report of Certified Project, for the period July 1 - December 31, 1958, shows a total production (DMEA ore) of 4,158.1 tons of lead concentrate, with a lead content of 3,370,071 pounds of lead. A note states that no metal content was reported for stockpiled concentrates (370 tons). If we assign such concentrates the average grade of about 63.5% lead, we would have an additional 469,900 pounds, or a total lead poundage of 3,839,971. The figure still does not appear realistic, since, if we divide by the concentrate tonnage of 4,158.1, we wind up with a concentrate grade of 46.17% lead, whereas,

43683

as above, the lead concentrates from this operation have an average grade of around 63.5%.

Will you kindly clarify these points for us and also give us a general idea of DMEA tonnage remaining above the 1600 level. Also please advise if we are correct in our assumption that all tonnage below the 1600 level is still intact.

/s/ George C. Selfridge

(HB)

APPROVED:

Frank D. Lamb (HB)

Member, Bureau of Mines

Harold Kirkemo (HB)

Member, Geological Survey

WRGriswold/er 7-15-59
Copy to: Docket
Dir Read File
Op. Committee
Mr. Bishop, USBM
Mr. Kirkemo, USGS
Chron.

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

June 11, 1959

Re: Docket No. DMEA 2719,
Contract Idm E484
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho

Memorandum

To: W. R. Griswold, Office of Mineral Explorations

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Final Report of Field Team on work done under Contract Idm E484.

The report by Erickson (Bureau of Mines) and Sample (Geological Survey) is a well written, explicit document describing the $396,900 DMEA exploration at the Hercules mine.

The work done included rehabilitation of the shaft below the 1200 level, sinking 313 feet and excavating a 1600 level station pocket and sump; sinking a winze 350 feet from the 1600 level with necessary stations and pockets on the 1600 and 1900 levels, plus 4,268 feet of drifting and crosscutting on the 1600 and 1900 levels, raising 330 feet from the 1600 level, core drilling 2,133 feet, and percussion drilling 2,133 feet.

Although no ore shoots were found on the Hercules vein at the levels explored, a total of 76,200 tons of ore was indicated by drifting and raising on the Rambler vein.

The work though concise is amply documented.

O. M. Bishop

O. M. Bishop

cc: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
F I L E S

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 11 1959

DATE	INITIALS	CODE
6/11	a	220
6/12	wpl	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

May 29, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 4 1959		
DATE	INITIALS	CODE
6/4	a	220
6/4	2HB	130
"	JG	110
6/9	2HB	130
6/10	C	220
6/11	wpb	500

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract Idm-E484

Enclosed are three copies of the Field Team final report on the Hercules project by Eric G. Erickson, Mining Engineer, Bureau of Mines, and R. D. Sample, Geologist, Geological Survey.

The completed project work included rehabilitating the shaft below the 1200 level; deepening 3 compartments of the main 4-compartment shaft 313 feet; excavating the 1600 level shaft station, pocket and sump; excavating the 1600 level winze station; raising the winze shaft-head and pocket; sinking the winze 350 feet from the 1600 to the 1900 level; excavating the 1900 level station and pocket; crosscutting and drifting 4,268.1 feet on the 1600 and 1900 levels; raising 330.5 feet above the 1600 level to the 1300 level; core drilling 2,133.5 feet; percussion drilling 1,267.5 feet; timbering 246 feet of crosscuts and drifts, and installing 63 rock bolts. The total accepted cost of the project was $396,900.53, and the Government's share at 50 percent was $198,450.27.

The project was certified on February 20, 1956, under the Prior Contract.

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

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

Enclosures

Reviewed by
OME OPERATING COMMITTEE
6-9-59
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

FIELD TEAM, REGION I

FINAL REPORT

Amended Contract Idm-E484

by

Eric G. Erickson
Mining Engineer
U. S. Bureau of Mines

R. D. Sample
Geologist
U. S. Geological Survey

DAY MINES, INC.
Day Building
Wallace, Idaho

Docket No.:	DMEA-2719
Commodity:	Lead and Zinc
Prior Contract date:	February 3, 1953
Amended Contract date:	December 6, 1956
Termination date:	August 29, 1958

Reviewed by
OMR OPERATING COMMITTEE
6-9-59
(date)

HERCULES MINE
Summit and Leland Mining Districts
Shoshone County, Idaho

Spokane, Washington

May 1959

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THE PROJECT	6
Geologic Justification	6
Ore Reserves	9
Summary of Factual Data	11
Discussion of Conclusions	12

ILLUSTRATIONS

Plate 1.	Location map	In pocket
2.	Geologic map of the Mullan and vicinity quadrangle, Idaho	In pocket
3.	Vertical longitudinal projection	In pocket
4.	Claim map showing positions of 1000, 1100, 1200, 1300, and 1600 levels	In pocket
5.	Geologic map showing drill holes and assays - 1600 and 1900 levels	In pocket
5A.	Geologic and assay plan map 1600 level west	In pocket
6.	Composite map of Hercules mine	In pocket

FINAL REPORT

DAY MINES, INC.
Hercules Mine
Summit and Leland Mining Districts
Shoshone County, Idaho

Amended Contract Idm-2484

* * * * * *

INTRODUCTION

This report describes a project conducted jointly by Day Mines, Inc., and the Defense Minerals Exploration Administration, to explore the downward extension of the Hercules structure for lead and zinc in an area west of the main shaft.

Summary

The portal of the Hercules mine, No. 5 adit, is at Burke, Idaho; the mine is in sec. 4, T. 48 N., R. 5 E. Boise meridian, Shoshone County, Idaho. The purpose of the project was to test the structurally favorable Hercules vein zone between the Mercury and Hercules faults on the 1600 and 1900 levels (pls. 5 and 6). The Hercules vein, together with its western extension or faulted segment called the Rambler vein, is the only important vein structure known on the property. Both these structures were thoroughly explored on the 1600 and 1900 levels by crosscutting, drifting, sinking, raising, and long holing as provided for in the contract (pl. 6).

The completed project work included rehabilitating the shaft below the 1200 level; deepening 3 compartments of the main 4-compartment shaft 313 feet; excavating the 1600 level shaft station, pocket and sump; excavating the 1600 level winze station; raising the winze shaft-head and pocket; sinking the winze 350 feet from the 1600 to the 1900 level; excavating the 1900 level station and pocket; crosscutting and drifting 4,268.1 feet on the 1600 and 1900 levels; raising 330.5 feet above the 1600 level to the

1300 level; core drilling 2,133.5 feet; percussion drilling 1,267.5 feet; timbering 246 feet of crosscuts and drifts, and installing 63 rock bolts. The total accepted cost of the project was $396,900.53, and the Government participation at 50 percent was $198,450.27.

Drifting and crosscutting westward along the Hercules vein to the Mercury fault showed it to be a strong, shear zone on the 1600 level, but only a few blebs and stringers of submarginal ore were found. However, drifting westward from the Mercury fault on the Rambler vein (pls. 5A and 6) disclosed commercial ore for about 60 feet, and the 378 raise was driven to the 1300 level exposing a limited tonnage of fair ore. A better looking and higher grade ore body was found on the 1600 level about 530 feet west of the 378 raise. The 435 raise was driven in this shoot, but the ore continued for only a short distance above the level. The western portion of the Rambler vein was barren of ore-grade material on the 1600 level.

Drifting on the Rambler vein on the 1900 level was disappointing. The vein continued strong both down dip and along strike, but although the vein was of a grade being mined elsewhere in the district, the high-grade ore found on the 1600 level was not found on the 1900 level. The 1900 level was soon abandoned after the project was terminated.

Recommendations

The project was certified on February 20, 1956, under the Prior Contract. No further participation by the Government is recommended for the property at this time.

PROPERTY

The land included in the exploration contract is owned by the Operator and consists of the following patented lode mining claims in the Summit and Leland Mining Districts, Shoshone County, Idaho:

Name	U. S. Survey No.
Protection	1654
Selkirk	2069
Mercury	1782
Tacoma	2101
Rambler	1904
Montana	2101
Granite Contact	1654
Mars	2101
Irene	2101

Ground excepted from these claims includes the following areas on the Hercules vein: above the 1000 level east of the Mercury fault, above the 1300 level between the Mercury fault and the 427 raise, and above the 1000 level west of the 427 raise and east of the present face of the 1000 level. The location of claims is shown on plate 4.

Special Agreement Concerning Royalty

In addition to royalty otherwise payable under the Amended Contract, the Operator, as principal, if the Operator is the producer or as surety, if the Operator is not the producer, shall pay to the Government a royalty on any production, regardless of where it comes from, that is transported or passed through any shaft, winze, raise, crosscut, drift, or other working to the cost of which the Government has contributed, for the same period, in the same manner and amount, and subject to the same conditions as are provided in this Amended Contract: Provided, however, That not more than one royalty shall be due or paid on the same production.

GEOLOGY

Regional

The Hercules mine is in the Summit and Leland Mining Districts in the northeastern section of the Coeur d'Alene District, Shoshone County, Idaho (pl. 1). The general geology of the district has been adequately described in many published reports. Important among these are:

1. Ransome, F. L., Calkins, F. C., 1908, Geology and Ore Deposits of the Coeur d'Alene District, Idaho: U. S. Geol. Survey Prof. Paper 62.

2. Umpleby, J. B., Jones, E. L., Jr., 1923, Geology and Ore Deposits of Shoshone County, Idaho: U. S. Geol. Survey Bull. 732.

3. Shenon, P. J., McConnel, R. H., 1939, Silver Belt of the Coeur d'Alene District: Idaho Bureau of Mines and Geology, Pamphlet 50.

In brief, the country rock of the Coeur d'Alene District consists of metamorphosed sediments of the Precambrian Belt series that have been folded, faulted, and intruded by granitic rocks and dikes of various types. The Belt series rocks in this area have been subdivided into six formations on the basis of lithology. From the bottom of the series to the top the formations are:

Prichard, Burke, Revett, St. Regis, Wallace, and Striped Peak. The total section is at least 23,000 feet thick and is composed essentially of very fine-grained quartzite, argillaceous quartzite, and argillite beds (pl. 2).

A very striking structural feature of the district is the west northwesterly trending Osburn fault or fault zone (pl. 1) which has been traced intermittently through the district for over 30 miles. Locally, the fault zone ranges in width from 100 to 200 feet and wherever exposed dips steeply south. The extent of the preore movement is not known, but it is believed it may have a postore strike-slip movement of about 16 miles. Many smaller faults cut and offset the ore bodies.

Local Geology

The ore deposits of the Hercules mine are in and along the Hercules vein or vein structure which is an irregularly filled, persistent shear zone trending through partially crushed and shattered country rock. It is composed of a number of strands extending from the hanging wall and footwall of the zone. The main Hercules vein is a replacement vein and strikes about N. 70°-80° W. and dips southerly at an average of about 75°, but both the strike and dip vary within short distances. To the west of the main shaft the vein has been faulted by the northeasterly striking, west-dipping Hercules fault and below the 600 level by the northerly striking, east-dipping Mercury fault, seemingly a split off the Hercules fault (pls. 2, 3, and 6). There are also a number of minor northerly striking faults that have slightly offset the Hercules vein. On the 1600 and 1900 levels the Rambler vein and Hercules fault strike almost parallel to each other (pl. 6) and most of the offset of the vein is horizontal.

The country rock is composed of thin- to medium-bedded argillites and argillaceous quartzites of the Prichard and Burke formations. The contact between the formation is gradational. The mine workings from the surface to about the 800 level are in the Burke formation and those below the 800 level are in the Prichard formation.

A prominent feature bordering the Hercules workings on the west is the North Gem stock considered to be an outlier of the Idaho batholith of Late Cretaceous age (pl. 2). The principal rock of this igneous intrusion is a coarse-grained, light-grey, porphyritic monzonite containing black crystals of hornblende. Locally, the rock is referred to as "granite," but granite is rare and the rock comprises a wide variety of types. According to Verne C. Fryklund, Jr., of the Survey, "The veins cut hornfels zones surrounding the stocks, and this feature plus actual crosscutting

relationships show that the base metal veins are later than the stocks. As shown by the zoning of the barren gangue minerals in the veins surrounding the stocks, there appears to be good evidence that the stocks were hot, and cooling, while the early gangue minerals were being introduced."

The only published description of the Hercules mine geology is that of B. Stringham, F. McIntosh, and G. M. Crosby (Mineralization and Hydrothermal Alteration in the Hercules Mine, Burke, Idaho, 1953: Mining Engineering, p. 1278-1282). According to these authors, the Hercules mine was discovered in 1886, but production did not start until 1902. The Hercules vein has been explored to a vertical depth of 3,600 feet below its outcrop and along a strike length of 3,600 feet on certain of the lower mine levels. Incomplete records show that from 1912 to about 1925 the mine produced 2½ million tons of ore containing 9.4 percent lead and 7.7 ounces silver per ton, together with an estimated 2 percent zinc, 0.3 percent copper, and 20 percent iron.

A soil survey made in 1953, with Survey cooperation, showed that the Hercules vein probably extends much farther west on the surface than had been supposed, but it has not yet been traced to the monzonite contact.

The mineralized stages of the Hercules vein have been summarized as follows:

1. Early silicates (garnet, amphibole, biotite) with very early pyrite.

2. Siderite.

3. Magnetite and hematite.

4. Sulfides; pyrrhotite first, followed at the end by sphalerite and galena.

5. Calcite and pyrite.

The stages are more complex than noted, and a number of subdivisions are possible.

THE PROJECT

The Hercules is one of seven mines adjacent to the Gem monzonite stocks that have important production records. The other mines are the Frisco (Gem), Interstate, Rex (Sixteen to One), Success (Granite), Sunset, and Tamarack. Old records are incomplete, but available data show these seven mines have produced nearly 11 million tons of ore containing about 50 million ounces silver, over $1\frac{1}{2}$ billion pounds lead, and over 1 billion pounds of zinc, or approximately $1\frac{1}{10}$ million tons lead and zinc combined. The Hercules mine alone produced almost half of the lead. This impressive production record warranted consideration of further exploration of the Hercules structure to the west toward the North Gem stock and down dip from the lower levels in the mine.

There were no criteria that would indicate bottoming of the Hercules ore shoots. This is also true of ore shoots in other parts of the district. The main ore body is irregular in outline, extending over a variable strike length of 400-1,500 feet and intersected by strong transverse faults (Hercules and Mercury) that have been traced from the higher to lower levels. These strong structures within the mine area, together with discoveries already made along these same structures in other parts of the mine, lent encouragement to the exploration project as one wherein the discovery of a significant ore body might reasonably be expected.

Day Mines, Inc., submitted an application in September 1952 for Government aid under the DMEA program to explore the Hercules vein structure below the present 1300 level. Work items in the proposed program included rehabilitating about 70 feet of the main shaft bottom section, deepening 3 compartments of the 4-compartment shaft 330 feet, excavating a station, pocket and sump on the new 1600 level, drifting and crosscutting 2,900 feet westerly on the 1600 level, core drilling 1,000 feet in 4 holes to probe the Hercules vein, and raising an estimated 320 feet from the 1600 to the 1300 level.

The application was reviewed by the Government, and after several small changes of the application, an exploration contract was signed February 5, 1953. The contract authorized rehabilitation of the old Hercules vertical shaft below the 1200 level, 330 feet of shaft sinking to the 1600 level, 6,200 cubic feet of excavation and installation of new station, 3,900 cubic feet for excavation of pocket and sump, 2,640 feet of drifting and crosscutting, 880 feet of timbering, 1,000 feet of diamond drilling, AX size, and 320 feet of raising from the 1600 to 1300 level. The total estimated

cost of the project was $242,860 with the Government participation at 50 percent, or $121,430. The expiration date of the contract was February 5, 1955, or 2 years from date of contract.

Contract work on rehabilitation of the old shaft, sinking to and establishing a station on the 1600 level began on February 19, 1953, and was completed the first part of October 1953. Country rocks encountered during the shaft sinking were all medium- to thin-bedded argillites and argillaceous quartzites of the Prichard formation. No significant structures or mineralized bodies were found. Bedding planes were essentially flat.

Crosscutting S. 82½° W. from the 1600 level station to intersect the Hercules vein began October 15, 1953. The footwall of the vein was cut at 780 feet, and crosscutting continued on line for another 80 feet where a very hard grunerite-magnetite-pyrrhotite vein material was found. This zone of hard stringers of grunerite, magnetite, pyrrhotite, garnet and biotite was approximately 45 feet in thickness. Minor amounts of pyrrhotite disseminated in the beds were noted throughout all the crosscut.

Drifting was started westward along the footwall of the Hercules vein structure which strikes about N. 70° W. At about 1,080 feet from the shaft the hanging wall and footwall of the vein zone joined and continued until the Mercury fault striking N. 15° E. was cut at 1,615 feet from the shaft (pl. 6).

The Mercury fault offsets the Hercules vein structure 250 feet to the north and the western part of structure beyond the Mercury fault is known as the Rambler vein from earlier work on the 1000 level of the Rambler claim.

The west segment of the Hercules structure (Rambler vein) strikes east-west and dips 72° S. About 30 feet west of where the vein was intercepted a raise (378) was driven to the 1300 level (pl. 6). The drift continued west for another 550 feet where the vein split into many short distorted veins with varying strikes forming a complex structure called "The Knot." A raise (433, pls. 5A and 6) was driven from "The Knot" in showings of fair ore. Drift samples from the vein for a distance of 145 feet showed an average grade of 1.1 ounces silver per ton, 2.8 percent lead, and 4.6 percent zinc over an average width of 5.3 feet.

Drifting continued westward along the main vein from "The Knot" in a S. 72° W. direction with fair ore showings, then southerly at about S. 45° W. for 215 feet where a very good ore shoot was developed. Samples which averaged 4.4 feet wide carried ore values of 2.1 ounces silver per ton, 4.5 percent lead, and 14.0 percent zinc. However, the ore shoot proved to be very limited in vertical extent, and further drifting on the vein showed that the western limit of the ore had been reached. Drifting on the 1600 level was discontinued in another 150 feet.

Work was continued under Stage II of the contract, with the sinking of a 300-foot vertical winze at the west edge of "The Knot" to the 1900 level. This work followed by crosscutting to the vein and drifting westerly disclosed barren and submarginal vein along a strike length of over 600 feet. The walls of the drift were long holed at intervals throughout its length.

Amendment No. 1 (May 3, 1954) increased the drifting and crosscutting on the 1600 level to 2,640 feet. This work was in lieu of a raise designated in the contract and was to be done at no additional cost.

Amendment No. 2 (November 10, 1954) provided for 650 feet additional west drift, completion of the 378 raise to the 1300 level, increased the diamond drilling to 2,000 feet, added 5 more patented claims to the original 4, extended the completion time 6 months to August 5, 1955, extended payment period from 10 to 12 years, and increased the total estimated cost of the project to $288,710.

Amendment No. 3 (April 6, 1955) provided for a total of 313 feet of shaft, 6,456 cubic feet of pocket excavation, 3,503.8 feet of drifts and crosscuts on the 1600 level, 246 feet of timbering, 330.5 feet of timbered raise, 1,361.5 feet of diamond drilling on an actual cost basis, and an additional 2,000 feet of diamond drilling at $3.50 per foot subsequent to April 6, 1955. The total cost was not changed by this amendment.

Amendment No. 4 (March 7, 1956) provided for an extension of the completion date from 30 to 44 months and decreased the payment period from 12 to 11 years. The total estimated cost was not changed. An audit by C. E. Fisher in April 1956 showed that the total accepted cost for work to date was $273,300.48, of which the Government's share was $136,650.24.

The project was amended on December 6, 1956, by a short term contract, which considered the work done under the Prior Contract as Stage I. Stage II work involved driving a 70-foot Pilot drift for hoist-room on the 1600 level, sinking a 2-compartment 350-foot vertical winze from the 1600 level Rambler drift and exploring the vein on the 1900 level by 1,000 feet of drift and crosscut. This raised the total cost of the project to an allowable $415,250 and extended the program until December 5, 1958.

Amendment No. 1 under the Amended Contract, dated July 2, 1958, allowed a total of 950 feet of crosscutting and drifting on the 1900 level and a total of 1,600 feet of long-hole percussion drilling on the 1600, 1750, and 1900 levels, as approved by the Government. No increase in estimated cost was allowed.

All drifting and long-hole drilling ceased on the 1900 level as of May 23, 1958; the equipment and installations were removed and the level was allowed to flood. Long-hole drilling continued on the 1600 level until late July 1958. Eight long holes, aggregating 302 feet, were drilled from the 1600 level. The mineralization found was not considered ore grade at present metal prices. A Termination Agreement effective August 10, 1958, was signed on August 29, 1958.

Ore Reserves

In his final report the Operator's estimate based solely on 1600 level assays is limited to ore above the 1600 level and amounts to:

Class	Tons	Oz.Ag/ton	% Pb	% Zn
Indicated	14,150	2.0	4.7	6.7
Inferred	30,550	1.3	3.3	5.3
Total	44,700	1.5	3.7	5.7

On the 1900 level there is an ore shoot 160 feet long that averages 2.6 feet wide and contains 2.8 ounces silver per ton, 7.2 percent lead, and 9.2 percent zinc that probably is the same as the westernmost ore block on the 1600 level. The average width of 39 samples taken over a drift length of 250 feet on the 1600 level is 3.3 feet to which the Operator has added 2.5 feet of barren rock to give a calculated width of 5.8 feet, averaging 2.0 ounces silver per ton, 4.7 percent lead, and 6.7 percent zinc. On the 1900 level 11 samples taken over a length of 160 feet have an average width of 2.6 feet to which has been added 2.4 feet of barren rock to give a calculated width of 5.0 feet averaging 1.4 ounces silver per ton, 3.7 percent lead, and 4.8 percent zinc. The distance between the 1600 and 1900 levels measured in the plane of the vein is about 315 feet. Considering these facts and using the Operator's tonnage factor of 9.75 cubic feet per ton, there is in addition to the Operator's estimate a block of indicated ore between the 1600 and 1900 levels that contains 31,500 tons averaging 1.7 ounces silver per ton, 4.2 percent lead, and 5.8 percent zinc.

Diamond drill holes on the 1900 level show the presence of some low-grade material, but there is insufficient data to infer reserves.

The total estimated reserves resulting from the DMEA project are:

	Tons	Oz.Ag/ton	% Pb	% Zn
Indicated (above 1600)	14,150	2.0	4.7	6.7
Indicated (between 1600-1900)	31,500	1.7	4.2	5.8
Total indicated	45,650	1.8	4.3	6.1
Inferred (above 1600)	30,550	1.3	3.3	5.3
Total reserve	76,200	1.5	3.9	5.8

This estimate is believed to be conservative as the Operator tied his estimate of reserves above the 1600 level to metal prices of 90 cents per ounce for silver, 15 cents per pound for lead, and 12 cents per pound for zinc, and a mining cost of $13 per ton. In 1955 he estimated an indicated reserve of 145,000 tons of ore averaging 1.2 ounces silver per ton, 2.9 percent lead, and 6.8 percent zinc between the 1000 and 1600 levels. Part of this ore has been mined, but it is probable that considerable tonnage remains in this area which will be mined if and when metal prices are higher. Just what this extra tonnage and its grade might be is difficult to determine at this time, but it would probably equal the total reserve figure estimated above.

Summary of Factual Data

The following tabulation shows the work items authorized, units approved, unit costs and total costs:

Item	Units authorized	Units completed	Unit cost	Total cost
Stage I				
Shaft rehabilitation	$8,123.00	$8,123.00	$8,123.00	$ 8,123.00
Shaft sinking	313 ft	313 ft	200/ft	62,600.00
Shaft station	6,200 cu ft	6,200 cu ft	$0.65/cu ft	4,030.00
Sump and pocket	6,456 cu ft	6,456 cu ft	$1.33/cu ft	8,586.48
Improvements	$1,000.00	$1,000.00	$1,000.00	1,000.00
Crosscutting and drifting	3,505.8 ft	3,389 ft	$48/ft	162,672.00
Raising	330.5 ft	330.5 ft	$70/ft	23,135.00
Timbering drift	246 ft	246 ft	$5/ft	1,230.00
Core drilling	1,361.5 ft	1,361.5 ft	$3.30/ft	4,492.00
Core drilling	2,000 ft	772 ft	$3.50/ft	2,702.00
Total accepted cost - Stage I				$278,570.48
Stage II				
Winze station	1,600 cu ft	1,600 cu ft	$0.75/cu ft	$ 1,200.00
Winze head raise	75 ft	75 ft	$74/ft	5,550.00
Winze head pocket	50 ft	50 ft	$42/ft	2,100.00
Sinking winze	350 ft	350 ft	$157.50/ft	55,125.00
1900 level station	2,600 cu ft	2,600 cu ft	$0.90/cu ft	2,340.00
1900 level pocket	35 ft	35 ft	$47/ft	1,645.00
Improvements	$6,020.00	$6,020.00	$6,020.00	6,020.00
Crosscutting and drifting	1,020 ft	879.1 ft	$48/ft	42,196.80
Percussion drilling	1,600 ft	1,267.5 ft	$1.50/ft	1,901.25
Rock bolts	250 ea	63 ea	$4 ea	252.00
Total accepted cost - Stage II				$118,330.05
Total accepted cost - Stages I and II				$396,900.53

Total amount of the contract	$415,250.00
Government's share at 50 percent	207,625.00
Total amount expended	$396,900.53
Government participation	198,450.27
Total amount unexpended	$ 18,349.47
Government's share unexpended	9,174.73
Net value of production during contract period	1/$794,393.40
Royalty received on production during contract period	1/$ 39,719.77
Total value of production through December 1958	1/$904,270.60
Total royalty received on production through December 1958	1/$ 45,213.53
Percent of Government participation repaid	22.8 percent

1/ Subject to audit.

The Government acquired no equity in equipment used on the project.

Discussion of Conclusions

This has been a very successful project and under favorable market conditions would undoubtedly repay the Government's investment. The vein material indicated in the 1900 level drill holes might justify further exploration by crosscutting, drifting and raising if a more favorable metal price should materialize. There is also an area above the 1000 level that, under the same conditions, might justifiably be explored. However, it is doubtful that the Government would be justified in aiding further exploration at this time.

Enclosures
Distribution:
OME(3) Docket
USBM(3) Sample
USGS(SRO)

Maps for
Final Fld
Team Report
Clay Mine
2719-
May 1959

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O. M. E.
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DATE	INITIALS	CODE
2/2	C	220
1/11	9/21	110
1/11	6.E.F.	800
2-4	WRL	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: July 1 to December 31, 1958

Date of examination: December 17, 1958

Operator: Day Mines, Inc., Wallace, Idaho

Mine name: Hercules

County and State: Shoshone County, Idaho

Docket number and commodity: DMEA-2719 (lead-zinc)

Contract number: Idm-E484

Date of contract: February 5, 1953

Date of certification: February 20, 1956

Expiration date of royalty payments: February 5, 1969

Total amount of contract: $415,250.00

Total expenditures under contract: 396,900.53

Amount of Government participation @ 50%: 198,450.27

Royalty payments this period: $ 2,344.13

Previous royalty payments: 37,719.77

Total royalty payments to date: 39,719.77

Percent of Government participation repaid: 20.02%

Royalty due on production to date: See royalty remarks

Royalty remarks: The Operator is stockpiling lead and zinc concentrates as he believes the selling price will improve at a later date. By agreement the Operator is paying royalty on 75% of the estimated smelter value of the stockpiled concentrates. Assuming the concentrates will be sold for more than 75% of the presently estimated value, the royalty on the difference will be paid when the concentrates are sold.

	Tons	Analysis
Original estimate of DMEA reserves (from Field Team final report) Mines ___ Survey ___ Joint ___	Report not prepared as yet.	
Operator's estimate of DMEA reserves as of December 31, 1958	20,940 *	6.8% Pb 3.7% Zn 3.2 oz. Ag/ton

*Note from operator: Based on $14 cost; 90¢ Ag, 13¢ Pb, 12¢ Zn

Revised estimate of DMEA reserves (Field Team)
Mines ___ Survey___ Joint ___

Increase of reserves by work performed subsequent to DMEA project work:

Production of DMEA ore (this period):

	Tons		Lbs. Lead	Lbs. Zinc	Oz. Silver
Pb concentrates	398.7	1/	127,348	--	3229.42
Zn "	59.0	2/	2,050	34,199	128.99
Totals	457.7		129,398	34,199	3358.41

1/ Includes 240 tons concentrates stockpiled.
2/ " 5 " " " .

(previous):

Pb concentrates	3759.4	1/	3,242,723	--	76,332.40
Zn "	2243.0	2/	67,964	1,516,834	5,140.27
Totals	6002.4		3,310,687	1,516,834	81,472.67

1/ Includes 130 tons concentrates stockpiled.
2/ " 15 " " "

Production of DMEA ore (to date):

	Tons		Lbs. Lead	Lbs. Zinc	Oz. Silver
Pb concentrates	4158.1	1/	3,370,071	--	79,561.82
Zn "	2302.0	2/	70,014	1,551,033	5,269.26
Totals	6460.1		3,440,085	1,551,033	84,831.08

1/ Includes 370 tons concentrates stockpiled.
2/ " 20 " " "

Note: No metal content reported for stockpiled concentrates.

Percent of revised reserves mined:

Production remarks: The Operator plans to produce 2,000 tons of ore per month during 1959.

INVESTMENT DATA (as supplied by Operator)

(rounded figures)

Total amount spent by Day Mines on DMEA project and related work (exclusive of actual stoping) during contract period, Feb. 5, 1953 to August 10, 1958	$806,000.00
Government participation in DMEA contract costs	200,000.00
Day Mines expenditures over and above Government participation during DMEA contract period	$606,000.00
Day Mines costs related to the project since August 10, 1958 (contract termination date)	none
Total Day Mines costs to date on DMEA project	$606,000.00

INVESTMENT DATA (continued)

Breakdown of Day Mines Costs

Day Mines actual costs of DMEA work only over amount allowed by contract	$296,000.00
Day Mines costs other than DMEA contract work but related to DMEA project	310,000.00
Total	$606,000.00

Drifts and Crosscuts

Size	Feet	Cost
8' x 8'	940	$ 51,000.00
5' x 7'	2893	97,000.00

Raises

7' x 13'	1625	$121,000.00
5' x 7'	807	28,000.00

Rehabilitation

Old shaft and tunnels	13,000.00
Total	$310,000.00

Signed: E. G. Erickson (Engineer)

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

DMEA Form 7
(12-56)

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Date	Surname	Code
11/17	Talbert	800
11/18	N. G.	220
11/18	[illegible]	500

NOV 17 1958

Mr. George Mavor
OME Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-2719 (Lead-/inc)
Day Mines, Inc.
Contract No. Idm-E484

Dear Mr. Mavor:

The copies of your Report of Review covering the referenced project, as submitted with your November 14, 1958 letter, are acceptable after revision in the first paragraph of the date "July 16, 1951" to the correct "Feb. 5, 1953". This change has been made in the Washington copies. Please change the original and all other copies, after which normal distribution is authorized.

Although the Field Team properly reported the performance of units of work in excess of the number authorized by the contract, you are correct in this instance in not allowing the excess on an "if claimed by the Operator" basis. This contract specifically provides for the 1600 level winze "not to exceed 350 feet" and the 1900 level station "not to exceed 2,600 cubic feet". However, even if such limiting words had not been used, the excess units of work under fixed unit cost provisions of the contract would not be allowable for contribution by the Government unless the contract was appropriately amended.

This matter of maximums under fixed unit cost provisions is explained in the fourth and sixth paragraphs of my January 28, 1955 letter to Mr. Turner on the general subject of "allowable maximums". A copy of this letter was sent to each auditor.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

EDTalbert/GMcC
November 17, 1958

cc: Docket
Director's Read. File
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

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DATE	INITIALS	CODE
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11/10		800
11/12	alf	500

November 4, 1958

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

Re: Docket No. DMEA-2719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484

Dear Mr. Selfridge:

Enclosed are the original and one copy of the Operator's final report on the referenced project which is acceptable to the Field Team.

The project has resulted in the discovery of 14,500 tons of indicated ore with an average grade of 2.0 ounces silver per ton, 4.7 percent lead, and 6.7 percent zinc, and 30,550 tons of inferred ore having an average grade of 1.3 ounces silver per ton, 3.3 percent lead, and 5.3 percent zinc.

A Certificate of Discovery or Development was issued February 20, 1956.

By Field Team Region I

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosure 1 (in dupl.)
cc: USBM (2)
USBM(AD)
Sample

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O. M. E.
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DATE | INITIALS | NOTE
11/10 | C | 220
11/10 | atr | 500

1203 N. Division St.
Spokane 2, Washington

November 4, 1958

Mr. George Mayer, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. [illegible]-2719 (lead-zinc)
Bay Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. [illegible]

Dear Mr. Mayer:

The referenced contract was terminated by mutual agreement on August 29, 1958, effective as of August 18, 1958.

The number of units of work satisfactorily completed by the Operator and accepted by the Field Team are:

Stage I	Authorized	Completed
Install pumps, blowers, etc.	1 unit	1 unit
Shaft sinking, 1300 to 1600 level	313 feet	313 feet
1600 level station	6200 cu. ft.	6200 cu. ft.
1600 level pocket and sump	6456 cu. ft.	6456 cu. ft.
1600 level drifting and/or crosscutting	3505.8 ft.	3389 ft.
1600 level diamond drilling (actual cost)	1361.5 ft.	1361.5 ft.
1600 level diamond drilling (agreed unit cost)	2000 ft.	772 ft.
1600 level timbering	246 ft.	246 ft.
1600 level timbered raise	330.5 ft.	330.5 ft.

Stage II	Authorized	Completed
1600 level rock bolts	50	38
1600 level drift	70 ft.	65 ft.
1600 to 1900 level winze and sump	350 ft.	353.5 ft.
1600 level station	1600 cu.ft.	1608 cu.ft.
Install hoist and ventilation	1 unit	1 unit
1600 level head raise	75 ft.	75 ft.
1600 level pocket raise	50 ft.	50 ft.
1900 level station	2600 cu.ft.	2605 cu.ft.
1900 level pocket	35 ft.	35 ft.
Install 1900 level substation and power cable	1 unit	1 unit
1900 level pump, signal system and loading gate	1 unit	1 unit
1900 level drifting and/or crosscutting	950 ft.	814.1 ft.
1900 level rock bolts	250	43
Percussion long holes	1600 ft.	
1600 level, 8 holes 302 ft.)		
1750 level, 2 holes 96 ft.)		
1900 level, 18 holes 869.5 ft.)		
1267.5 ft.		1267.5 ft.

The Operator's final engineering and geological report was received on November 3, 1958. This report meets the requirements of Article 5(c) of the contract.

The Certification of Discovery or Development issued under date of February 20, 1956 under the Prior Contract is applicable to this Amended Contract.

The total amount paid to date to the Operator is $197,499.64.

A Report of Review in lieu of a final audit is in order and requested.

By Field Team, Region I

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

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

cc: Mr. Chambers
GMK (2)
USGS (2)
USBM (AB)

Memorandum for the Files

From: W. P. Klugescheid, Mining Engineer, Division of Base Metals.

Subject: Termination Agreement for Docket No. DMEA-2719 (Lead-Zinc), Day Mines, Inc., Hercules Mine, Shoshone County, Idaho, Amended Contract No. Idm-E484.

The termination date of the contract is December 5, 1958. The Operator stopped work on the 1900 level late in May 1958 before completion of the work as the results were discouraging.

According to the Field Team, the percussion long hole drilling from the 1600 level was completed in July. Reports not yet received.

The Field Team was in accord with the Operator in stopping the work on the drift on the 1900 level.

A Certification was issued on February 20, 1956.

The Field Team recommends the Termination Agreement.

W. P. Klugescheid

W. P. Klugescheid

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

August 14, 1958

8/18 W.g. 425 130 500

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

Re: Docket No. DMEA-2719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract No. Idm-E484 (Amended)

Dear Mr. Selfridge:

The termination date of the subject contract is December 5, 1958. The Operator stopped work on the 1900 level late in May 1958 before completion of the authorized work because the results were discouraging. The Field Team was agreeable to this action. Percussion long hole drilling from the 1600 level was completed late in July.

The Field Team recommends that a mutual termination agreement be prepared for the Operator's signature, effective as of August 10, 1958.

A Certification of Discovery was issued February 20, 1956 as a result of previous DMEA exploratory work.

By Field Team, Region I

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USGS (2)
USBM (AD)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

June 27, 1958

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Director, Division of Base Metals

Subject: Preparation of Amendment No. 1 to the Amended Contract, Docket No. DMEA-2719, Day Mines, Inc., Hercules Mine, Shoshone County, Idaho, Amended Contract No. Idm-E484, Lead-Zinc.

Will you kindly prepare an Amendment No. 1 to the cited Amended Contract which will make the following changes:

In Exhibit A of the Amended Contract, under "Description of the Work", 'Stage II' item 7 is deleted and the following is substituted.

"7. On the 1900 level, crosscut to the Rambler vein and drift on the vein structure for not to exceed 950 feet for all crosscutting and drifting. The size of the drifts and/or crosscuts shall be not less than 8 feet by 8 feet in cross section and in the clear of timber."

Also the following item 9 to be added:

9. Not to exceed a total of 1600 feet of long hole percussion drilling may be done on the 1600, 1750 and 1900 levels.

Also, under the "Estimated Cost of Project, Stage II", item 7 is deleted and the following is substituted:

7. Drifting and Crosscutting, 950 feet
$48.00/ft. $45,600.00

8623

Also item 9 is added as follows:

9. Long hole percussion drilling,

1,600 feet @ $1.50/ft. $2,400.00

The amendment involves no change in cost, hence, please use the stock phrase.

W. R. Griswold

W. R. Griswold

WRG/er
Copy to: Docket
Chron.

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

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DMEA
RECEIVED JUN 16 1958

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6/17	WPB.	130
		500

Air Mail

June 12, 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Selfridge:

Enclosed are two copies of a letter dated May 28, 1958, from the referenced Operator requesting that the contract be amended to provide for 400 feet of percussion drilling on the 1600 level under Stage I and 1,000 feet of percussion drilling on the 1750 and 1900 levels under Stage II at a unit cost of $2 per foot. The Operator requests that unused funds allotted to drifting on the 1600 level under Stage I and unused funds allotted to the 1900 level work under Stage II be made available for this purpose. Unused units of work and funds available are:

STAGE I:

1600 level	drifting	116.8 ft. @ $48/ft.	$5,606.00

STAGE II:

1900 level	drifting	186 ft. @ $48/ft.	$8,928.00

The proposed units of percussion drilling are:

STAGE I:

1600 level	440 ft. @ $2/ft.	$ 880.00

STAGE II:

1750 and 1900 levels	1,000 ft. @ $2/ft.	$2,000.00

As the 1900 level crosscut and drift were being driven, 965.5 feet of percussion long holes were drilled from the shaft station on the 1750 level and the crosscut and drift on the 1900 level. The drilling indicated the presence of two fairly persistent veins north of the Rambler vein. The Field Team believes that this is an effective method of exploring the parallel veins.

Drifting on the 1900 level has been discontinued because the grade of the ore found on that level is too low to mine under present economic conditions, although it probably would be minable at slightly higher prices for lead and zinc.

Diamond drilling on the 1600 level under Stage I of the contract gave some indication of a parallel vein but the significance of this was not realized until the 1900 level work was done. It now appears that there may be a parallel vein in the footwall of the Rambler vein on the 1600 level as well as the 1900 level. Because the Rambler vein is much richer on the 1600 level than it is on the 1900 level, it is possible that this vein, if present on the 1600 level, may also be richer than on the 1900 level. It could readily be tested by long hole drilling.

In order to permit payment for the long hole drilling on the 1750 and 1900 levels and to permit further exploration north of the Rambler vein on the 1600 level, we recommend that Stage I be amended to reduce the authorized drifting on the 1600 level by 18.4 feet at $48 per foot and to permit 440 feet of percussion drilling on the 1600 level at $2 per foot; and that Stage II be amended to reduce the authorized drifting on the 1900 level by 41.7 feet at $48 per foot and to permit 1,000 feet of long hole drilling on the 1750 and 1900 levels at $2 per foot.

By Field Team, Region I

A. E. Weissenborn by Allen

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

Wing G. Agnew

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

Enclosures

cc: USBM (2)
USBM (AD)
Sample
Turner

DAY MINES, INC.

WALLACE, IDAHO

COPY

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 16 1958

DATE	INITIALS	CODE

May 28, 1958

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

DMEA 2719 - Hercules
(Application for minor amendment)

Dear Sir:

Stage I exploration and Stage II exploration both retain unused funds provided for additional drifting and crosscutting.

Stage I also has unused funds provided for more diamond drilling than has been completed.

In the course of Stage II drifting we have completed 968.5 feet of exploratory drill holes of 2-inch diameter, using percussion drilling instead of the more cumbersome diamond drilling. This drilling delineated several parallel vein structures to good advantage. The average depth of hole was 56 feet and the cost $2.00 per foot. A breakdown of the cost of this drilling is submitted herewith ($2.90 per linear foot) and application is made for amendment of the contract to include as much as 1,000 feet of such exploratory drilling in Stage II (1750 and 1900 levels) and for as much as 400 feet additional exploratory percussion drilling on the 1600 level, formerly in Stage I of the project.

The position of the holes that have been completed and their findings have appeared regularly on the 20-scale geological maps submitted with the monthly progress report.

Yours very truly,

Henry L. Day.

HLD:KAE
Encl.

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JUN 2 1958
U. S. G. S.
SPOKANE, WASH

DMEA

COST ESTIMATE

Two-inch diameter, percussion-drilled, exploration holes in Stage II
of
DMEA 2719 - HERCULES

Materials and Power Cost	per lin. ft.
Actual cost for bits, rods, couplings and adaptors (see list) $777.85 for 965.5 feet drilled on project	$ 0.81
Drill repair: the cost is equal to that for one drill in drilling one-half of a 5ft. drift round ($.15 per ton is Hercules cost, 1957); this cost produces 70 ft. of long-hole	0.03
Power cost ($0.68 per ton for Hercules in (1957) is taken equal to ½ a drift round; this produces 70 ft. of hole	0.17
Total materials cost	$ 1.01 per ft.
Labor Cost	
Direct labor: in heading $0.50 per ft. contract (70 ft. drilled by two men in one day)	$ 0.50
Indirect labor: one hoistman $20.26 wage plus 18% for fringes = $23.75 for 70 ft. drilled	0.34
Supervision, engineering, assaying and clerical 20% of direct labor	0.10
Labor Cost per Ft.	$ 0.94
Equipment rental (nominal)	$ 0.05
TOTAL COST	$ 2.00 per ft.

LIST

Materials used in Hercules long-hole drilling December 16, 1957 to May 27, 1958, on Stage II exploration of DMEA - 2719.

Pcs.		Each	Total Cost
28	rods at	$11.65	$ 326.20
1	30-inch starters at	8.40	8.40
66	15-inch starters at	7.10	42.60
3	Adaptors at	6.45	19.35
8	carset bits, 2" at	18.35	146.80
2	carset bits, 2½" at	24.55	49.10
36	couplings JRC-1 at	5.15	185.40
	Total cost materials		$ 777.85

RECEIVED
BUREAU OF MINES
JUN 6 - 1958
SPOKANE, WASH.

DAY MINES, INC.

WALLACE, IDAHO

June 3, 1958

6/16 C 220
6/16 200
6/16 500

r. Jack Bardill
ureau of Mines
201 N. Division
pokane 2, Washington

Re: HERCULES PROJECT, DMEA 2719

ear Sir:

Work authorized but not completed or claimed as of May 31, 1958, is summarized follows:

STAGE I Amendment #3, 4/6/55		Authorized Units	Completed Units	Remaining Units	Remaining Value
Drifting	@ $48.00 ft.	3,505.8	3,389	116.8	$ 5,606.00
Diamond Drilling	@ 3.50 ft.	2,000	772	1,228	4,298.00
Diamond Drilling, actual cost not allowed					235.00
STAGE II Authorized 11/15/55					
Drifting	@ $48.00 ft.	1,000	825.9	174.1	8,357.00
Crosscutting on 1600	@ 48.00 ft.	70	65	5	240.00
Rock Bolts, item 1(a)	@ 4.00	50	43	7	28.00
" " , item 8	@ 4.00	250	20	230	920.00
Total Value of Uncompleted Work					$ 19,684.00
Work completed Form MF-104 for May, 1958					395,565.68
Total Authorized					$ 415,250.00

I trust this is the information you requested in connection with our application amendment.

Yours truly,

Leonard Caffney

Leonard Caffney
Assistant Treasurer

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

June 3, 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract Idm-E484

Dear Mr. Selfridge:

Enclosed are three copies of a letter from Mr. Henry L. Day, President of Day Mines, Inc., announcing the company's intention to stockpile ore until better prices prevail. Mr. Day proposes three methods of paying DMEA royalty on the ore stockpiled. Of the three, he would prefer proposal (1); i.e., final settlement by calculating royalty due each month on the basis of current metal prices.

Will you please let us know which method of payment you prefer, or any alternate proposals that you may have?

By Field Team, Region I

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

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

Enclosures

cc: USBM (2)
USBM (AD)
Turner
Sample
CPF

DAY MINES, INC.

WALLACE, IDAHO

May 30, 1958

HENRY L. DAY
PRESIDENT

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Idm-E484

Dear Sir:

Yesterday the board of directors of Day Mines, Inc. decided to stock-pile the production of lead concentrates and zinc concentrates from the Hercules Mine for an indefinite period of time. This action resulted from present unsatisfactory smelter returns due to depressed prices for the two metals, the probability that enhanced returns could be realized in the future, the transposition of otherwise substantial shut-down expenses over a couple of years time into current production costs, and last but not least, maintenance of operating organization and employment on a moderate scale.

Method of treatment of the DMEA royalty (in all probability at 5%) thus becomes a matter for consideration. I suggest the following alternatives:

(1) Payment of royalty each month to DMEA on an estimated basis using current average metal prices, with such payments to be accepted as final, subject of course to audit. Our estimates may be expected to be accurate to one-half of one per cent, or .005 x 5% = 0.025% possible error to DMEA. (This alternative provides immediate receipts.)

(2) Payment of DMEA royalty at some unstated time in the future when and as the concentrates are sold, based upon these future net smelter returns. (Royalty payments deferred but possibly of increased amounts to DMEA.)

(3) Taken royalty payments monthly, say approximately 50% of estimated amounts, with balance to be paid when and as concentrates sold. (A combination of alternatives 2 and 3.)

RECEIVED
JUN

Possibly DMEA may have other suggestions. We shall be glad to consider them. An extra copy of this letter is enclosed.

Yours very truly,

Harry L. Day

HLD:KAE
Encl.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/28	Fisher	800
4/29	N.G.	220
4/24	[illegible]	500

APR 29 1958

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idm-E484, DMEA-2719 (Lead-Zinc)
Day Mines, Inc.

Dear Mr. Turner:

The subject royalty audit certificate and report are approved and the usual distribution is authorized after corrections as follows:

1. In the third paragraph of the certificate the amounts of $555,230.48 and $27,761.26 should be changed to $555,515.49 and $27,775.52, respectively. In the next paragraph the amount of $673,503.41 should be changed to $673,788.42.

2. The word "settlement" at the beginning of the fourth line of the last paragraph on page 3 of the audit report should be lined out.

3. The dates March 13, 1956, and March 12, 1956, in the second and third lines of the last paragraph on page 5 of the audit report should be changed to April 13, 1956, and April 12, 1956, respectively.

4. The following note should be added to the bottom of page 7 of the audit report:

   NOTE: Erroneous computations in connection with Lot HZ28 resulted in understatement of zinc concentrate sales in the amount of $285.01 and underpayment of royalty of $14.26 as shown in the schedule on page 9.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

CEFisher/ama
April 28, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

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

April 25, 1958

Re: DMEA 2719; Lead-Zinc
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Contract Idm-E484

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM

Subject: Proposed amendment to extend scope of present contract
Proposal dated April 10, 1958

Day Mines, Inc. propose a contract amendment that would authorize a $348,000 project to explore the Rambler vein above the No. 5 adit level. Initially authorized work developed ore on the Rambler vein in the target area, and subsequent amendments extend authorization to include exploration of the ore shoot 300 feet below the 1600-level. The work, now nearing completion, indicates commercial ore "bottoms" somewhere between the 1900- and 1600-levels.

Review of the docket suggests past DMEA participation has been adequate within the Rambler-Hercules area and that the proposed project would logically be classified as development rather than exploration. This point seems supported by the proportion of proposed expense to rehabilitate old mine openings.

I recommend the applicant be denied an extension of the contract.

O. M. Bishop

O. M. Bishop

DMEA
RECEIVED APR 28 1958

DATE	INITIAL	CODE
4/28	C	220
4/28	wrh.	500

cc: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Callaway
F I L E S

IN REPLY REFER TO:

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

4/28 C 220
4/28 WPG, 500

April 25, 1958

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Operator's proposed amendment, DMEA Docket 2719, Hercules mine, Day Mines, Inc., Shoshone County, Idaho

The Operator states that mineralization found on the 1900 level of the Rambler vein is sub-commercial in grade. He believes the iron content of this sub-ore is too high, as contrasted to ore previously mined higher in the vein. To find more of this low-iron ore, he proposes to amend the contract to allow exploration of the western end of the Hercules vein, on and above the No. 5 adit level. Cost of this proposed work would total $348,725.00.

I do not have copies of the Operator's monthly invoice reports or copies of his maps of the 1900 level. I therefore am accepting the Operator's statement that findings to date on this level have been unrewarding. I wish to direct your attention, however, to the fact that on the 1600 level good ore was not found at the western end of the Hercules vein--the so-called Rambler vein--until that level had advanced west of the "hook" in the Hercules vein. There also was evidence on that level that the Rambler ore body was plunging to the west. This plunge is further emphasized by the Operator's longitudinal section, dated March 1958. This section also indicates that the 1900 level may not have advanced far enough to the west to intersect the plunging ore body. It would seem prudent for the Operator to continue the 1900 level westward for at least 200 feet beyond the end point shown on his section before concluding that the Rambler ore shoot did not descend to that level.

As to the Operator's conclusion that exploration is warranted above the No. 5 level, because of a change in the mineralogy of vein minerals, this too is subject to question. Fryklund, in his report of October 12, 1955, notes no significant change

in vein mineralogy between the surface and the 1600 level, a distance of 4000 feet. He states, however, that geophysical and geochemical surface work done in 1953, west of the upper Hercules workings, indicated an anomaly roughly over the Rambler ore shoot. He further states that both he and the company geologist were agreed that the only upper Hercules level in the western part of the mine, the No. 2 adit level, had missed 800 feet of the Hercules vein. It was their contention that the western part of the Hercules vein was never adequately explored above the 1000 level and that findings below the 1000 plus the anomaly on the surface made this area a good exploration target.

I agree with Fryklund that the western end of the Hercules vein between the 1000 level and the surface is a good exploration target. I do not, however, believe DMEA should participate in this work; therefore, I recommend denial of the Operator's proposed amendment. My reasons for denial are that DMEA already has adequately explored the Rambler ore shoot; further work should be by the Operator. DMEA has sunk the Hercules shaft from the 1200 to 1600 level, driven the 1600 level, raised from the 1600 to 1300 levels, sunk a winze to the 1900 level and drifted on that level. This work has been successful in developing the Rambler ore shoot. For DMEA now to move upstairs, rehabilitate and extend the No. 5 level, raise to the 4 level, drift on that level and on an intermediate level would, in effect, be developing the Rambler ore shoot over a dip length of 3000 feet. This would be beyond what I would consider as a "reasonable delineation and sampling of the ore". Furthermore, as of the conclusions of the present amended contract, the Government will have spent $207,000 exploring this mine. To increase this by $175,000 as now proposed would be placing a large financial obligation against the Rambler ore shoot, which has thus far proven to be of good grade but not too large in size. It would, in effect, mean that this ore shoot would have to produce $7,650,000 in ore values before the Government could expect to be repaid for its exploration expenditures.

The Field Team plans to submit a report on the Operator's proposal. If DMEA elects to deny this proposal, it is suggested the Field Team be immediately advised of the denial so they will not waste time preparing a report that will not be needed.

T. H. Kiilsgaard

T. H. Kiilsgaard

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

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4/15		220
	WPB	130
		500

April 10, 1958

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

Re: New Application (~~Lead-Zinc-~~ Copper-Silver)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are the original and two copies of an application to explore for lead-zinc-copper-silver ores in the Hercules mine, Shoshone County, Idaho.

Day Mines, Inc., the applicant, proposes to explore the Rambler vein area up to 1,900 feet higher than the present work being done under Contract Idm-E484. The proposed work includes re-entering the old Hercules West drift on the No. 5 adit level by driving a total of 970 feet of crosscuts and laterals to bypass caved workings, 1,200 feet of rehabilitation of caved portions of the West drift, raising a 3-compartment shaft 675 feet from the No. 5 level to the No. 4 level, 2,600 feet of exploratory drifting and crosscutting on the No. 5, No. 4, and No. 4-B levels, 1,500 feet of percussion drilling and 3,000 feet of diamond drilling on the same three levels. The applicant's estimated total cost of this project is $348,725 of which the Government's share would be 50 percent or $174,362.50.

We will prepare a Field Team report as soon as possible without waiting for a referral.

By Field Team, Region I

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

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

Enclosures

cc: USBM (2)
Geologist

Date		
3/17	C	220
3/18		800
3/18		500

No. 157 Howard Street
Spokane 4, Washington

March 14, 1958

Mr. Rollin Farmin
Assistant Manager
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-2484

Dear Mr. Farmin:

Accompanying your progress report for January 1958 is a progress map drawn at a scale of 1" = 250'.

As a part of future progress reports will you please also include a map showing the geology and drill holes. We would prefer this to be on a scale of 1" = 100' as that is the scale of our maps, but if 1" = 20', 40', or 50' would be more convenient, we can reduce them.

Sincerely yours,

A. D. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: DMEA(2)
UTM(2)
UTM(AD)
Sample

DMEA Form 7
(12-56)

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Date	Surname	Code
2/11	Griswold	500
2/12	[illegible]	130
"	Gruner	110
"	Matthewson	100
2/12	[illegible]	220
		500

FEB 12 1958

W.R. GRISWOLD/er Rm 4442, Ext. 3669

DMEA- Division ~~of Base Metals~~

T E L E T Y P E

XXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXX

14X4401(01) Revolving Fund,
Defense Production Act, Interior,
(Transfer to Office of Secy.)

2/12 Riilsgaard (130)
2/12 Lamb (130)

Date:

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Spokane, Washington

Re Docket DMEA-2719, Day Mines, Inc., Contract Idm-E484. Please bring us up to date with map and narrative as to developments on new 1900 winze level. Are you sure barren vein on south side of dike is actually Rambler?

George C. Selfridge

Chairman, Operating Committee (2/12)

WRGriswold/er 2/11/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Riilsgaard, USGS
Confirmation Copy
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

February 17, 1958

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DMEA
RECEIVED FEB 19 1958

DATE	INITIALS	CODE
2-19	CG	220
2/19	~~[illegible]~~	500

Air Mail

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc., Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-E484

Dear Mr. Selfridge:

In reply to your teletype of February 12, 1958, we are enclosing two copies of a composite map showing the geology on the 1900 and part of the 1600 levels, prepared by the Company geologist. Since this map was prepared, the drift on the 1900 level has been advanced another 50 feet to the west. Near the present face, a sulfide pod about 12 feet long and up to 3 feet wide containing 12 percent zinc was exposed.

The drift is now in the footwall of the Rambler vein (which Sample called the Hercules vein in his Interim Report of January 31, 1958) and the rate of advance should be increased. We have no reason to doubt that the vein being followed is the Rambler. On the 1600 level the ore shoot had a rake to the west. How far ahead of the present face it will be found has not been established as yet.

By Field Team, Region I

A. E. Weissenborn by [illegible]
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

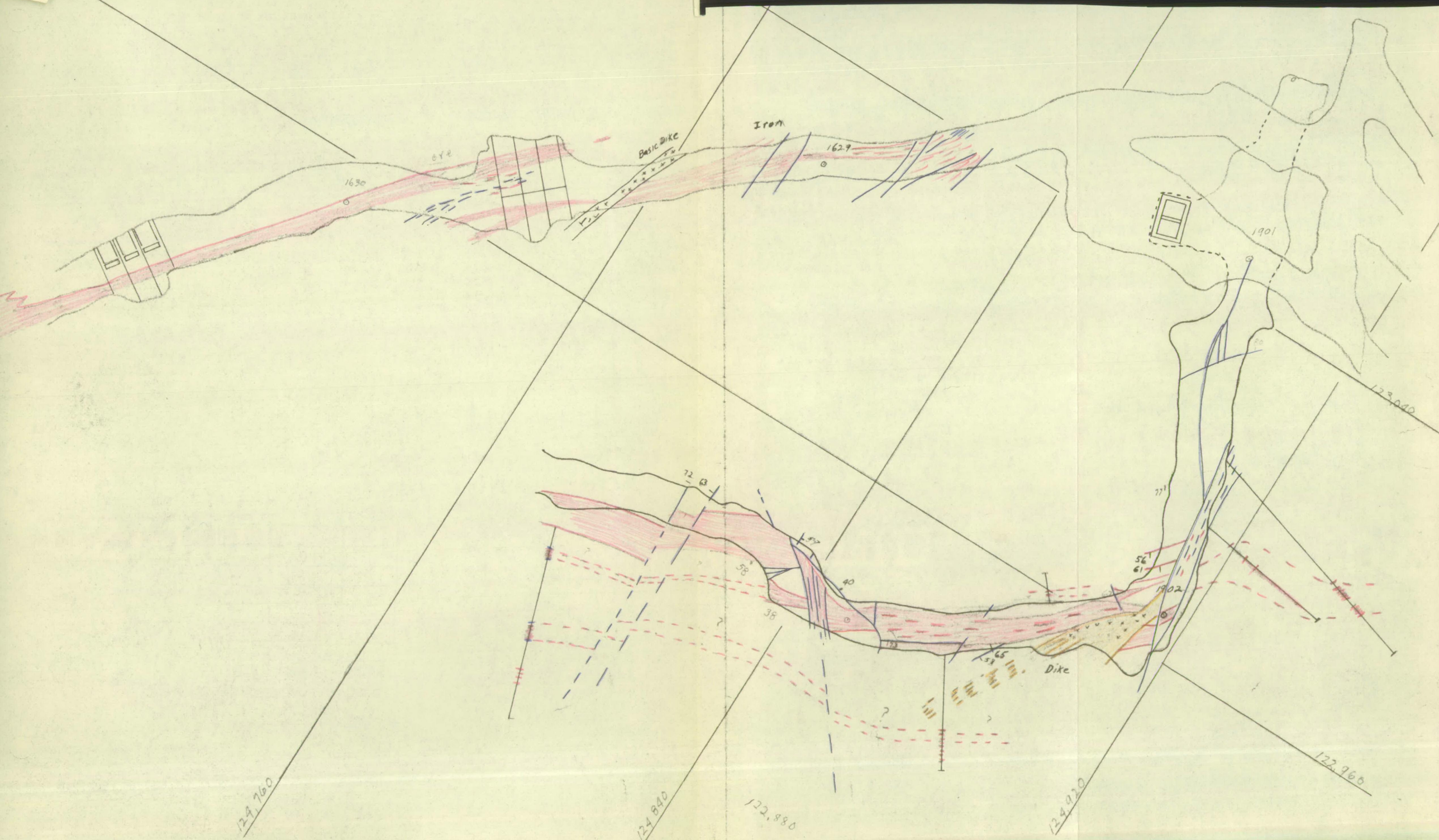
Wing G. Agnew
~~Wing G. Agnew, Member~~
U. S. Bureau of Mines

Enclosure (in ~~dup.~~ quad.)

cc: USBM (2)
USBM(AD)
Sample

LEVEL 1900 MINE Hercules DATE BY

SCALE 1" = 20' OPERATION



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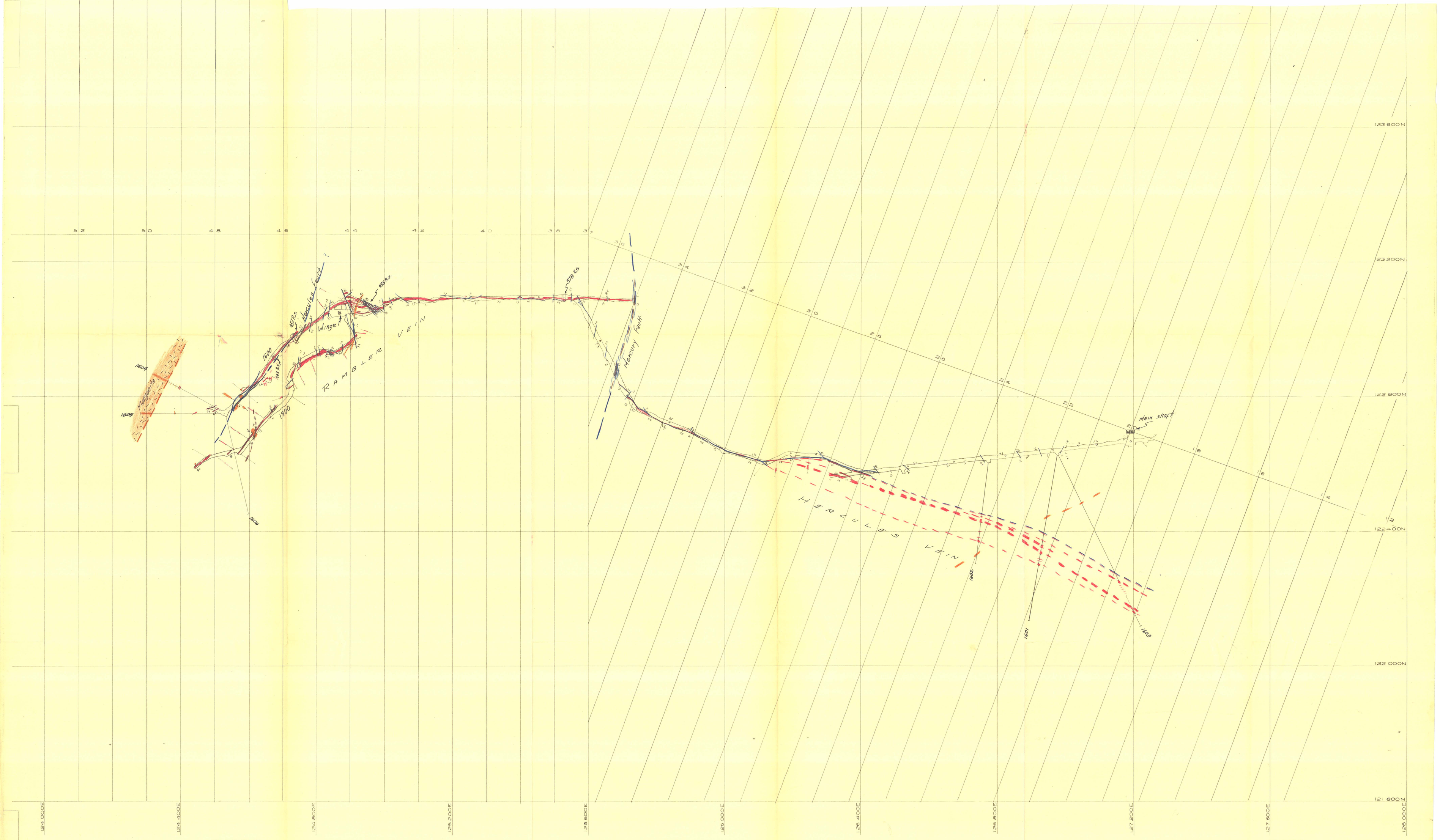
DMEA
RECEIVED FEB 19 1958

DATE	INITIALS	CODE



FIELD BOOK Nº

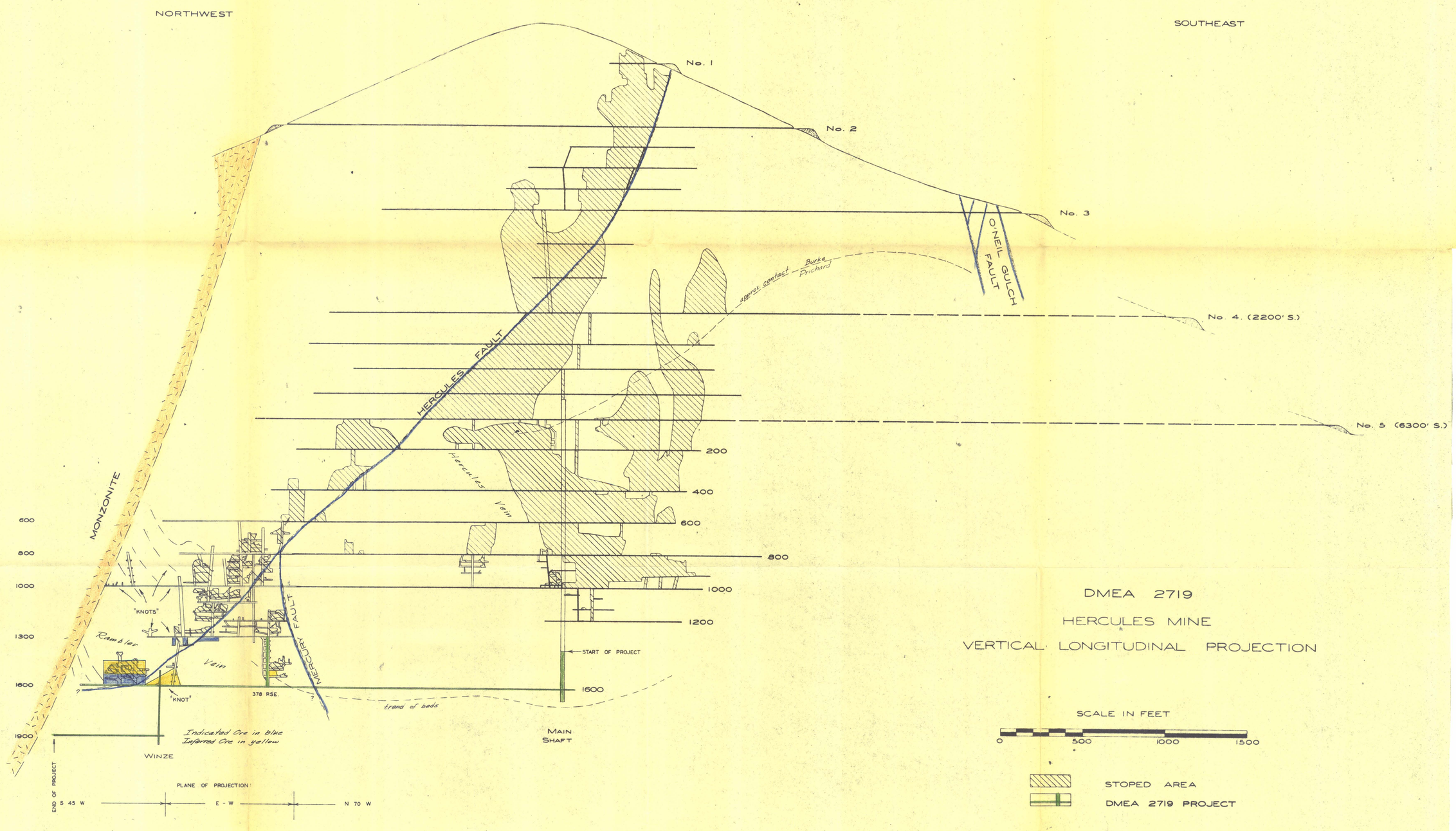
FILE Nº

MINE HERCULES

LEVEL 1600 & 1900 COMPOSITE

SCALE 1 INCH = 100 FEET

TO DATE



DMEA 2719

HERCULES MINE

VERTICAL LONGITUDINAL PROJECTION