EXTRA COPY
O. M. E
RECEIVED MAY 10 1963
DATE

800

No. 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: DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Ida-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:mjy

cc: OMM(2)
CAAA
CPF
Reading copies to:
Helen
McKelvey

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the sales and royalty accounts and records pertaining to the stockpiling and sale of zinc concentrates for the period May 6, 1961, through April 19, 1963, by

Day Mines, Inc.
Wallace, Idaho

produced from the Hercules Mine located at Burke, Shoshone County, Idaho, under terms of Amended Contract Idm-2484, Docket DMRA-2719 (lead-zinc), dated December 6, 1956.

My audit was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the net value of stockpiled zinc concentrates sold during this period subject to Government royalty to be $51,727.60. Royalty payable to the U. S. Government at the contract rate is $2,586.41, or $377.22 more than the $2,209.19 previously paid on 75% of the estimated value of the zinc concentrate stockpile.

A royalty audit report dated June 6, 1961, found the value of sales and the zinc stockpile at May 5, 1961, to be $1,168,777.30, including $58,911.64 as the estimated value of the zinc stockpile, or $7,184.04 in excess of its sales value as subsequently determined. The adjusted value of lead and zinc concentrates sold on which the Government is entitled to royalty thus amounts to $1,161,593.26. The royalty account of this project as of May 5, 1961, was:

Total Royalty Payable	$57,702.21
Total Royalty Paid	57,702.21
Balance of Royalty Due	$ -0-

As of April 19, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$58,079.43
Total Royalty Paid	58,079.43
Balance of Royalty Due	$ -0-

MAY 2 1963

C. E. Fisher

C. E. Fisher, OME Auditor

No. 157 Howard Street
Spokane 4, Washington
May 7, 1963

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

Re: DMMA-6719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Ibm-2h5h

Dear Mr. Furnin:

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. H. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DHMacLaren:ny

cc: OME(2)
OMA
CFF

Mailing copies to:
Helen
McNalvey

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On April 19, 1963, an audit was made of the sales and royalty accounts and records of

Day Mines, Inc.
Wallace, Idaho

pertaining to the sale of zinc concentrates during the period May 6, 1961, through April 19, 1963, from stockpile previously accumulated at the Hercules Mine located at Burke, Shoshone County, Idaho, on which royalty is payable to the U. S. Government under the terms of Amended Contract Idm-2484, Docket DMEA-2719 (lead-zinc), dated December 6, 1956.

The records were made available for audit in the Operator's main office at Wallace, Idaho, by Leonard Gaffney, assistant treasurer.

II. GENERAL INFORMATION

Article 6 of the Amended Contract, as supplemented by Annex II, provides that the Operator shall pay a royalty to the Government on all production from the land described in Article 2 and Annex I and, also, on any production transported through workings to the cost of which the Government contributed for a period of 16 years from the date of a prior contract (February 5, 1953) or until the entire amount of the Government's contribution to the exploration costs without interest is repaid, whichever occurs first. A certification of discovery or development issued on February 20, 1956, under the prior contract was applicable to this amended contract.

According to a Report of Review in lieu of final cost audit dated November 14, 1958, the total accepted costs of the exploration amounted to $396,900.53 with the Government's contribution, on a 50 percent basis, being $198,450.27.

Ore breaking in the mine was terminated August 14, 1959, and milling was discontinued in September 1959. As more fully set forth in my royalty audit report dated June 6, 1961, and in prior royalty audits and a report of royalty review, the Operator stockpiled certain lead and zinc concentrates. Royalty was paid to the Government on the stockpiled concentrates based on estimated values at 75 percent of the contract royalty rate subject to adjustment when the concentrates were sold. Prior to the time of my previous royalty audit,

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: DMRA-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

the Operator had disposed of the lead concentrates and had paid the additional royalty due to the Government based on the sales value of such concentrates.

The present audit is concerned primarily with adjustment made of the royalty account upon sale of the zinc concentrate inventory accumulated between June 1958 and September 1959.

III. SCOPE OF AUDIT AND FINDINGS

The data submitted by the Operator in support of royalty paid during the period applicable to adjustment of estimated royalty previously paid on zinc concentrates was recomputed during the preaudit work. Verification of the basic data with the Operator's underlying records was made during the on-site audit.

Mr. Gaffney advised that there had been no mining since the mill was closed, the mill had been dismantled, and attempts are being made to sell the hoist. The on-site audit verified that there had been no mining activity at the property during the period covered by this audit, that the only matter of interest so far as Government royalty was concerned was the adjustment pertaining to the zinc stockpile, and that the adjustment was made so that the Government has received the proper amount of royalty due under the contract provisions.

IV. CONCLUSION

A summary analysis of the Operator's production, sales, and royalty payable and paid applicable to production during the period February 5, 1953, through April 19, 1963, follows:

Sales to American Smelting and Refining Co., East Helena Plant

Lead concentrates - SDT	9,285.4400
Less: Not subject to DMEA royalty - SDT	4,304.6129
Subject to DMEA royalty - SDT	4,980.8271
Sales	$1,464,876.68
Less: Not subject to DMEA royalty	509,157.33
Subject to DMEA royalty	$ 955,719.35

Sales to The Bunker Hill Company

Zinc concentrates - SDT	4,492.0385
Less: Not subject to DMEA royalty - SDT	1,148.5166
Subject to DMEA royalty - SDT	3,343.5219

Excerpt - Letter from C. E. Fisher dated April 19, 1963

Day Mine did not take much time. Mr. Gaffney assured me that there had been no operation at the Hercules since they closed their mill in September 1959, that the mill has since been removed and that they are trying to sell the hoist from the mine. I decided to make a personal on-site verification of this so I drove up Burke Canyon to the Hercules property. So far as I could tell things were exactly as Mr. Gaffney stated.

Sales	$ 502,309.43
Lessee Not subject to DMEA royalty	296,435.52
Subject to DMEA royalty	$ 205,873.91
Total value of DMEA sales	$1,161,593.26
Royalty Payable	$ 58,079.43
Royalty Paid	58,079.43
Balance of Royalty Due	$ -0-

The audit has confirmed the accuracy and propriety of the royalty payments received applicable to production during the period February 5, 1953, through August 14, 1959, including sales of the stockpiled concentrates. The audit has also determined that all production subject to Government royalty has been accounted for and proper royalty has been paid by the Operator.

C. E. Fisher

C. E. Fisher, OME Auditor

MAY 2 1963

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

EXTRA COPY
O. M. E
RECEIVED MAR 13 1963
DATE
800

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 Ida-2864

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. Mackaren
Acting Field Officer, OME
Region I

DRMacLaren:ny

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

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

ENTER ONLY
O. M. E
RECEIVED
DEC 20 1962
800

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

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

Dear Mr. Furmin:

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 DMEA, 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:ny

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

E-484

For royalty payment of $377.22, dated January 11, 1963, see transmittal letter file.

OFFICIAL FILE COPY
D. M. E.
RECEIVED AUG 10
DATE

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 stockpile 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 182 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,
Manager of Mines.

RF:KAE
Air Mail

DAY MINES, INC.

WALLACE, IDAHO

December 27, 1962

RECEIVED O. M. E. JAN 7 1963

800

Mr. D. A. MacLaren,
Acting Field Officer,
Office of Minerals Exploration,
No. 157 Howard Street,
Spokane 4, Washington.

DMEA-2714 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract [illegible]-2434

Dear Mr. MacLaren:

On March 1, 1961, we made final payment of royalty on all Hercules lead concentrates in which DMEA had an interest. The sales you refer to in your letter of December 21, 1962, are from ore mined from shaft pillars, just before the mine was closed, in ground not subject to DMEA royalty. Perhaps we should have notified the smelter that this was the case. In any event, no royalty payment is in order for lead smelter lots 1131-1209, on which you received photostatic copies on October 26, 1962.

All stockpiled Hercules zinc concentrates were shipped recently to the Bunker Hill zinc plant. Similarly, some of the zinc concentrates are subject to DMEA royalty and some came from subsequent mining areas not subject to royalty. Final settlements on the zinc shipments are expected about January 15, 1963, and we will make final accounting promptly afterward.

Sincerely,

Kellin Farmin,
Manager of Mines.

AUG 3 1962

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

Re: IMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract Idm-2464

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 stockpile material not previously covered by such provisional payments.

Sincerely yours,

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

CA&A Div

EXTRA COPY
O. M. E
RECEIVED JUN 19 1961

DATE	INITIALS	CODE
		800

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

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

Re: DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Idm-1484 (Amended)

Dear Mr. Farmin:

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 5, 1961, under terms of the above-referenced contract dated December 6, 1956.

Sincerely yours,

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

Enclosure

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

CA&A Div., OME
OME
Reading copies to:
Nolan
Hobbs
Guild

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the production, sales, and royalty accounts and records pertaining to the stockpiling and sale of lead and zinc concentrates for the period February 1, 1961, through May 3, 1961, by

Day Mines, Inc.
Wallace, Idaho

produced from the Hercules Mine located at Burke, Shoshone County, Idaho, under terms of Amended Contract Idm-8484, Docket No. DMEA-2719 (lead-zinc), dated December 6, 1956.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the net value of stockpiled lead concentrates sold during this period subject to Government royalty to be $205,590.07. Royalty payable to the U. S. Government at the contract rate is $10,279.49, or $2,353.02 more than the $7,926.47 previously paid on 75% of the estimated value of the lead concentrate stockpile.

A Report of Royalty Review dated February 6, 1961, found the value of sales and stockpiles at January 31, 1961, to be $1,174,560.01, including $211,372.78 as the estimated value of the lead stockpile or $5,782.71 in excess of its sales value as subsequently determined. The adjusted value of lead and zinc concentrates sold, plus estimated value of zinc concentrates on hand, thus amounts to $1,168,777.30. The royalty account as of January 31, 1961, was:

Total Royalty Due	$55,349.19
Total Royalty Paid	55,349.19
Balance of Royalty Due	$ -0-

At May 3, 1961, the royalty account of this project was found to be:

Total Royalty Due	$57,702.21*
Total Royalty Paid	57,702.21
Balance of Royalty Due	$ -0- *

* Subject to adjustment upon sale of stockpiled zinc concentrates or the exercise of the Government's option under Article 6(d) of the Amended Contract.

C. E. Fisher
C. E. Fisher, OME Auditor

June 6, 1961

E-484

For royalty payment of $2,353.02, dated March 2, 1961, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On May 5, 1961, an audit was made of the production, sales, and royalty accounts and records of

Day Mines, Inc.
Wallace, Idaho

pertaining to the sales of lead and zinc concentrates during the period February 1, 1961, through May 5, 1961, from stockpiles previously accumulated at the Hercules Mine located at Burke, Shoshone County, Idaho, on which royalty is payable to the U. S. Government under the terms of Amended Contract Idm-E484, DMEA-2719 (lead-zinc), dated December 6, 1956.

The royalty records are maintained at the Operator's main office at Wallace, Idaho, by a metallurgical accountant under the direction of Leonard Gaffney, assistant treasurer. The records were made available for audit by Mr. Gaffney.

II. GENERAL INFORMATION

Article 6 of the Amended Contract, as supplemented by Annex II, provides that the Operator shall pay a royalty to the Government on all production from the land described in Article 2 and Annex I and on any production transported through workings to the cost of which the Government contributed for a period of 16 years from the date of a prior contract (February 5, 1955) or until the entire amount of the Government's contribution to the exploration costs, without interest, is repaid, whichever occurs first. A certification of discovery or development issued on February 20, 1956, under the prior contract was applicable to this amended contract.

According to a Report of Review in lieu of final cost audit dated November 14, 1958, the total accepted costs of the exploration amounted to $396,900.53 with the Government's contribution, on a 50 percent basis, being $198,450.27.

Prior royalty audits of this project covered by reports and certificates dated April 23, 1956, April 23, 1958, and June 26, 1959, included the period February 5, 1955, through June 23, 1959. A Report of Royalty Review dated February 6, 1961, extended the period covered by audit or review through January 31, 1961. The present audit extends the period covered by audit to include settlements of royalty made through May 5, 1961.

Ome

DAY MINES, INC.

WALLACE, IDAHO

February 16, 1961

EXTRA COPY O. M. E RECEIVED FEB 1961		
DATE		CODE
		800

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

Ore breaking in the mine was terminated August 14, 1959, milling was discontinued during September 1959, and at January 31, 1961, there were inventories of lead and zinc concentrates on hand on which royalty had been paid to the Government based on 75 percent of the royalty due on the estimated value of such concentrates.

During the period covered by this audit the lead concentrates were sold and adjustment made with the Government through the payment of $2,353.02 additional royalty. Zinc concentrates have not been sold and no adjustment of the estimated royalty due to the Government has been made as of May 5, 1961. Mr. Gaffney stated that the company has no intention of selling the zinc concentrates on the present market. He also stated that possibly another carload of lead concentrates will be sold when a final clean-up is made, and that a determination of royalty due to the Government would be made at that time.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Acting Field Officer

A conference with D. R. MacLaren, Acting Field Officer, Region I, Spokane, Washington, disclosed the following:

(a) The Operator did not stockpile ore subject to royalty repayment other than the lead and zinc concentrates as stated above.
(b) The Operator did commingle production subject to DMEA royalty with exempt production. Mr. MacLaren considers, and this auditor agrees, that adequate records pertaining to commingled ore have been maintained and that the allocation subject to DMEA royalty is equitable.
(c) The Operator has not stockpiled mine or mill rejects that may have a potential value within the royalty repayment period.
(d) Assay controls were deemed adequate.
(e) The manner of disposing of production is considered as giving the Government its fair royalty return.
(f) Periodic examinations indicated that the Operator properly reported production subject to DMEA royalty.
(g) The Operator does not buy from or sell to other Operators.
(h) There have been no mining or milling operations at the property since September 1959 and the mine has been allowed to flood.

No. 137 Howard Street
Spokane 4, Washington
February 13, 1961

EXTRA COPY
O. M. E
RECEIVED FEB 15 1961
DATE INIT. CODE
800

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

Re: IDMA-8729 (Lead-Zinc)
Morningstar Mine
Shoshone County, Idaho
Amended Contract Ida-3434

Dear Mr. Farwin:

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, DMEA Field Team, Region I, and Mr. Weissenborn's reply of August 14, 1958, the balance of royalty due is to be paid on concentrates sold.

On December 29, 1960, we received one sealed 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. Shelstrom
Acting Field Officer, OME
Region I

cc: OME(3)
CFF
Director
Reco. Genl.
BLM

B. Audit of Settlement Sheets

The data submitted by the Operator in support of royalty paid during the period applicable to adjustment of estimated royalty previously paid on lead concentrates was recomputed during the preaudit work. Verification of the basic data with the Operator's underlying production and sales records was made during the on-site audit.

The last payment of royalty included in this report was the amount of $2,333.02, an adjustment of estimated royalty on lead concentrates to actual amount due on such concentrates. This payment was deposited by the Department's Fiscal Section in March 1961.

IV. CONCLUSION

A summary analysis of the Operator's production and sales or stockpiling of concentrates during the period February 5, 1953, through May 5, 1961, follows:

Sales to American Smelting and Refining Co., East Helena Plant

Lead concentrates - SDT	9,285.4400
Less: Not subject to DMEA royalty - SDT	4,304.6129
Subject to DMEA royalty - SDT	4,980.8271
Sales	$1,464,876.68
Less: Not subject to DMEA royalty	509,157.33
Subject to DMEA royalty	$ 955,719.35

Sales to Bunker Hill Company

Zinc concentrates - SDT	3,319.6885
Less: Not subject to DMEA royalty - SDT	980.1027
Subject to DMEA royalty - SDT	2,339.5858
Sales	$441,745.40
Less: Not subject to DMEA royalty	287,599.09
Subject to DMEA royalty	$154,146.31

Stockpiled concentrates at May 5, 1961

Estimated zinc concentrates - SDT	1,035.0000
Estimated sales value	$61,255.17
Estimated sales value subject to DMEA royalty	$58,911.64

Total value of DMEA sales	$1,109,865.66
Royalty paid	55,493.02
Estimated value of zinc stockpile	58,911.64
Royalty paid @ 75% of 5%	2,209.19
Value of sales and estimated value of stockpile	1,168,777.30
Total royalty paid	57,702.21

ICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Amended Contract No. Idm-E484, Docket No. DMEA-2719 (lead-zinc), dated December 6, 1956, with

Day Mines, Inc.
Day Building
Wallace, Idaho

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.

A certification of discovery or development was issued on February 26, 1956, under the provisions of a prior contract dated February 5, 1953, and, in accordance with Annex II of the amended contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 16 years from the date of the prior contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 14, 1958, indicated accepted costs under the exploration contract amounting to $396,900.53 with the Government's contribution, on a 50 percent basis, being $198,450.27.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the estimated value of concentrates stockpiled and subject to DMEA royalty for the period to be $103,351.52. Royalty due the Government at rates specified in the contract and on a 75% basis is $3,875.66.

A prior Royalty Audit Certificate found the sales and stockpiles subject to Government royalty through June 23, 1959, to be $1,071,208.49 which added to the stockpile addition for this subsequent period make a total of $1,174,560.01. The royalty account as of June 23, 1959, was:

Total Royalty Due	$51,473.53
Total Royalty Paid	51,473.53
Balance of Royalty Due	$ -0-

At January 31, 1961, the royalty account of this project was found to be:

Total Royalty Due	$55,349.19*
Total Royalty Paid	55,349.19
Balance of Royalty Due	$ -0- *

* Subject to adjustment upon sale of stockpiled concentrates or the exercise of the Government's option under Art. 6(d) of the contract.

February 6, 1961

E. D. Talbert

E. D. Talbert, OMB Auditor

The audit has confirmed the accuracy and propriety of the royalty payments received applicable to sales through May 5, 1961, including estimated royalty on zinc concentrates stockpiled on a 75% of value basis. This estimate is subject to adjustment upon sale of the stockpiled zinc concentrates or the exercise of the Government's option under Article 6(d) of the Amended Contract which permits the Government to require comoutation and payment of its royalty on the value of production which has been stockpiled for more than 6 months.

C. E. Fisher

C. E. Fisher, OME Auditor

June 6, 1961

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Day Mines, Inc.

Day Building

Wallace, Idaho

Amended Contract No. Idm-E484 | Docket No. DMEA-2719

Prepared by (Signature) D.R. Gacheen | Date 5/4/61

Yes	No		
	X	1. (a)	Does the Operator stockpile ore subject to royalty repayment?
		(b)	If so, is segregation and identification procedure adequate?
X		2. (a)	Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
X		(b)	If so, is the allocation of the commingled production equitable?
	X	3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
		(b)	If so, are adequate records maintained on such material to protect the Government's interest?
X		4.	Are the assay controls in effect adequate?
X		5.	Does the manner of disposing of production give the Government its fair royalty returns?
X		6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
X	~~X~~ on	7.	Does the Operator buy from or sell to other Operators?

8. Current status of property. (Check one).

- [ ] Operating.
- [x] Inactive.
- [ ] Abandoned.

Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

7. Operator sells zinc cons. to Bunker Hill

84861-60

Idm-E484 Day Mines, Inc. DMEA-2719

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

By letter dated November 12, 1959, the Operator affirmed that no more ore would be produced from this project after that reported as milled and stockpiled at Burke, Idaho, during September 1959. A subsequent report of the examining engineer stated that the mine was abandoned.

Beginning in June 1958, the Operator concentrated and stockpiled all ore produced. Royalty, however, continued to be paid to the Government on the basis of 75% of the estimated value of the concentrates subject to the DMEA contract. Approval of this procedure was given the Operator by a letter dated July 11, 1958, from the Executive Officer, DMEA Field Team, Region I, in accordance with a June 12, 1958, authorization of the DMEA Operating Committee.

This review included examination, recomputation, and tabulation of the Operator's monthly statements showing the estimated concentrate production from the Hercules Mine and the estimated smelter values based on current average metal prices. A summary tabulation of these monthly statements, which are subject to verification by audit of the Operator's records and accounts, is attached as Exhibit "A".

Additional royalty on these stockpiled concentrates, a total of 2,925 dry tons, will be due and payable either (1) when and as sold, or (2) when and if the Government exercises its option under Article 6(d) of the contract.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(a) There were no sales of production during the period covered by this review and all stockpiled production appears to have been accounted for;

(b) Ore breaking was terminated August 14, 1959, milling was discontinued during September 1959, and the mine has been abandoned; and

(c) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Withheld r87

DAY MINES, INC.

WALLACE, IDAHO

DUPLICATE

November 12, 1959

EXTRA COPY O. M. E. RECEIVED NOV 23 1959		
DATE	INITIALS	CODE
		800

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

E-484

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

Exhibit "A"

Idm-E484

Day Mines, Inc.

DMRA-2719

Royalty Paid on Estimated Basis on Stockpiled Concentrates

	Dry Tons	Contents Ag. oz.	Contents Pb. lbs.	Contents Zn. lbs.	Estimated Return	DMRA %	DMRA Amount	Royalty 100%(Base)	Royalty 75% (Paid)
Zinc Concentrates									
Inventory, 12/31/58	50	82.50	1,170	29,250	$ 1,631.39	71.6	$ 1,167.32	$ 58.37	$ 43.78
January 1959	45	144.	1,170	46,980	2,758.38	92.5	2,551.50	127.58	95.69
February	95	361.	2,090	98,800	5,755.00	87.6	5,041.38	252.07	189.05
March	95	560.50	2,850	100,320	5,752.23	92.5	5,320.81	266.04	199.53
April	200	800.	4,400	214,400	12,080.00	120.7	14,580.56	729.03	546.77
May	150	945.	3,900	151,200	8,482.39	125.	10,602.99	530.15	397.61
3rd royalty audit	615	2,893.	15,580	640,950	$ 36,459.39	107.7	$ 39,264.56	$ 1,963.24	$ 1,472.43
June	215	860.	4,300	226,180	12,648.45	87.2	11,029.45	551.47	413.60
July	130	468.	2,080	141,960	8,046.69	49.1	3,950.92	197.55	148.16
August	55	445.50	3,740	54,230	2,805.10	149.6	4,196.43	209.82	157.37
September	20	96.	760	21,680	1,295.54	36.3	470.28	23.51	17.63
	1,035	4,762.50	26,460	1,085,000	$ 61,255.17	96.2	$ 58,911.64	$ 2,945.59	$ 2,209.19
Lead Concentrates									
January 1959	235	5,969.	288,580	9,400	$ 31,367.61	74.2	$ 23,274.77	$ 1,163.74	$ 872.81
February	275	7,315.	330,000	13,200	33,027.96	80.3	26,521.45	1,326.07	994.55
March	230	6,210.	281,520	11,040	27,617.61	83.4	23,033.09	1,151.65	863.74
April	225	4,837.50	264,600	15,750	24,754.55	108.6	26,883.44	1,344.17	1,008.13
May	220	4,994.	268,400	13,640	26,958.33	103.7	27,955.79	1,397.79	1,048.34
3rd royalty audit	1,185	29,325.50	1,433,100	63,030	$143,726.06	88.8	$127,668.54	$ 6,383.42	$ 4,787.57
June	230	5,704.	280,600	13,800	29,099.13	52.7	15,335.24	766.76	575.07
July	195	5,655.	249,600	10,140	26,576.98	77.1	20,490.85	1,024.54	768.41
August	200	6,400.	269,600	7,600	29,290.37	148.6	43,525.49	2,176.27	1,632.20
September	80	2,336.	98,560	2,560	11,394.41	38.2	4,352.66	217.63	163.22
	1,890	49,420.50	2,331,460	97,130	$240,086.95	88.	$211,572.78	$10,568.62	$ 7,926.47
Totals	2,925	54,183.	2,357,920	1,182,130	$301,342.12	89.7	$270,284.42	$13,514.21	$10,135.66

1201 N. Division St.
Spokane 2, Washington

September 16, 1959

EXTRA COPY O. M. E. RECEIVED SEP 21 1959		
DATE	INITIALS	CODE
		800

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.

EXTRA COPY O. M. E RECEIVED MAR 13 1961		
DATE	INITIALS	CODE
		800

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

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

Re: IDSA-0719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract IDs-[illegible]

Dear Mr. Farmin:

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,

D. H. Mackeron
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
Reg. Geol.
RAFM

EXTRA COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE

(See attached sketch.)

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 10 1961

DATE	INITIALS	CODE
3/10	Coe	210
		800

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

Mr. Rollin Parvin
Assistant Manager
Bay Mines, Inc.
Bay Building
Wallace, Idaho

Re: [illegible]-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Ida-[illegible]

Dear Mr. Parvin:

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,

Donald R. MacLaren

D. R. MacLaren
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
Econ. Geol.
BLM

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 BMKA 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.

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 MMR 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

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	7.3
(between 1600 and 1900)	31,500	1.7	4.2	5.8

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
Acting Alternate Exec. Officer
U. S. Geological Survey

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

cc: USGS (2)
USBM (AD)
Docket

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

10/26/59 (Date sent)

14-23-020-526 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Deposited with Federal Reserve Bank of San Francisco, Portland Branch, Oreg.
(Name and location of depositary)

(3) The Sum of $3,163.34

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$3,163.34		$ E-434

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Dorothy F. Long, Authorized Collector
Office of Minerals Exploration
1201 N. Division St.
Spokane 2, Washington
Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

DAY MINES INC

WALLACE IDAHO

August 19 1959

DATE	INITIALS	CODE

Mr A E Weissenborn,
Executive Officer, OME
Field Team, Region 1
[illegible] Ward Street
[illegible] Washington

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

Dear Mr. Weissenborn:

Your letter of August [illegible] requests our December 31, [illegible] reserve estimate of the Hercules DMEA mine block and any significant changes since then.

[illegible] reserve [illegible] we have just completed extraction of all [illegible] 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. [illegible] the Field Team wish to visit the mine workings they should plan to arrive within the next week.

Very truly yours,

Rodin Farmin
Assistant Manager.

RF.KAE
cc WDF

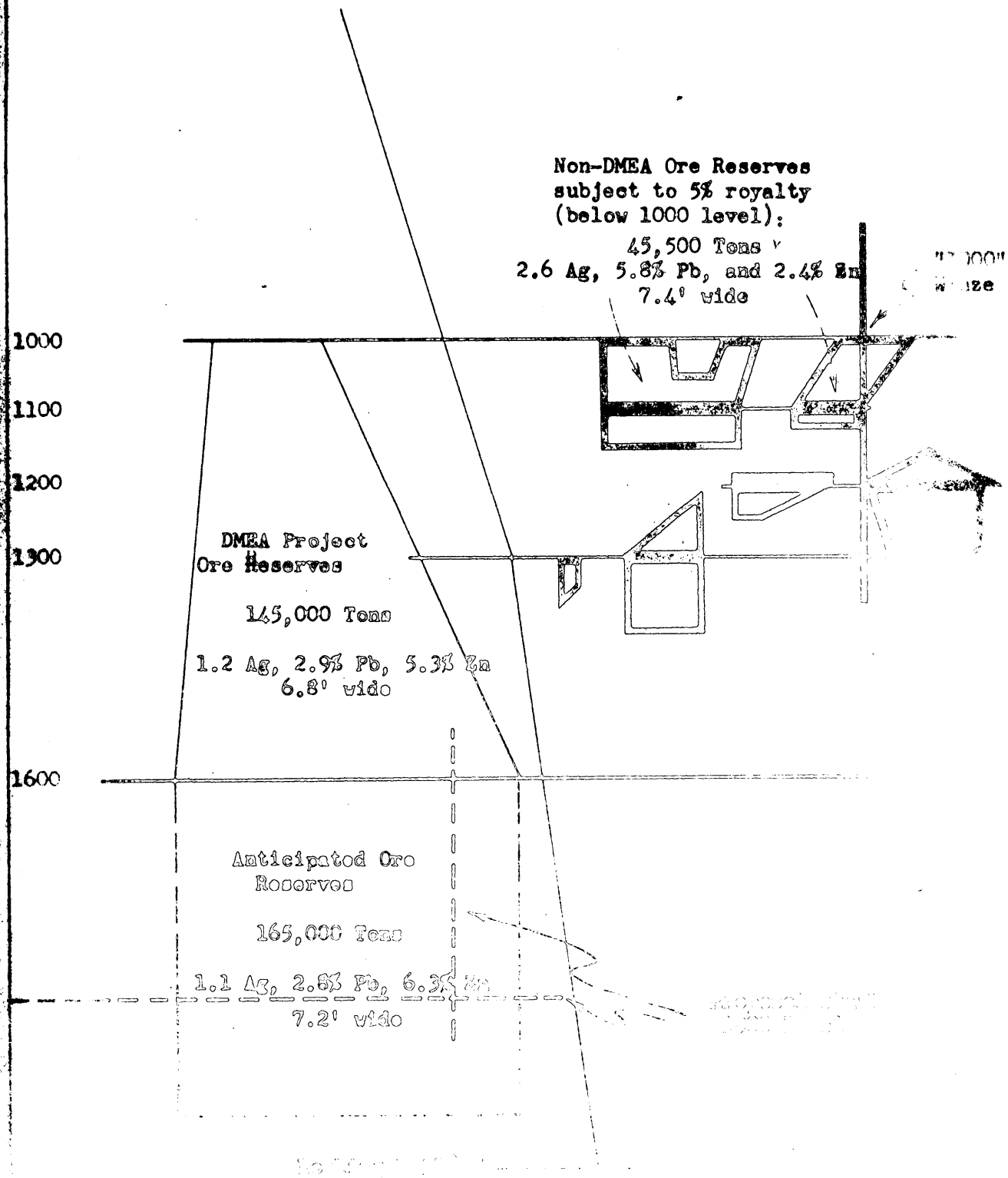
E493	The Bunker Hill Company$	549.46
E484	Day Mines, Inc.	180.85
E964	Northwest Uranium Mines	2,433.03

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 28 1959
DATE INITIALS
GOD

MINE [illegible] BY [illegible]

SCALE 1" = 200' OPERATOR [illegible]

Special Longitudinal Projection Showing
Part of the West Hercules Mine - Rambler
Vein Area



E-484

For Certificate of Deposit No. 524, dated October 2, 1959, giving royalty payment of $1,789.57, see E-9.

EXTRA COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE

EXTRA COPY O. M. E. RECEIVED AUG 27 1959		
DATE	INITIALS	CODE
		800

No. 157 Howard Street
Spokane 4, Washington
August 24, 1959

Mr. Lollin Parmin, Assistant Manager
Day Mines, Inc.
Wallace, Idaho

Re: Docket No. GMA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract No. Ida-3484

Dear Mr. Parmin:

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. E. Weissenborn
Executive Officer, GMA
Field Team Region I

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

JUL 1 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDITS DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the production, sales, and royalty accounts and records pertaining to the stockpiling and sale of lead and zinc concentrates for the period March 4, 1958 through June 23, 1959, by

Day Mines, Inc.
Wallace, Idaho

produced from the Hercules Mine, located at Burke, Shoshone County, Idaho, under terms of Contract No. Idm-2484, Docket No. DMEA-2719 (lead-zinc), dated February 5, 1953, as amended.

The examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the net value of concentrates sold for this period plus the estimated value of concentrates stockpiled to be $397,420.07. Royalty due the U. S. Government at the contract rate is $17,784.38.

Prior audits for the period February 5, 1953 through March 3, 1958, found the sales of the last date to be $673,788.42, which added to the sales of this period, make a total of $1,071,208.49. The royalty account as of March 3, 1958, was:

Total Royalty Due	$33,689.15
Total Royalty Paid	33,674.89
Balance of Royalty Due	$ 14.26

As of June 23, 1959, the royalty account of this project was found to be:

Total Royalty Due	$51,473.53*
Total Royalty Paid	51,473.53*
Balance of Royalty Due	-0-

*Includes 75 percent of estimated royalty applicable to concentrates stockpiled by the Operator subsequent to December 1958, subject to adjustment when the concentrates are disposed of by sale or their true value is otherwise determined.

C. E. Fisher
C. E. Fisher, Auditor

June 26, 1959

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

JUL 1 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDITS DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On June 23, 1959, an audit was made of the production, sales, and royalty accounts and records of

DAY MINES, INC.
WALLACE, IDAHO

pertaining to the sales of lead and zinc concentrates and the stockpiling of concentrates for the period March 4, 1958 through June 23, 1958, produced from the Hercules Mine, located at Burke, Shoshone County, Idaho, on which royalty is due the U. S. Government under the terms of Contract No. Idm-2484, Docket No. DMEA-2719 (lead-zinc), dated February 5, 1953, as amended, and as supplemented by Amended Contract, dated December 6, 1956.

The royalty records are maintained at the Operator's main office at Wallace, Idaho, under the direction of Leonard Gaffney, assistant treasurer. The records were made available for audit by Kermit Bue, metallurgical accountant, who is initially responsible for their preparation. The assistance rendered by Mr. Bue facilitated the on-site audit.

II. GENERAL INFORMATION

Article 9 of the Prior Contract and Article 6 of the Amended Contract, as supplemented in Annex II, provides that in the event the Government shall issue a certification of discovery or development the Operator shall be obligated to pay a royalty to the Government on all production from the land described in Article 2 and Annex I attached to the Amended Contract for a period of 16 years from the date of the Prior Contract (February 3, 1953) or until the entire amount of the Government's contribution to the exploration costs, without interest, is repaid, whichever occurs first. A certification of discovery or development was issued on February 20, 1956.

According to Report of Review in lieu of final cost audit dated November 14, 1958, the total accepted costs of the exploration amounted to $396,900.53 with the Government's contribution, on a 50 percent basis, being $198,450.27.

Prior royalty audits of this project covered by reports and certificates dated April 23, 1956 and April 23, 1958, included the period February 5, 1953 through March 4, 1958. The current audit extends the period covered by audit through June 23, 1959. The audit report of April 23, 1958, indicated a balance of royalty due from the Operator of $14.26. This amount was paid during the period covered by the present audit.

DAY MINES, INC.

WALLACE, IDAHO

August 19, 1959

EXTRA COPY
O. M. E.
RECEIVED AUG 27 1959

DATE	INITIALS	CODE

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

Withhold

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 mine workings they should plan to arrive within the next week.

Very truly yours,

Rollin Farmin,
Assistant Manager.

RF:KAE
cc:WDF

The Operator continued to make sales of concentrates to American Smelting and Refining Company and the Bunker Hill Company and reported and paid royalty to the Government in the manner described in the prior audit reports through its production during May 1958.

Commencing with June 1958, the Operator stockpiled concentrates produced by it. Royalty was currently paid to the Government based on 75 percent of the normal 5 percent royalty applicable to the value of the production applicable to DMEA royalty. The value of the concentrates was estimated based on mineral contents as determined by assays. The estimated value of the concentrates was computed on the basis of average prices of metals during the month of production and the usual smelter deductions applicable to the Operator's contracts with the smelters. The values thus determined were considered to be approximately what would have been received had the concentrates been sold. The Government's royalty was computed at 5 percent of such value. The royalty paid was 75 percent of the royalty estimated as applicable to the production. This method of computing royalty on stockpiled concentrates was approved by DMEA Operating Committee on June 12, 1958.

In December 1958, all of the then stockpiled concentrates were sold to American Smelting and Refining Company. Royalty was paid on the full proceeds from such sales applicable to the production subject to DMEA royalty, less the amount of previous royalty payments on stockpiled concentrates.

In January 1959, the Operator resumed stockpiling concentrates and paying royalty in the manner described above. Such stockpiling was continuing at the time of this audit.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

Conference with S. W. Koldok, mining engineer, Spokane, Washington, who is familiar with this project, disclosed the following:

(a) The Operator does not stockpile ore subject to royalty repayment. However, concentrates are stockpiled as stated above.

(b) The Operator does commingle production subject to DMEA royalty with exempt production. Mr. Koldok considers, and this auditor agrees, that the Operator maintains adequate records pertaining to commingled ore and that the allocation subject to DMEA royalty is equitable.

JUL 1 1959
O.M.E.

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

8/21/59 (Date sent)

14-23-020-518 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Deposited with Federal Reserve Bank of San Francisco, Portland Branch, Oreg.
(Name and location of depositary)

(3) The Sum of $ 916.57

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$916.57		$ E-484

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Dorothy F. Long, Authorized Collector
Office of Minerals Exploration
1201 N. Division St.
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

(c) The Operator does not stockpile mine or mill rejects that may have a potential value within the royalty repayment period.

(d) Assay controls are deemed adequate.

(e) The manner of disposing of production is considered as giving the Government its fair royalty return.

(f) Periodic examinations indicate that the Operator is properly reporting the current production subject to DMEA royalty.

(g) The Operator does not buy from or sell to other operators.

B. Audit of Settlement Sheets

A considerable amount of preaudit work was accomplished in the OME office, Region I, Spokane, Washington, prior to the on-site audit. This consisted of a recomputation of the production reports, smelter settlement sheets, and other data submitted by the Operator in support of royalty payments. Such information was tabulated and reconciliation was made with the amounts of royalty receipts deposited by the Finance Officer. These tabulations are filed as a part of my audit working papers.

The last payments of royalty included in this report are applicable to lead lot HL-157 sold to Bunker Hill Company, zinc lot HZ-66 sold to American Smelting and Refining Company, and to the estimated value of concentrates stockpiled in May 1959.

IV. CONCLUSION

A summary analysis of the Operator's production and sales or stockpiling of concentrates during the period February 5, 1953 through May 31, 1959, together with royalty payments to June 23, 1959, follows:

E484 Day Mines, Inc. $916.57

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	February 5, 1953 to March 3, 1958	March 4, 1958 to June 23, 1959	Totals
Sales to American Smelting and Refining Co., East Helena Plant			
Lead Concentrates - S.D.T.	5,821.9280	1,573.5120	7,395.4400
Less: Not subject to DMEA royalty	2,540.2074	101.2055	2,641.4129
Subject to DMEA royalty	3,281.7206	1,472.3065	4,754.0271
Sales	$973,926.59	$250,865.14	$1,224,789.73
Less: Not subject to DMEA royalty	398,770.41	13,876.98	412,647.39
Subject to DMEA royalty	$575,154.18	$237,988.16	$813,142.34
Deductions:			
Treatment charges	$ 37,242.00	$ 13,849.29	$ 51,091.29
Freight, umpire, etc.	7,545.43	1,976.59	9,522.04
Total deductions	$ 44,787.43	$ 15,825.88	$ 60,613.33
Net subject to royalty	$530,366.75	$219,162.28	$750,529.01
Sales to Bunker Hill Company			
Zinc Concentrates - S.D.T.	3,117.2580	202.4305	3,319.6885
Less: Not subject to DMEA royalty	974.6455	5.4572	980.1027
Subject to DMEA royalty	2,142.6125	196.9733	2,339.5858
Sales	$417,883.92	$ 23,861.48	$ 441,745.40
Less: Not subject to DMEA royalty	141,149.32	614.91	141,764.23
Subject to DMEA royalty	$276,734.60	$ 23,246.57	$ 299,981.17
Deductions:			
Treatment charges	$131,227.17	$ 12,323.01	$ 143,550.18
Freight, umpire, etc.	2,085.74	198.94	2,284.68
Total deductions	$133,312.91	$ 12,521.95	$ 145,834.86
Net subject to royalty	$143,421.69	$ 10,724.62	$ 154,146.31

E-484

For Certificate of Deposit No. 515, dated July 24, 1959, giving royalty payment of $988.67, see E-9.

	February 5, 1953 to March 3, 1958	March 4, 1958 to June 23, 1959	Totals
Stockpiled ore at May 31, 1959			
Lead Concentrates - S.D.T.	-0-	1,185.0000	1,185.0000
Less: Not subject to DMEA royalty		125.4950	125.4950
Subject to DMEA royalty		1,059.5050	1,059.5050
Estimated sales value - Net		$143,726.06	$143,726.06
Less: Not subject to DMEA royalty		16,057.45	16,057.45
Subject to DMEA royalty		$127,668.61	$127,668.61
Zinc Concentrates - S.D.T.		615.0000	615.0000
Add inventory adjustment		48.0860	48.0860
Subject to DMEA royalty		663.0860	663.0860
Estimated sales value - Net		$ 36,459.39	$ 36,459.39
Add inventory adjustment		2,805.17	2,805.17
Subject to DMEA royalty		$ 39,264.56	$ 39,264.56
Total value of DMEA sales	$673,788.42	$230,486.90	$904,275.32
Royalty paid @ 5%	33,689.15	11,524.38	45,213.53
Value of stockpile	-0-	166,933.17	166,933.17
Royalty paid @ 75% of 5%	-0-	6,260.00	6,260.00
Total royalty paid	33,689.15	17,784.38	51,473.53

The audit has confirmed the accuracy and propriety of the royalty payments received by the Regional Office applicable to the sales of concentrates during the period March 4, 1958 through June 23, 1959, including estimated royalty on concentrates stockpiled at May 31, 1959.

C. E. Fisher

C. E. Fisher, OME Auditor

June 26, 1959

Mr. Iaeberl

So. 157 Howard Street
Spokane 4, Washington

July 16, 1959

EXTRA COPY O. M. E. RECEIVED JUL 20 1959		
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Day Mines, Inc.
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 Royalty Audit Certificate and Royalty Audit Report dated June 26, 1959, covering the stockpiling and sale of lead and zinc concentrates from the Hercules mine for the period March 4, 1958 through June 23, 1959.

The audit discloses that there is no royalty due the Government.

Sincerely yours,

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

cc: OME (2)
CAAA (1) ✓
USBM(2)
AD

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Day Mines, Inc.

Address Wallace, Idaho

Exploration Contract No. Idm-E484 Docket No. DMEA-2719

		Check One Yes	No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?	x	
	(b) If so, is segregation and identification procedure adequate?	x	
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?	x	
	(b) If so, do you consider the allocation of the commingled production equitable?	x	
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		x
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	x	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	x	
7.	Does the Operator buy from or sell to other Operators?		x
8.	Comment on any item 2 (b) to 6 if answer is No.		

June 26, 1959
Date

Mining Engineer
S. W. Zoldok

53362

RA COPY

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800

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.

arig to 500
cy to 100

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, Exec. Officer
U. S. Geological Survey

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

Enclosures

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

JAN 15 1960

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

Re: Docket No. DMA-2713 (Lead-Zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-[illegible]

Dear Mr. Day:

By letter dated February 20, 1954, 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 $134,436.27 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, OMM Field Team, Region I.

Sincerely yours,

Frank E. Johnson

Acting Director

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

DAY MINES, INC.

WALLACE, IDAHO

May 30, 1958

HENRY L. DAY
PRESIDENT

DMEA
RECEIVED JUN 6 1958

DATE	INITIALS	CODE

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

Re: Docket No. [redacted] (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.)

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

Possibly DMEA may have other suggestions. We shall be glad to consider them. An extra copy of this letter is enclosed.

Yours very truly,

Henry L. Doty

HLD:KAE
Encl.

EXTRA COPY O. M. E. RECEIVED JUN 19 1959		
DATE	INITIALS	CODE
		800

1201 N. Division St.
Spokane 2, Washington

June 15, 1959

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:

Mr. Clarence E. Fisher, OME Auditor from Washington, D.C., is currently engaged in making audits of certain DMEA exploration projects in this region.

He expects to arrive in Wallace on Wednesday or Thursday of this week and will call on you for the purpose of performing a royalty audit of the Hercules Mine.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
OME Field Team, Region I

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sales of lead concentrates and zinc concentrates for the period of April 13, 1956 to March 3, 1958, by the

DAY MINES, INC.
Wallace, Idaho

produced from the Hercules Mine, located at Burke, Shoshone County, State of Idaho, under the terms of the Amended Contract No. Idm F 484, Docket No. DMFA 2719 (lead-zinc), dated December 6, 1956.

The examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the net sales of lead concentrates and zinc concentrates for this period to be $555,515.49. Royalty due the United States Government at the rate of 5% is $27,775.52.

Prior audit conducted by C. E. Fisher, DMFA auditor for the period of February 5, 1953 to March 12, 1956, found the sales of the last date to be $118,272.93, which added to sales for this period, make a total of $673,788.42 as of March 3, 1958. The royalty account as of March 12, 1956, was

Total Royalty Due	$5,913.63
Total Royalty Paid	5,913.63
Balance Royalty Due	$ None

As of March 3, 1958, the royalty account of this project was found to be

Total Royalty Due	$33,689.15
Total Royalty Paid	33,674.89
Balance Royalty Due	$ 14.26

C. A. Turner, Auditor

April 23, 1958

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

6/19/59 (Date sent)

14-23-020-511 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Deposited with Federal Reserve Bank of San Francisco, Portland Branch, Oreg.
(Name and location of depositary)

(3) The Sum of $ 3,026.55

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14x4401	$ 3,026.55		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Dorothy F. Long, Authorized Collector
Office of Minerals Exploration
1201 N. Division Street
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On April 9, 1958, an audit was made of the production, sales and royalty accounts and records of

The Day Mines, Inc.
Wallace, Idaho

pertaining to the sales of lead concentrates and zinc concentrates for the period of April 13, 1956 to March 3, 1958, produced from the Hercules Mine, located at Burke, Shoshone County, State of Idaho, on which royalties are due the United States Government under the terms of Amended Exploration Project Contract No. Idm E 484 (lead-zinc), Docket No. 2719, dated December 6, 1956.

The Amended Contract superseded the prior contract designated as Contract No. Idm E 484, Docket No. 2719, dated February 5, 1953 including Amendments Nos. 1 to 4 inclusive. The Amended Contract provided for the completion of incompleted work under the prior contract, additional work to be added to the exploration project, and the Certificate of Discovery or Development dated February 20, 1956 to be applicable to all work on lands included under the prior contract and the Amended Contract and a Special Agreement concerning royalty.

The accounting records are maintained at the Company's main office, Wallace, Idaho under the direction of Leonard Gaffney, Assistant Treasurer.

During the on-site audit the following representatives of the Company and the U. S. Bureau of Mines were present and consulted as necessary:

Mr. Leonard Gaffney	-	Assistant Treasurer
Mr. Kermit Bue	-	Assistant Secretary
Mr. Lloyd Jacobain	-	Mettalurgical Accountant
Mr. Garth Crosby	-	Chief Geologist
Mr. Wesley Mason	-	Engineer
Mr. J. A. Bardill	-	U.S. Bureau of Mines Metallurgist

The cooperation of all greatly facilitated the audit.

E484	Day Mines, Inc.	$1,445.95
E964	Northwest Uranium Mines	1,580.60

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O. M. E.
RECEIVED JUN 22 1959

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II. GENERAL INFORMATION

The Amended Contract provides for a total cost of exploration work amounting to $415,250.00, with the Government's contribution on a 50 percent basis being $207,625.00. An interim audit dated April 13, 1956 by C. F. Fisher, DMEA auditor, for the period ending August 31, 1955 indicated the cost of exploration to be $273,300.48, with the Government's contribution on a 50 percent basis being $136,650.24. Since August 31, 1955 the exploration work has been continued on the basis of agreed unit costs of work completed under the prior Contract and on the basis of fixed unit costs of work completed under the Amended Contract. The Operator's total cost of exploration for the period ended February 28, 1958 is $379,838.48 (subject to audit) with the Government's contribution on a 50 percent basis being $189,919.24. The exploration has not been completed and is still in progress. The Contract termination date is December 5, 1958.

A Certificate of Discovery or Development was issued February 20, 1956 under the prior contract to establish and fix the Government's percentage royalty on production, and its lien therefor on the land described in Article 2 of the Contract for a period of ten years, which was increased to twelve years by Amendments to the prior Contract. The Amended Contract, Annex II increased the period of royalty repayment for a period of sixteen years from the date of prior Contract which was February 5, 1953, until the total amount contributed by the Government, without interest, under the prior Contract and the Amended Contract, as it may hereafter be amended, is fully repaid, under the royalty provisions of the Amended Contract.

Annex II of the Amended Contract contained a 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 the Government a royalty on any production, regardless of where it comes from, that is transported or passed through any shaft, winz, raise, crosscut, drift, or other workings 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 the Amended Contract: Provided, however, that not more than one royalty shall be due or paid on the same production.

The Operator maintains a complete set of records and accounts pertaining to mining operations, milling operations, and the sales of concentrates which are supported by records from the mine, the mill and the smelter returns.

The Operator is conducting mining and milling operations concurrently with the exploration work, including mining on land not subject to DMEA royalty. An adequate record is being made of the tonnage produced from each location with assays of the mineral content of the ores, from which an equitable allocation may be made between ore subject to DMEA Royalty and ore not subject to DMEA Royalty.

For Certificate of Deposit No. 507, dated May 20, 1959, giving royalty payment of $1,554.90, see E-9.

The ore is all milled at the Burke mill. Lead concentrates are sold to the American Smelting and Refining Co. and the zinc concentrates are sold to the Bunker Hill Company.

A prior royalty audit was made of this Contract on April 12, 1956 by C. E. Fisher, DMEA auditor, covering the period of February 5, 1953 to April 12, 1956. The present audit extends the period covered by audit to March 3, 1958.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

Conference with the examining engineer, Mr. John A. Bardill, Metallurgist, U.S. Bureau of Mines, disclosed the following:

(a) The Operator does not stockpile ore subject to royalty repayment.

(b) The Operator does commingle production subject to DMEA royalty with exempt production. The examining engineer considers, and this auditor agrees, that the Operator maintains adequate records pertaining to commingled ore and that the allocation subject to DMEA royalty is equitable.

(c) The Operator does not stockpile mine or mill rejects that may have a potential value within the royalty payment period.

(d) Assay controls are deemed adequate.

(e) The manner of disposing of production is considered as giving the Government its fair royalty return.

(f) Periodic examinations by the examining engineer indicate that the Operator is properly reporting the current production subject to DMEA royalty.

(g) The Operator does not buy from or sell to other Operators.

B. Audit of Settlement Sheets

A considerable amount of pre-audit work was accomplished in the DMEA office, Region I, Spokane, Washington, prior to the on-site audit. This consisted of a recomputation of the monthly production reports, the detailed ~~settlement~~ smelter settlement sheets, and the monthly royalty settlement statements prepared by the Operator showing the allocation of sales and the amounts subject to DMEA royalty and the amounts not subject to DMEA royalty. This information was tabulated and reconciliation was made with the amounts of royalty receipts indicated by the records of the Finance Officer. The tabulations are filed as a part of my audit working papers. A summary analysis of these statements is included in Section IV of this audit report.

For Certificate of Deposit No. 504, dated May 4, 1959, giving royalty payment of $1,063.27, see E-152.

The on-site audit included a comparison and reconciliation of the data compiled during the preaudit work with the Operator's production records, sales records and general records in the Company's main office, Wallace, Idaho.

It was determined by the on-site audit:

1. The number of tons of ore mined in the various locations of the mine were determined by actual weights at the mill head prior to milling.

2. Samples were made at the mill head which were assayed for the lead content and zinc content in the ore. Based on these assays, the indicated total tonnage of lead and zinc content of ore mined during the month were determined for the total production, and for the production from the portion of the mine subject to DMEA royalty. A percentage of production subject to DMEA royalty from the total production for the month was determined for both lead and zinc by dividing the indicated number of tons of each metal subject to DMEA royalty by the total indicated number of tons of each metal produced during the month.

3. The actual tonnage of mill production of lead and zinc concentrates during the month was allocated between that subject to DMEA royalty and that not subject to DMEA royalty, was based on percentages determined as outlined in the above paragraph (2).

4. Sales of concentrates were made on a first in and first out basis, that is, when lead concentrates were sold to the American Smelting and Refining Co., East Helena, Montana, the proceeds received were divided between those subject to DMEA royalty and those not subject to DMEA royalty on basis of tonnage of each included in the settlement. Similar separation was made of the proceeds received from the sales of the zinc concentrates made to the Bunker Hill Company, Electrolytic Zinc Plant, Silver King, Idaho.

5. We are being advised by the Operator that all production after January 1, 1958 will be subject to DMEA royalty.

The Operator's payment of DMEA royalty received by the Regional Finance Officer on March 3, 1958, covered all shipments of concentrates made to the end of February 1958. The last lots shipped on which royalty was paid being HL 124 lead concentrates and HZ 62 zinc concentrates.

E-484

For Certificate of Deposit No. 503, dated April 17, 1959, giving royalty payment of $1,183.60, see E-152.

Remaining inventories of the production subject to DMFA royalty as of February 28, 1958 being: Lead concentrates 62,619 tons and zinc concentrates 45,0195 tons.

It was determined by the audit that freight charges and umpire charges were paid by the smelters on shipments of lead concentrates and zinc concentrates. The allowable deductions on shipments subject to DMEA royalty for the period under audit, April 13, 1956 to March 3, 1958, are as follows:

		Lead Concentrates	Zinc Concentrates
Freight Charges		$5,660.03	$1,534.70
Umpire Charges		127.16	54.36
	TOTAL	$5,787.19	$1,589.06

IV. CONCLUSIONS AND RECOMMENDATIONS

A summary analysis of the Operator's production and sales during the period covered by this audit, April 13, 1956 to March 3, 1958, the prior audit February 5, 1953 to April 12, 1956 and the totals to March 3, 1958, together with the amounts subject to DMEA royalty paid follows:

E-484

For Certificate of Deposit No. 501, dated April 3, 1959, giving royalty payment of $1,012.28, see E-152.

SUMMARY OF ROYALTY PAID ON PRODUCTION TO MARCH 3, 1958

	Feb. 5, 1953 to April 12,1956	April 13,1956 to March 3, 1958	TOTAL
Sales Lead Concentrates to American Smelting and Refining Co.			
Lead Concentrates			
Short Dry Tons	2169.0850	3652.8430	5821.9280
Less not subject to royalty	1634.9966	905.2108	2540.2074
Tons subject to DMEA Royalty	534.0884	2747.6322	3281.7206
Sales of Lead Concentrates	$378,161.07	$595,763.52	$973,924.59
Less sales not subject to Royalty	286,944.59	111,825.82	398,770.41
Sales subject to DMEA Royalty	$ 91,216.48	$483,937.70	$575,154.18
Metal Content DMEA Portion			
Lead - Tons	333.7085	1756.5485	2090.2570
Copper - Tons	.0506	.0573	1.0790
Silver - Ounces	13,651.1500	63,636.8232	77,287.9732
Sales DMEA Portion			
Lead	$ 79,557.34	$426,056.87	$505,614.21
Copper	28.44	39.04	67.48
Silver	11,630.70	57,841.79	69,472.49
Total Sales	$ 91,216.48	$483,937.70	$575,154.18
Deductions from Sales			
Smelter Treatment Charges	$ 6,170.47	$ 31,071.53	$ 37,242.00
Freight, Umpire, etc.	1,758.26	5,787.19	7,545.45
Total Deductions	$ 7,928.73	$ 36,858.72	$ 44,787.45
Net Proceeds Lead Sales subject to Royalty	$ 83,287.75	$447,078.98	$530,366.73
Royalty Paid @ 5%	$ 4,164.40	$ 22,353.63	$ 26,518.03

Schedule continued - page 7

For Certificate of Deposit No. 496, dated March 2, 1959, giving royalty payment of $1,822.12, see E-184.

	Feb. 5, 1953 to April 12,1956	April 13,1956 to March 3, 1958	TOTAL
Sales Zinc Concentrates to the Bunker Hill Company			
Zinc Concentrates			
Short Dry Tons	1091.3735	2025.8845	3117.2580
Less not subject to Royalty	556.6433	418.0022	974.6455
Tons subject to DMEA Royalty	534.7302	1607.8823	2142.6125
Sales Zinc Concentrates	$141,867.75	$276,016.17	$417,883.92
Less sales not subject to Royalty	86,573.32	54,861.01	141,434.33
Sales subject to DMEA Royalty	$ 55,294.43	$221,155.16	$276,449.59
Metal Content DMEA Portion			
Lead - Tons	11.1790	25.9056	37.0846
Zinc - Tons	274.0745	820.2334	1094.3079
Silver - Ounces	1,506.0500	5,369.7700	6,875.8200
Gold - Ounces	6.7300	20.4440	27.1740
Sales DMEA Portion			
Lead	$ 686.23	$ 7,987.32	$ 8,673.55
Zinc	53,337.03	207,581.60	260,918.63
Silver	1,086.93	4,886.17	5,973.10
Gold	184.24	700.07	884.31
Total Sales	$ 55,294.43	$221,155.16	$276,449.59
Deductions from Sales			
Smelter Treatment Charges	$ 19,812.57	$111,414.60	$131,227.17
Freight, Umpire, etc.	496.68	1,589.06	2,085.74
Total Deductions	$ 20,309.25	$113,003.66	$133,312.91
Net Proceeds Zinc Sales subject to Royalty	$ 34,985.18	$108,151.50	$143,136.68
Royalty Paid @ 5%	$ 1,749.23	$ 5,407.63	$ 7,156.86

* * * * * *

Summary of Sales on which Royalties Due Were Paid

Sales of Lead Concentrates	$ 83,287.75	$447,078.98	$530,366.73
Sales of Zinc Concentrates	34,985.18	108,151.50	143,136.68
Total Sales	$118,272.93	$555,230.48	$673,503.41
Royalty Paid @ 5%	$ 5,913.63	$ 27,761.26	$ 33,674.89

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.

E-484

For Certificate of Deposit No. 495, dated February 19, 1959, giving royalty payment of $3,671.64, see E-152.

The audit has confirmed the accuracy and propriety of the royalty payments received by the Regional Office applicable to the sales of concentrates during the period under audit, April 13, 1956 to March 3, 1958.

At the conclusion of the audit the audit findings were discussed with Mr. Leonard Geffney. This audit report and findings were discussed with Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, April 23, 1958.

C. A. Turner, Auditor.

April 23, 1958.

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

10/7/58 (Date sent)

14-23-020-476 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Portland Branch

Deposited with Federal Reserve Bank of San Francisco, Portland, Oreg.
(Name and location of depositary)

(3) The Sum of $3,385.77

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$3,385.77		$ E-484

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)

Dorothy F. Long, Authorized Collector
U. S. Bureau of Mines
1201 N. Division Street
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

SCHEDULE NO. 1

SCHEDULE OF UNPAID ROYALTY DUE

TONS	NET PROCEEDS PER TON	NET PROCEEDS TOTAL	DMFA PORTION PERCENT	DMFA PORTION AMOUNT	ROYALTY PAID RATE	ROYALTY PAID AMOUNT
Royalty Paid on Lot HZ 28 dated 5-9-56 Zinc Concentrates						
50.0190	$67.2658	$3,364.57	11.8%	$397.01 @	5%	$19.85
3.1340	67.2658	210.81	107.8%	227.52 @	5%	11.37
53.1530		3,575.38		$624.53		$31.22
Royalty Should Have Been						
8.2190	67.2658	$ 552.85	63.4%	$ 350.51 @	5%	$17.53
41.8000	67.2658	2,811.72	11.8%	331.78	5%	16.59
3.1340	67.2658	210.81	107.8%	227.25	5%	11.36
53.1530		$3,575.38		909.54		$45.48
Unpaid Royalty Due						$14.26

* * * * *

The Operator calculates and pays royalty on the production subject to DMFA Royalty included in each shipment of concentrates. Production is included in shipments on the basis of first in and first out, or first produced and first sold. Some lots of concentrates contain DMFA production of two or more months.

Lot HZ 28 was reported as follows:

50.019 Tons	April production with DMFA PORTION	11.8%
3.134 Tons	May-June production with DMFA Portion	107.8%
53.153 Tons		

Lot HZ 28 should have been reported

8.219 Tons	March production with DMFA Portion	63.4%
41.800 Tons	April production with DMFA Portion	11.8%
3.134 Tons	May-June production with DMFA Portion	107.8%
53.153		

* * * * *

E484	Day Mines, Inc.	$ 607.96
E539	DeCoursey Mountain Mining	2,300.00
E541	Polaris Mining Company	477.81

Check Sheet of Examining Engineer

Operator's Name Day Mines, Inc.

Address Wallace, Idaho

Exploration Contract No. Idm-E484 Docket No. DMEA-2719 (lead-zinc)

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		x
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?	x	
(b) If so, do you consider the allocation of the commingled production equitable?	x	
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		x
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	x	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	x	
7. Does the Operator buy from or sell to other Operators?		x

8. Comment on any item 2 (b) to 6 if answer is No.

3. (a) Mill tailings are too low grade to have any future potential value.

John D. Bardill
Mining Engineer

Date April 9, 1958

82448

For Certificate of Deposit No. 473, dated September 17, 1958, giving royalty payments of $609.59, see E-184.

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idm.-F484, 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 NZ28 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/sma
April 28, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

For Certificate of Deposit No. 470, dated August 20, 1958, giving royalty payment of$750.85, see E-246.

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

NOV 17 ....

Re: Docket No. DMEA-2719 (Lead-Zinc)
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,

EDTalbert/GMcC
November 17, 1958

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

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

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

8/1/58 (Date sent)

14-23-020-468 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Portland Branch

Deposited with Federal Reserve Bank of San Francisco, Portland, Oregon
(Name and location of depositary)

(3) The Sum of $1,676.26

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1,676.26		$ E-434

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Dorothy F. Long, Authorized Collector
U. S. Bureau of Mines
1201 N. Division Street
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House, 555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 17 1958

DATE	INITIALS	CODE
11/17	C	220
		800

November 14, 1958

Mr. Jay L. Chambers
Contract Administration and Audit Division
Office of Minerals Exploration
Washington 25, D. C.

Re: Docket No. DMEA-2719
Day Mines, Inc.
Contract No. Idm-E484

Dear Mr. Chambers:

Attached hereto are 3 copies of Report of Review for subject contract, prepared for Region I, and submitted to your office for approval.

Mr. A. E. Weissenborn in his report to me, included the following items:

Stage II

	Unit Rate	Authorized	Completed
1600 to 1900 level winze and sump	$157.50 ft.	350 ft.	353.5 ft.
1900 level station	$ 0.90 cu. ft.	2600 cu. ft.	2603 cu. ft.

The Operator only claimed the units authorized by the contract, and no adjustment was made for the overage, as this would have increased the final claim against the Government. If the overage had been allowed, the total unit costs claimed by the Operator under Stage II, would still be less than the total "Allowable Maximum" under Stage II of the contract.

Sincerely yours,

George Mavor

George Mavor
OME Auditor

ATTACHMENT:

E484 Day Mines, Inc. $1,676.26

8/4 ✓ 220 882

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

Budget Bureau No. 42-R1036.5

RECEIVED DEC 9 1958

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

Month of June, 1958 Docket No. DMEA 27-9 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Percussion	1,901.25		1,901.25	1901.25	–	1901.25
Crosscutting & Drifting		204,868.80	204,868.80		204868.80	204868.80
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Shaft		62,600.00	62,600.00		62600.00	62600.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timbering		1,230.00	1,230.00		1230.00	1230.00
~~Explosives~~ Rock Bolts		252.00	252.00		252.00	252.00
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		7,020.00	7,020.00		7020.00	7020.00
(7) Miscellaneous:						
~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analysis~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
Liability Insurance						
1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	1,901.25	394,999.28	396,900.53	1901.25	394999.28	396900.53

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 12, 1958 *Payee Day Mines, Inc.
Per N. K. Bue Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 950.63

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/3/58 Vou. No. 2255
(See other side)

So. 157 Howard Street
Spokane 4, Washington

800

July 11, 1958

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Contract Ida-2404

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 us. No amendment of the contract will be necessary.

Sincerely yours,

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

cc: DMEA (3)
DMEM (2)
DMEM(AD)
Turner
CFF
Sample

(For Government use only)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ John A. Bardill Title Metallurgist Date Nov. 5, 1958

Approval by ~~DMEA~~ DME Executive Officer or Alternate:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 4, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

EXTRA COPY
DMEA
RECEIVED JUN 16 195

DATE		COD
		800

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 concentrate 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.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1958 O.M.E.

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

Month of June 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
II	1900 Level Pocket				1,645.00	35	47.00	35	$47/ft.
I-II	Drifting & Crosscutting				204,868.80	4,268.1	48.00	4575.8	$48/ft. (1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winze~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	~~Auger~~ Percussion	Ft.	1,901.25	1,267.5	1,901.25	1,267.5	1.50	1600	$1.50/ft.
II	~~Stripping~~ 1600 Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Trenching~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Test Pits~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Roads and Trails~~ 1900 Station				2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	Timbering				1,230.00	246	5.00	446	$5.00/ft. (2)
II	Rock Bolts				252.00	63	4.00	250	$4.00/ea. (2)
II	2-Compartment Winze				55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		1,901.25		381,757.53				
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
	New Buildings, Improvements, etc.				7,020.00				7,020.00 3)
	TOTAL COSTS		1,901.25		396,900.53				

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

Date Aug. 12, 1958 Operator Day Mines, Inc.

Per N. K. Bue Title Asst. Secty.

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

(Instructions on reverse)

REMARKS:

1s/ John D. Bardill

(For Government use only)

		Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1)	Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	879.1'	4268.1'
2)	Timbering *	246'	200'	446'	246'	0.0	246'
	Rock Bolts *	0	250	250	0	63	63
3)	New bldgs., improvements	$1000	$6020	$7020	$1000	$6020	$7020

* Rock ~~bolts~~ bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock Bolts $1,000.

JUN 1 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
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:

/s/ Frank D. Lamb
Member, Bureau of Mines

/s/ Thor H. Kiilsgaard
Member, Geological Survey

Sincerely yours,

/s/ George C. Selfridge

Chairman, Operating Committee

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

CEFisher/ama
June 10, 1958

INSTRUCTIONS

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

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

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

GPO 872894

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

6/13/58 (Date sent)

14-23-020-463 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Deposited with Federal Reserve Bank of San Francisco, Portland Branch, Oreg.
(Name and location of depositary)

(3) The Sum of $2,489.52

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$2,489.52		$

E-4

(5)
Dorothy F. Long, Authorized Collector
U. S. Bureau of Mines
1201 N. Division St.
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

BMBA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN JUNE, 1958

Production of ore subject to BMBA royalty in June, 1958, totalled 845 tons which assayed:

11.8 ounces silver per ton
20.3 per cent lead
3.1 per cent zinc

Progress in Stage II exploration in June consisted of 1,267.5 feet of percussion-drilled long holes, shown on the accompanying 20-scale map and summarized as follows:

1600 level:	8 holes,	302.5 ft. drilled.
1750 level:	2 holes,	96.0 ft. drilled.
1900 level:	18 holes,	869.0 ft. drilled
		1,267.5 ft. drilled

An allowance of $1.50 per foot drilled was authorized by the amendment of July 2, 1958.

ROLLIN FARMIN,
Assistant Manager.

E510	Bonanza Oil & Mine Corp.	$ 2,409.25
E493	The Bunker Hill Company	66.01
E484	Day Mines, Inc.	14.26

6/16 Hg. 225
800

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. [illegible]-8719 (lead-zinc)
Bay Mines, Inc.
Hercules Mine
Contract No. [illegible] (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 had 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 Meyer 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

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

6-2-58 (Date sent)

14-23-020-46[illegible] (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Portland [illegible]nch

(3) The Sum of $ 2,962.23

Deposited with Federal Reserve Bank of San Francisco, Portland, Oreg.
(Name and location of depositary)

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,962.23		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

E-[illegible]

(5)

Dorothy F. Long, Authorized Collector
U. S. Bureau of Mines
12[illegible]1 N. Division St.
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

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

Budget Bureau No. 42-R1036.5

RECEIVED JUL 16

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

Month of May, 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50% Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Drilling						
~~Contractor~~ Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	4,387.20	201,048.00	205,435.20	3820.80	201048.00	204868.80
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timbering		1,230.00	1,230.00		1230.00	1230.00
~~Explosives~~ Rock Bolts	252.00		252.00	252.00	—	252.00
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		7,020.00	7,020.00		7020.00	7020.00
(7) Miscellaneous:						
~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analyses~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
Liability Insurance						
1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	4,639.20	390,926.48	395,565.68	4072.80	390926.48	394999.28

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 5, 1958 *Payee Day Mines, Inc.
Per N. K. Bue Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 2036.40

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 6/10/58 Vou. No. 2077

(See other side)

E688	Peter Antonioli	$ 466.66
E484	Day Mines, Inc.	1,948.05
E541	Polaris Mining Co.	547.52

D M E A
RECEIVED JUN 4 1958
DATE INITIALS
6/4 A.J.
225
do

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /s/ John D. Bordell Title Metallurgist Date June 6, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date June 10, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

425 New U.S. Courthouse

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-020-453

For credit of 9020, Division of Disbursement Portland, Oregon 4/18/58
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of San Francisco Portland Branch Portland, Oreg.
(Name and location of depositary)

$ 11,513.82

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-484	$11,513.82

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 N. Division Street
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Dorothy F. Long
(Depositor)
Dorothy F. Long, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

Form DIF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED JUN 16

Month of May 195 8 Docket No. DMEA 2719 Contract No. Idm-2484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
II	1900 Level Pocket		3820.80	79.6	1,645.00	35	47.00	35	$47/ft.
I-II	Drifting & Crosscutting	Ft.	~~4,387.20~~	~~91.4~~	205,435.20	4,279.9	~~48.00~~	~~4575.8~~	~~$48/ft.~~ 1)
I	Crosscutting ~~Raising~~				23,135.00	330.5	70.00	330.5	$70/ft.
I	Raising ~~Shafts~~				62,600.00	313	200.00	313	$200/ft.
II	Shafts ~~Head Raise~~				5,550.00	75	74.00	75	$74/ft.
II	Winzes ~~Head Pocket Rse.~~				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Lateral~~ Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	Stripping Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	Trenching ~~Sumps & Pits~~				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	Test Pits ~~1900 Station~~				2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	Roads and Trails ~~Timbering~~				1,230.00	246	5.00	446	$5/ft. 2)
II	Rock Bolts	ea.	252.00	63	252.00	63	4.00	250	$4/ea. 2)
II	2 Compartment Winze		4072.80		55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		~~4,639.20~~		380,422.68				AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
II	New Buildings, Improvements, etc.				7,020.00				7,020.00 3)
			4072.80						
	TOTAL COSTS		~~4,639.20~~		~~395,565.68~~ 394,999.28				

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

REMARKS:

Date June 5, 1958 Operator Day Mines, Inc.

Per N. K. Rue Title Asst. Secty.

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

(Instructions on reverse)

(For Government use only)

/s/ John D. Burdell

		Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1)	Drifting & Crosscutting	3505.8	1070'	4575.8'	3389'	879.1 ~~890.9'~~	~~4279.9'~~ 4268.1
2)	Timbering *	246'	200'	446'	246'	0.0	246.0'
	Rock Bolts *	0	250	250	0	63	63
3)	New bldgs., improvements	$1000	$6020	$7020	$1000	$6020	$7020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

E688	Peter Antonioli	$ 836.44
E493	The Bunker Hill Company	718.62
E539	DeCoursey Mountain Mining	7,875.00
E484	Day Mines, Inc.	437.91
E510	Bonanza Oil & Mine Corp.	1,645.85

OFFICIAL FILE COPY
DMEA
RECEIVED APR 21 1958
DATE | INITIAL | CODE
4/21 | JK R | 1245
800

INSTRUCTIONS

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

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

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

GPO 872894

E-484

For Certificate of Deposit No. 446, dated March 5, 1958, giving royalty payment of $501.58, see E-9.

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS IN MAY, 1958.

Production of ore subject to DMEA royalty will be reported later, when final figures are available.

Progress in Stage II exploration included:

Item 7. The 1900 level drift southwest on the Rambler vein advanced 91.4 feet in May and was stopped because of the poor showing of mineralization. The total for drifts and crosscuts on 1900 level is 825.9 feet.

Items 1(c) and 8. Rockbolts installed under 1(c) numbered 43 and those installed under Item 8 numbered 20. The total rockbolts in Stage II to date are sixty-three (63).

A recent application (May 28, 1958) was made to allow exploratory percussion-drilled long-holes as project work. These will not be reported until the application has been answered.

ROLLIN FARMIN,
Assistant Manager.

EXTRA COPY
DMEA
RECEIVED JUL 10 1958

DATE	INITIALS	CODE
		800

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION IN MAY, 1958

To be attached to May 104

Progress in May was reported earlier. Production of ore subject to DMEA royalty in May, 1958, totalled 1,292 tons which assayed:

6.2 ounces silver per ton.

10.5 per cent lead.

0.4 per cent zinc.

ROLLIN FARMIN,
Assistant Manager.

COPY

No. 157 [illegible] Street
Spokane 4, Washington

800

June 9, 1958

Day Mines, Inc.
Wallace, Idaho

re: Docket No. [illegible]-2719 (Lead-Zinc)
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-[illegible]

Gentlemen:

Enclosed for your information and files are one copy each of a Royalty Audit Certificate and Royalty Audit Report both dated April 23, 1958 and prepared by C. [illegible] Turner, DMEA Auditor.

This audit shows a balance due the Government of $14.26. We would appreciate receiving a check in this amount. The check should be made payable to the Defense Minerals Exploration Administration and addressed to A. E. Weissenborn, Executive Officer, at the above address.

Sincerely yours,

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

Enclosures

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

5-28-58

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

Budget Bureau No. 42-R1036.5

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

Month of April 1958 Docket No. DMEA 2719 Contract No. Idr-1484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	5,424.00	195,624.00	201,048.00	5424.00	195624.00	201048.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		7,020.00	7,020.00		7020.00	7020.00
(7) Miscellaneous: Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Repairs to equipment~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Sampling and Analysis~~ 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
~~Payroll Taxes~~						
~~Liability Insurance~~						
1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	5,424.00	385,502.48	390,926.48	5424.00	385,502.48	390926.48

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

Date May 27, 1958 *Payee Day Mines, Inc.

Per N. K. Rue Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 2712.00

Signature Dorothy F. Lang
(Authorized Certifying Officer)

Date 6/6/58 Vou. No. 2174
(See other side)

No. 15, Howard Street
Spokane 4, Washington

MAR 10

COD.
800

March 6, 1958

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.
2679	Polaris Mining Co., Polaris East Exploration Project	Idm-2541
✓ 2719	Day Mines, Inc., Hercules Mine	Idm-2484 (Amended)
2764	Bunker Hill Co., Crescent Mine	Idm-2493

Sincerely yours,

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

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

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-6484 in accordance with the terms of the contract.

Signature /s/ John D. Bardill Title Metallurgist Date June 3, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. L. Weissenborn Title Exec. Officer Date June 6, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Certificate of Deposit No. 440, dated February 4, 1958, giving royalty payment of $453.71, see E-152.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JUN 12 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1958 Docket No. DMEA 2719 Contract No. Idm-R484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
II	1900 Level Pocket				1,645.00	35	47.00	35	$47/ft.
I-II	Drifting & Crosscutting	Ft.	5,424.00	113	201,048.00	4,188.5	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Shaft~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 Level Auger Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station				2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2-Compartment Winze				55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		5,424.00		375,783.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				7,020.00				7,020.00 3)
	TOTAL COSTS		5,424.00		390,926.48				

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

Date May 27, 1958 Operator Day Mines, Inc.

Per N. K. Bue Title Asst. Secty.

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

(Instructions on reverse)

REMARKS:

(For Government use only)

/s/ John A. Bardill

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	799.5'	4188.5'
2) Timbering *	246'	200'	446'	246'	0.0	246.0'
3) New bldgs. improvements	$1000	$6020	$7020	$1000	$6020	$7020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

425 New U.S. Courthouse

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO.
14-23-020-434

$ 1,133.55

For credit of 420, Division of Disbursement, Portland, Oregon [illegible]24-57
(Name, title, and disbursing or [illegible] identification symbol of accountable officer) [illegible]ate sent)

deposited with Federal Reserve Bank of San Francisco Portland Branch Portland, Oreg.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-484	$1,133.55

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 N. Division Street
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Dorothy F. Long
(Depositor)

Dorothy F. Long, Authorized Collec

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949, by Treasury Dept., Fiscal Service

INSTRUCTIONS

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

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

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

GPO 872894

E484	Day Mines, Inc.	$ 364.77
E541	Polaris Mining Company	667.87
E781	Mrs. Jennie M. Moore	100.91

OFFICIAL FILE COPY
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DATE | INITIALS | CODE
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| | 800

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN APRIL, 1958

Production of ore subject to DMEA royalty in April totalled 1,314 tons which assayed:

4.0 ounces silver per ton.
7.5 per cent lead.
3.0 per cent zinc.

Progress in Stage II exploration included:

Item 7 -

The 1900 level drift to the southwest on the Rambler vein was extended from 483.5 feet to 596.9 feet, an advance of 113.0 feet during April. The enclosed maps show this advance and the detailed geology exposed by it.

Rollin Farmin
Asst. Manager

For Certificate of Deposit No. 430, dated December 10, 1957, giving royalty payment of $1,221.14, see E-152.

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

Budget Bureau No. 42-R1036.5

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

Month of March, 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling: Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~: Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	5,664.00	189,960.00	195,624.00	5664.00	189960.00	195624.00
~~Drifting~~: Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) ~~Labor and Supervision~~:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		7,020.00	7,020.00		7020.00	7020.00
(7) Miscellaneous: Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Repairs to Equipment~~: Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Sampling and Analysis~~: 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
~~Payroll Taxes~~						
~~Liability Insurance~~						
1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	5,664.00	379,838.48	385,502.48	5664.00	379838.48	385,502.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 7, 1958 *Payee Day Mines, Inc.
Per N. K. Bue Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 2832.00

Signature Harry F. Long
(Authorized Certifying Officer)

Date 5/14/58 Vou. No. 2160
(See other side)

For Certificate of Deposit No. 427, dated November 15, 1957, giving royalty payment of $1,039.26, see E-152.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6484 in accordance with the terms of the contract.

Signature /s/ John D. Bardill Title Metallurgist Date May 12, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date May 13, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Certificate of Deposit No. 421, dated October 11, 1957, giving royalty payment of $1,087.53, see E-152.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
II	1900 Level Pocket				1,645.00	35	47.00	35	$47/ft.
I-II	Drifting & Crosscutting	Ft.	5,664.00	118	195,624.00	4,075.5	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 Level ~~Auger~~ Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station				2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5/ft 2)
II	2-Compartment Winze				55,125.00	350	157.50	350	$157.50/ft.
	Total Distributed Costs		5,664.00		370,359.48				Total Costs Authorized by Contract
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				7,020.00				7,020.00 3)
	Total Costs		5,664.00		385,502.48				

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

Date May 7, 1958 Operator Day Mines, Inc.

Per M. K. Rice Title Asst. Secty.

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

Remarks:

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	686.5'	4075.5'
2) Timbering *	246'	200'	446'	246'	0.0	246.0'
3) New bldgs., improvements	$1000	$6020	$7020	$1000	$6020	$7020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

/s/ John A. Bardill

For Certificate of Deposit No. 420, dated October 2, 1957, giving royalty payment of $1,714.06, see E-9.

INSTRUCTIONS

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

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

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

GPO 872894

For Certificate of Deposit No. 414, dated August 9, 1957, giving royalty payment of $2,646.67, see E-452.

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN MARCH, 1958

Production of ore subject to DMEA royalty in March totalled 1,428 tons which assayed:

2.5 ounces silver per ton
4.7 per cent lead
2.6 per cent zinc

Progress of Stage II exploration included:

Item 7 - The 1900 level drift southwest on the Rambler vein was extended from 365.5 feet to 483.5 feet from the crosscut, an advance of 118.0 feet during March. The enclosed maps show the general position and detailed geology.

ROLLIN FARMIN,
Assistant Manager.

For Certificate of Deposit No. 411, dated July 12, 1957, giving royalty payment of $1,216.22, see E-152.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED APR 28 1958 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $415,250.00 Government Participation: 50 % Amount, $207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Drilling: Pocket		5,187.00	5,187.00		5187.00	5187.00
~~Contracts~~: Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	8,040.00	181,920.00	189,960.00	8040.00	181920.00	189960.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) ~~Labor and Supervision~~:		7,500.00	7,500.00		7500.00	7500.00
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		7,020.00	7,020.00		7020.00	7020.00
(7) Miscellaneous: ~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analysis~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
~~Liability Insurance~~						
1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	8,040.00	371,798.48	379,838.48	8040.00	371,798.48	379,838.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 14, 1958 Payee Day Mines, Inc.
Per Norval K. Bee Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 4020.00

Signature Torrey F. Long
(Authorized Certifying Officer)

Date 4/21/58 Vou. No. 2147

(See other side)

For Certificate of Deposit No. 405, dated June 10, 1957, giving royalty payment of $1,208.44, see E-41.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-484 in accordance with the terms of the contract.

Signature /s/ John D. Bardell Title Metallurgist Date April 17, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date April 21, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Certificate of Deposit No. 400, dated May 3, 1957, giving royalty payment of $3,731.02, see E-152.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED APR 23 1958 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1958 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
II	1900 Level Pocket				1,645.00	35	47.00	35	$47/ft.
I-II	Drifting & Crosscutting	Ft.	8,040.00	167.5	189,960.00	3,957.5	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Auger~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu. ft.
II	~~Test Pits~~ 1900 Station				2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2-Compartment Winze				55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		8,040.00		364,695.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				7,020.00				7,020.00 3)
	TOTAL COSTS		8,040.00		379,838.48				

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

Date Apr. 14, 1958 Operator Day Mines, Inc.

Per Norval K. Bue Title Asst. Secty.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	568.5'	3957.5'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., improvements	$1000	$6020	$7020	$1000	$6020	$7020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

/s/ John A. Bardill

For Certificate of Deposit No. 398, dated April 19, 1957, giving royalty payment of $68.13, see E-9.

INSTRUCTIONS

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

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

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

GPO 872894

For Certificate of Deposit No. 391, dated April 1, 1957, giving royalty payment of $1,934.52, see E-152.

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN FEBRUARY, 1958

Production of ore subject to DMEA royalty in February totalled 533 tons which assayed:

4.2 oz. silver per ton

9.1 per cent lead

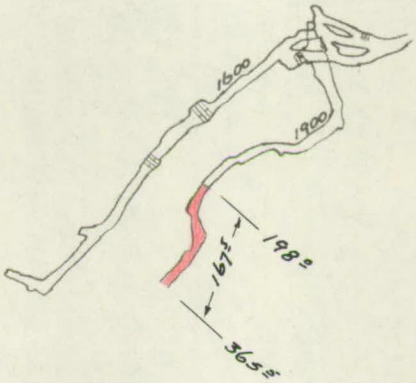
2.3 per cent zinc

Progress of Stage II exploration included:

Item 7. The 1900 level drift southwesterly on the Rambler vein was extended from 198.0 feet to 365.5 feet from the crosscut, an advance of 167.5 feet during February. Enclosed please find a map on the scale of 1" : 250' showing the general position and another on the scale of 1" : 20' showing geological detail for this advance.

Rollin Farmin,
Assistant Manager.

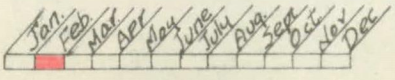
For Certificate of Deposit No. 388, dated March 13, 1957, giving royalty payment of $1,447.78, see E-41.



DAY MINES INC

DMEA 2719 1900 LEVEL

SCALE 1" = 250'



YEAR 1958

For Certificate of Deposit No. 383, dated February 15, 1957, giving royalty payment of $4.31, see E-152.

OFFICIAL FILE COPY
DMEA
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DATE	INITIALS	CODE

For Certificate of Deposit No. 381, dated February 1, 1957, giving royalty payment of $1,013.86, see E-189.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAR 24 1958 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Drilling ~~Contracts~~: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	6,624.00	175,296.00	181,920.00	6624.00	175296.00	181920.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) ~~Labor and Supervision~~:		7,500.00	7,500.00		7500.00	7500.00
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	1,000.00	6,020.00	7,020.00	1000.00	6020.00	7020.00
(7) Miscellaneous: Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Repairs to Equipment~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Supplies and Expenses~~ 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
~~Payroll Taxes~~						
~~Liability Insurance~~ 1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	7,624.00	364,174.48	371,798.48	7624.00	364,174.48	371,798.48

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

Date Feb. 28, 1958 Payee Day Mines, Inc.

Per Norval K. Bue Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 3812.00

Signature Dorothy F. Lang
(Authorized Certifying Officer)

Date 3/18/58 Vou. No. 2134

(See other side)

For Certificate of Deposit No. 376, dated January 10, 1957, giving royalty payment of $1,314.53, see E-41.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ John L. Berdill Title Metallurgist Date March 13, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date March 13, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Certificate of Deposit No. 368, dated November 30, 1956, giving royalty payment of $1,510.53, see E-9.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAR 4 1958 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1958 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
II	1900 Level Pocket				1,645.00	35	47.00	35	$47/ft.
-II	Drifting & Crosscutting	Ft.	6,624.00	138	181,920.00	3,790	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 Level ~~Auger~~ Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station				2,340.00	2,600	.90	2600	$0.90/cu.ft.
-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5.00/ft. 2)
II	2 Compartment Winze				55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		6,624.00		356,655.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
II	New Buildings, Improvements, etc.		1,000.00		7,020.00				7,020.00 3)
	TOTAL COSTS		7,624.00		371,798.48				

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

Date Feb. 28, 1958 Operator Day Mines, Inc.

Per Norman K. Bue Title Asst. Secty.

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

REMARKS:

(Instructions on reverse)

/s/ John D. Bardill

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	401'	3790'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., improvements **	$1000	$6020	$7020	$1000	$6020	$7020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.00

** Completed Contract Item 6 (c) in January, "Install pump, signal system and loading gate", for the new 1900 level.

For Certificate of Deposit No. 362, dated November 7, 1956, giving royalty payment of $1,500.84, see E-41.

INSTRUCTIONS

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

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

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

GPO 872894

For Certificate of Deposit No. 354, dated September 21, 1956, giving royalty payment of $1,349.20, see E-184.

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN JANUARY, 1958

Production of ore subject to DMEA royalty in January totalled 1,140 tons which assayed:

2.4 ounces silver per ton.
4.7 per cent lead.
1.2 per cent zinc.

Progress in Stage II exploration included:

Item 6(c), Install pump, signal system and loading gate for the new 1900 level was completed.

Item 7. The 1900 level drift to the southwest along the Hercules vein was extended from 60.0 feet to 198.0 feet from the crosscut for an advance of 138.0 feet during January. The vein developed by this advance was high in iron content but very low in silver, lead and zinc.

Rollin Farmin,
Assistant Manager.

For Certificate of Deposit No. 339, dated August 8, 1956, giving royalty repayment of $788.91, see E-228.

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

Budget Bureau No. 42-R1036.5

RECEIVED FEB 10 1958 D.M.E.A.

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

Month of December, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	7,344.00	167,952.00	175,296.00	7344.00	167952.00	175296.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) ~~Labor and~~ Supervision:		7,500.00	7,500.00		7500.00	7500.00
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		6,020.00	6,020.00		6020.00	6020.00
(7) Miscellaneous:						
~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Supplies and Stores~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Power~~ 2-Compartment Winze		55,125.00	55,125.00		55125.00	55125.00
Liability Insurance						
1900 Level Station		2,340.00	2,340.00		2340.00	2340.00
1900 Level Pocket		1,645.00	1,645.00		1645.00	1645.00
(8) Contingencies (specify):						
TOTALS	7,344.00	356,830.48	364,174.48	7344.00	356830.48	364174.48

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

Date Feb. 6, 1958 *Payee Day Mines, Inc.

Per Norman K. Bue Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 3672.00

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 7/13/58 Vou. No. 2118

(See other side)

E-484

For Certificate of Deposit No. 326, dated June 13, 1956, giving royalty repayment of $916.17, see E-177.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ Stephen W. Foldak Title Mining Engr. Date 2-11-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Feb. 12, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E-484

For Certificate of Deposit No. 315, dated May 10, 1956, giving royalty repayment of $728.08, see E-41.

Form MT-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED FEB 19 1958 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1957 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
II	1900 Level Pocket				1,645.00	35	47.00	35	$47/ft.
I-II	Drifting & Crosscutting	Ft.	7,344.00	153	175,296.00	3,652	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Auger~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station				2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5.00/ft. 2)
II	2 Compartment Winze				55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		7,344.00		350,031.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				6,020.00				7,020.00 3)
	TOTAL COSTS		7,344.00		364,174.48				

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

Date Feb. 6, 1958 Operator Day Mines, Inc.

Per Norval K. Bue Title Asst. Secty.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	263'	3652'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., improvements	$1000	$6020	$7020	$1000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

/s/ Stephen W. Zoldok, Mining Engr.

RECEIVED
MAY 2 1 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the production records and sales documents pertaining to the sale of lead and zinc concentrates for the period February 5, 1953, to April 12, 1956, by

Day Mines, Inc.
Day Building
Wallace, Idaho

produced from Hercules Mine located at Burke, Shoshone County, Idaho, on which royalties are due the U. S. Government under terms of Contract Idm. - K&M, Docket No. DMEA-2719, dated February 5, 1953, as amended.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total sales of such concentrates for this period, subject to DMEA royalties, to be $118,272.93. Royalty due the Government at the contract rate of 5 per cent is $5,913.63. The royalty paid and balance due are as follows:

Total Royalties Due	$ 5,913.63
Total Royalties Paid	5,913.63
Balance of Royalties Due	-0-

C. E. Fisher
C. E. Fisher, Auditor

April 23, 1956

RECEIVED
APR 2 0 1956

INSTRUCTIONS

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

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

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

GPO 872894

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN DECEMBER, 1957

Production of ore subject to DMEA royalty in December totalled 744 tons which assayed:

3.0 ounces silver per ton.

6.6 per cent lead.

1.4 per cent zinc.

Progress in Stage II exploration in December included: 93.0 feet of crosscuts and 60.0 ft. of drifting along vein on the new 1900 ft. level for a total of 153.0 feet of drifts and crosscuts.

The vein developed is high in iron content but low in lead, zinc and silver.

ROLLIN FARMIN
Assistant Manager

FIRST ROYALTY REPORT

RECEIVED
MAY 21 1956

I. INTRODUCTION

On April 11 and 12, 1956, an audit was made of the production, sales, and royalty accounts and records of

Day Mines, Inc.
Day Building
Wallace, Idaho

pertaining to the sale of lead and zinc concentrates during the period February 5, 1953, to April 12, 1956, produced from property known as Hercules Mine, located at Burke, Shoshone County, Idaho, on which royalties are due the U. S. Government under terms of Contract Idm - E484, Docket No. DMEA-2719, dated February 5, 1953, as amended.

The production and sales records pertaining to this contract are maintained in the company's office at Wallace, Idaho, under the supervision of Mr. Leonard Gaffney, Chief Accountant.

An interim cost audit of this contract was made concurrently with this royalty audit. The results of such audit are included in a separate interim cost audit report dated April 23, 1956.

Mr. Eric G. Erickson, Mining Engineer, Bureau of Mines, Region I, Northwest District, accompanied the auditor and assisted in both audits.

II. GENERAL INFORMATION

Article 9 of the exploration contract, as amended by Amendments Nos. 2 and 4, provides that should the Government, within 6 months after completion of the exploration project or termination of the contract certify that a discovery or development has resulted from the work, the operator and his successor in interest shall be obligated to pay a percentage royalty on the net smelter returns or other net proceeds realized from the ore, concentrates, or metals mined or produced from the land described in Article 2 of the contract within 12 years from the date of the contract, until the total amount contributed by the Government, without interest, is fully repaid or said 12 years have elapsed, whichever occurs first. The exploration had not been completed nor had the contract been terminated at the time of the audit. A certificate of discovery or development was issued on February 20, 1956.

Form MF-104 (Rev.)
(April 1953)

RECEIVED JAN 27 1958 D.M.E.A.

W

Budget Bureau No. 42-R1036.5

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

Month of November, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Drilling: Pocket		5,187.00	5,187.00		5187.00	5187.00
~~Contracts~~: Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting	2,160.00	165,792.00	167,952.00	2160.00	165792.00	167952.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		6,020.00	6,020.00		6020.00	6020.00
(7) Miscellaneous: ~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analysis~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ Winze	4,725.00	50,400.00	55,125.00	4725.00	50400.00	55125.00
~~Liability Insurance~~ 1900 Level Station	2,340.00		2,340.00	2340.00	—	2340.00
1900 Level Pocket	1,645.00		1,645.00	1645.00	—	1645.00
(8) Contingencies (specify):						
TOTALS	10,870.00	345,960.48	356,830.48	10870.00	345960.48	356830.48

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

Date Jan. 15, 1958 *Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 5435.00

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 1/21/58 Vou. No. 2107

(See other side)

Amendment No. 2 exempts from the land described in Article 2 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 amendment also provides for the payment of royalty to the Government on any production which is transported through any shaft, drift, crosscut, raise or other working to the cost of which the Government has contributed under this contract, regardless of where it comes from.

According to the interim audit report and certificate dated April 28, 1956, prepared by this auditor, the total accepted costs of the exploration to August 31, 1955, amounted to------ $273,300.48, with the Government's contribution, on a 50 per cent basis, being -----$136,650.24.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

A conference with the examining engineer (Mr.Erickson) disclosed the following:

(a) The operator does not stockpile ore subject to DMEA royalties; nor are low-grade ores, tailings or middlings stockpiled.

(b) The sampling and assay controls in effect are considered adequate.

(c) The manner of disposing of production is considered as giving the Government its fair royalty returns.

(d) Examination indicated that the operator is properly reporting the current production subject to DMEA royalty.

(e) The operator does not buy from or sell to other operators.

B. Audit of Settlement Statements

A considerable amount of pre-audit work was accomplished in the DMEA office, Region I, Northwest District, Spokane, Washington, prior to the field audit. This consisted of a recomputation of smelter settlement sheets and settlement statements prepared by the operator showing allocation of sales of concentrates between amounts subject to DMEA royalties and amounts not

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /s/ John A. Bardill Title Metallurgist Date Jan. 17, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Jan. 20, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

so subject submitted in support of monthly payments of royalties to DMEA. The information was tabulated and reconciliation was made with the amounts of royalty receipts indicated by records of the regional Finance Officer. These tabulations, which are filed as a part of my audit work papers, were reconciled with the company's production and sales records during the on-site audit. A summary analysis of these statements is included in Section IV, of this audit report.

The operator's allocation of production and sales between those subject to DMEA royalty and those not so subject was accomplished in the following manner:

1. The number of tons of ore mined in the various sections of the mine were determined based on actual weights at the mill head.

2. Assays were made at the mill head for lead and zinc contents in the ore. Based on such assays, the indicated total tonnage of lead and zinc contents of ore mined during the month were determined for total production and for the production from the portion of the mine subject to DMEA royalties. A percentage of production subject to DMEA royalty from the total production for the month was determined for both lead and zinc by dividing the indicated number of tons of each metal subject to DMEA royalty by the total indicated number of tons of each metal produced during the month.

3. The actual tonnage of mill production of lead and zinc concentrates during the month was allocated between that subject to DMEA royalty and that not subject to such royalty, based on percentages determined as outlined in paragraph (2).

4. Sales were made on a first-in first-out basis, that is, when lead concentrates were sold to American Smelting and Refining Company, East Helena, Montana, the proceeds received were divided between those subject to DMEA royalty and those not so subject on basis of the tonnage of each included in the settlement. Similar separation was made of proceeds received from sales of zinc concentrates to the Electrolytic Zinc Plant, Silver King, Idaho.

The operator has paid DMEA royalties on all production subject to such royalties through August, 1955. The mine and mill were closed by strike against the "16 Companies" which started August 24, 1955, and was not settled until February 1, 1956. At the time operations ceased, in August, 1955, there were inventories of

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 27 1958 D.M.E.A.

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

Month of November 1957 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
~~II~~	~~1900 Level Pocket~~	~~Ft.~~	~~1,645.00~~	~~35~~	~~1,645.00~~	~~35~~	~~47.00~~	~~35~~	~~$47/ft.~~
I-II	Drifting & Crosscutting	Ft.	2,160.00	45	167,952.00	3,499	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Diam.~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Rage~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station	Cu.ft.	2,340.00	2,600	2,340.00	2,600	.90	2600	$0.90/cu.ft.
I-II	~~Rugs and Trans~~ Timbering				1,230.00	246	5.00	446	$5.00/ft. 2)
II	2 Compartment Winze	Ft.	4,725.00	30	55,125.00	350	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		10,870.00		342,687.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				6,020.00				7,020.00 3)
	TOTAL COSTS		10,870.00		356,830.48				

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

Date Jan. 15, 1958 Operator Day Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	110'	3499'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., improvements	$1000	$6020	$7020	$1000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

/s/ John A. Bardell

80.7950 tons of lead concentrates and 45.0515 tons of zinc concentrates on hand at the mill, of which 30.1363 tons and 35.0951 tons, respectively, were considered to be production subject to DMEA royalty.

Although production has been resumed and shipments of concentrates have been made since the strike, settlements had not been accomplished and the royalties due on DMEA portion thereof had not been paid at the date of this audit. Mr. Gaffney advised that such royalties due will be paid to DMEA within a short time.

IV. CONCLUSIONS

A summary analysis of the operator's production and sales during the period covered by this audit, together with amounts subject to DMEA royalties and royalties paid follows:

PRODUCTION DATA

Item		Lead Concentrates		Zinc Concentrates	
Ore Mined		Total	DMEA Ppn.	Total	DMEA Ppn.
Total	Short tons 32993				
DMEA	" " 13388				
%-DMEA	40.58%				
SDT Concentrates produced		2249.880	564.2247	534.1760	124.5839
SDT Less inventory 8/31/55		80.795	30.1363	18.9065	8.4323
SDT Net sales		2169.085	533.0884	515.2695	116.1516
% DMEA			24.58		22.54
Net proceeds from sales			$83,287.75		$34,985.18
Per SDT			155.94		301.20

INSTRUCTIONS

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

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

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

GPO 872894

ANALYSIS OF NET PROCEEDS FROM SALES SUBJECT TO DMEA ROYALTIES

	LEAD CONCENTRATES		ZINC CONCENTRATES	
	Quantities	Values	Quantities	Values
Contents:				
Lead	667,417 lbs.	$79,557.34	22,358 lbs.	$ 686.23
Zinc			548,149 lbs.	53,337.03
Copper	101.29 lbs.	28.44		
Silver	13,561.15 oz.	11,630.70	1,506.05 oz.	1,086.93
Gold			6.73 oz.	184.24
Total payments for metals		$91,216.48		$55,294.43
Deductions:				
Treatment charges		$ 6,170.47		$19,812.57
Freight, umpire, etc.		1,758.26		496.68
Total deductions		$ 7,928.73		$20,309.25
Net proceeds subject to DMEA royalty		$83,287.75		$34,985.18
DMEA royalties paid (5%)		$ 4,164.40		$ 1,749.23

SUMMARY

Item	Net Proceeds	DMEA Royalties paid
Lead Concentrates	$ 83,287.75	$ 4,164.40
Zinc Concentrates	34,985.18	1,749.23
Total	$118,282.93	$ 5,913.63

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN NOVEMBER, 1957.

Production of ore subject to DMEA royalty in November totalled 629 tons which assayed:

2.1 ounces silver per ton
5.0 per cent lead
1.5 per cent zinc

Progress in Stage II exploration in November included:

(1) 30.0 feet of completed, two-compartment winze, advanced from 320 ft. to 350 ft. below the 1600 level.

(2) Pocket raise for 1900 level completed, 35.0 linear ft.

(3) 1900 level station completed, 2600 cu.ft. excavated and timbered.

(4) Crosscutting on 1900 level, 45.0 feet completed.

ROLLIN FARMIN
Assistant Manager

The audit has confirmed the accuracy and propriety of the royalty payments received by the regional office applicable to lead and zinc concentrate sales during the period February 5, 1953, to April 12, 1956. It has also determined that all indicated sales during such period have been properly accounted for.

At the conclusion of the audit Mr. Gaffney was informed of the audit findings. On April 16, 1956, Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, was informed of the results of the audit.

C. E. Fisher

C. E. Fisher, Auditor

April 23, 1956

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

Budget Bureau No. 42-R1036.5

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

RECEIVED 9

Month of October, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting		165,792.00	165,792.00		165792.00	165792.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		6,020.00	6,020.00		6020.00	6020.00
(7) Miscellaneous:						
~~Rental Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Assays~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ Winze	11,812.50	38,587.50	50,400.00	11,812.50	38587.50	50400.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	11,812.50	334,147.98	345,960.48	11,812.50	334,147.98	345,960.48

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

Date Nov. 30, 1957 *Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 5906.25

Signature [signature]
(Authorized Certifying Officer)

Date 12/5/57 Vou. No. 2002

(See other side)

Check Sheet of Examining Engineer

Operator's Name Day Mines, Inc.

Address Day Building

Wallace, Idaho

Exploration Contract No. Idm-E484 Docket No. DMEA-2719 (lead-zinc)

	Check One Yes	Check One No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		x
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?	x	
(b) If so, do you consider the allocation of the commingled production equitable?	x	
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		x
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	x	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	x	
7. Does the Operator buy from or sell to other Operators?		x

8. Comment on any item 2 (b) to 6 if answer is No.

E. G. Erickson
E. G. Erickson
Mining Engineer

Date April 27, 1956

82448

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6484 in accordance with the terms of the contract.

Signature /s/ John L. Bardill Title Metallurgist Date Dec. 2, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 3, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MAY 21 1956

Mr. Clarence E. Fisher
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Interim Audit Report and
First Royalty Audit Report
Idm-2424, DMEA-2729
Day Mines, Inc.

Dear Mr. Fisher:

Receipt is acknowledged of your Interim Audit Report and First Royalty Audit Report covering the above-cited project.

The revised reports are acceptable and normal distribution may be made.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
May 21, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1957 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
I-II	Drifting & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	Crosscutting Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	Raising Shafts				62,600.00	313	200.00	313	$200/ft.
II	Shafts Head Raise				5,550.00	75	74.00	75	$74/ft.
II	Winzes Head Pocket Raise				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	Churn Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 Auger Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	Stripping Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	Trenching Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	Test Pits 1900 Station							2600	$0.90/cu.ft.
I-II	Roads and Trails Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2 Compartment Winze	ft.	11,812.50	75	50,400.00	320	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		11,812.50		331,817.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				6,020.00				7,020.00 3)
	TOTAL COSTS		11,812.50		345,960.48				

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

REMARKS:

Date Nov. 29, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
~~1) Drifting & Crosscutting~~						
1) Drifting & Crosscutting	3505.8	1070'	4575.8'	3389'	65'	3454'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., Improvements	$1000	$6020	$7020	$1000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

/s/ John A. Sardell

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-080-274

For credit of 523 U.S. Courthouse
A80, Division of Disbursement, Portland, 5, Oregon 10/25/55
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary) Portland, Oregon

$ 2,188.42

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		$2,188.42

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)

DEPOSITARY WILL RETAIN MYSTOPY

Myrtle I. Purdy, Authorized Collector

16—59686d-1 GPO

INSTRUCTIONS

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

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

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

GPO 872894

Check No. 24581
Dated 10/19/55
Amount - $99.80
From: American Smelting and Refining Company
Contract Idm-E743, Boss Mines, Inc.
Royalty receipt

Check No. 13646
Dated 10/20/55
Amount - $2,088.62
From: Day Mines, Inc.
Contract Idm-B484, Day Mines, Inc.
Royalty receipt

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN OCTOBER, 1957

Production of ore subject to DMEA royalty in October, 1957, totalled 1,263 tons which assayed:

3.3 ounces silver per ton

6.9 per cent lead

1.8 per cent zinc

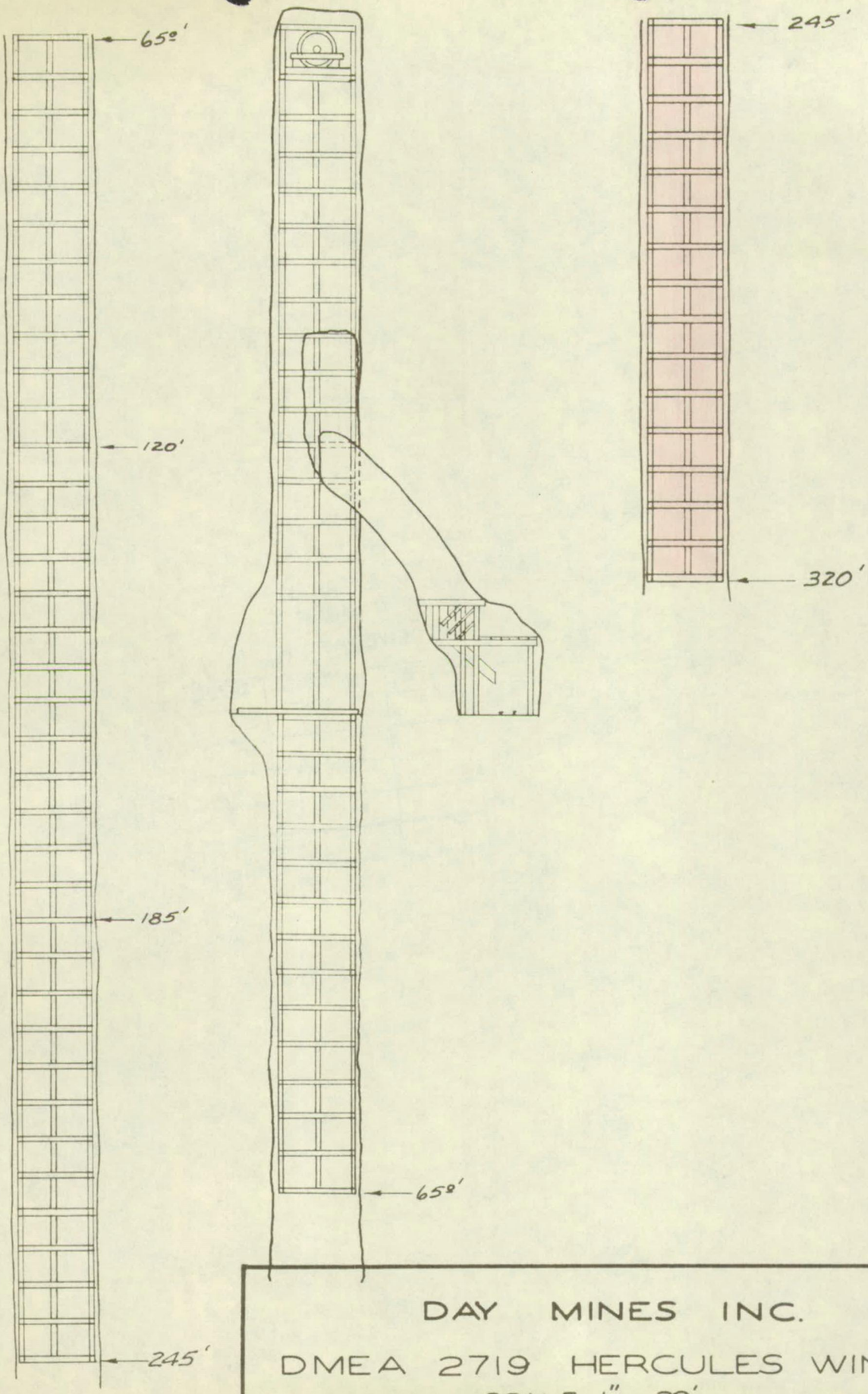
Progress of Stage II exploration in October was 75.0 feet of completed, two-compartment winze, from 245 feet to 320 feet below the 1600 level.

Rollin Farmin - Assistant Manager

EXTRA COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODE
12/9	gb	220
		100
		800

For Certificate of Deposit No. 266, dated September 26, 1955, giving royalty repayment of $1,089.05, see E-177.



DAY MINES INC.

DMEA 2719 HERCULES WINZE

SCALE 1" = 20'

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.

YEAR 1957

For Certificate of Deposit No. 257, dated August 15, 1955, giving royalty repayment of $204.79, see E-115.

EXTRA COPY
D M E A
RECEIVED DEC 9 1957

DATE	INITIALS	CODE

E-484

For Certificate of Deposit No. 246, dated July 6, 1955, giving royalty repayment of $402.74, see E-115.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED NOV 18 1957 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1957 Docket No. DMEA 2719 Contract No. Idm-R484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling: Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~: Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting		165,792.00	165,792.00		165792.00	165792.00
~~Drifting~~: Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		6,020.00	6,020.00		6020.00	6020.00
(7) Miscellaneous:						
~~Repairs to Equipment~~: Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analysis~~: Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~: Minze	9,450.00	29,137.50	38,587.50	9450.00	29137.50	38587.50
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	9,450.00	324,697.98	334,147.98	9450.00	324697.98	334,147.98

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

Date Nov. 7, 1957 *Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 4725.00

Signature [signature] (Authorized Certifying Officer)

Date 11/14/57 Vou. No. 2070

(See other side)

For Certificate of Deposit No. 237, dated June 14, 1955, giving royalty repayment of $297.11, see E-177.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ Stephen W. Zolock Title Mining Engr. Date 11-12-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Nov. 13, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Certificate of Deposit No. 231, dated May 3, 1955, giving royalty repayment of $130.58, see E-177.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 18 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1957 Docket No. DMEA 2719 Contract No. Idr-1404
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

	OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
	Stage								
I-II	Drifting & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winze~~ Pocket Raise				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Level~~ Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station							2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2 Compartment Winze	ft.	9,450.00	60	38,587.50	245	157.50	350	$157.50/ft.
	Total Distributed Costs		9,450.00		320,004.98				Total Costs Authorized by Contract
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				6,020.00				7,020.00 3)
	Total Costs		9,450.00		334,147.98				

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

Date Nov. 7, 1957 Operator Day Mines, Inc.

Per EWA Brownell Title Treasurer

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

Remarks:

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	65'	3454'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., Improvements	$1000	$6020	$7020	$1000	$6020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000. 11-12-57

/s/ Stephen W. Jordak, Mining Eng.

For Certificate of Deposit No. 225, dated April 1, 1955, giving royalty repayment of $363.02, see E-152.

INSTRUCTIONS

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

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

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

GPO 872894

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
16-23-020-209

Deposited with Federal Reserve Bank of San Francisco (Name and location of depositary) Portland Branch 2/10/55 (Date sent)

the sum shown opposite for credit, subject to check, in the disbursing account of—

$ 213.60

SYMBOL NO.
420

A. O. Kohlers, RDO, 923 N. E. Court House, Portland 5, Oregon
(Name and address of officer to be credited)

On account of—

Wages.....$213.60

E. 4804

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Myrtle E. Purdy
Certifying Officer
Defense Minerals Exploration Admin.
1201 N. Division St.
Spokane 2, Washington

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN SEPTEMBER, 1957

Production of ore subject to DMEA royalty in September, 1957, totalled 746 tons which assayed:

2.9 ounces of silver per ton

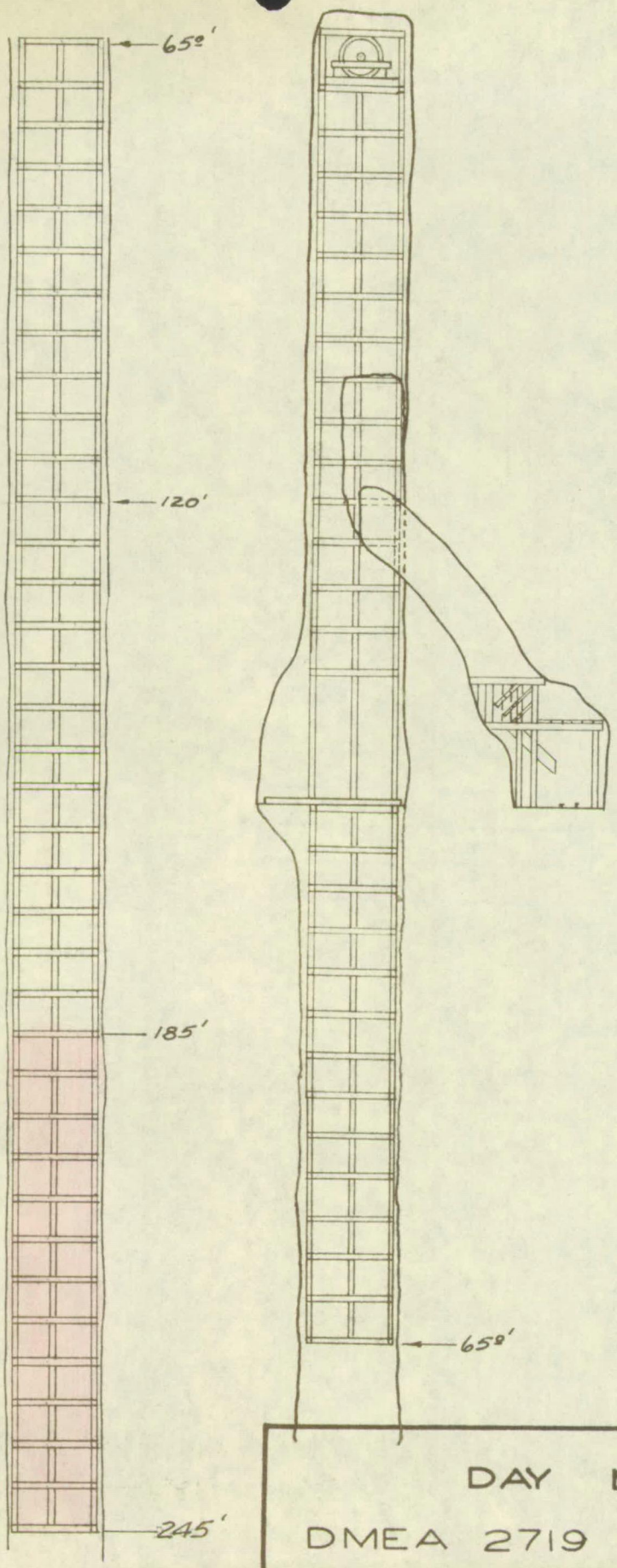
6.9 per cent lead

3.6 per cent zinc

Progress of Stage II exploration in September was 60.0 feet of completed, two-compartment winze, from 185 feet to 245 feet below the 1600 level.

Rollin Farmin - Assistant Manager

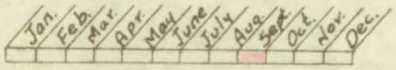
Check No. 12797
Date: Feb. 7, 1955
Amount - $213.60
From: Day Mines, Inc.
Contract- Idm-E484, Day Mines, Inc.
Royalty receipt



DAY MINES INC.

DMEA 2719 HERCULES WINZE

SCALE 1" = 20'



YEAR 1957

For Certificate of Deposit No. 187, dated December 23, 1954, giving royalty repayment of $256.39, see E-184.

EXTRA COPY
D M E A
RECEIVED NOV 18 1957

DATE	INITIALS	CODE

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-23-020-171

Deposited with Federal Reserve Bank of San Francisco Portland Branch 10/5/54
(Name and location of depositary) (Date sent)

$ 215.84

the sum shown opposite for credit, subject to check, in the disbursing account of—

SYMBOL NO.
420

A. O. Wehlers, 200, 523 U. S. Court House, Portland 5, Oregon
(Name and address of officer to be credited)

On account of—

1424101 . . . . . $215.84

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Myrtle I. Purdy
Certifying Officer
Defense Minerals Exploration Admin.
1201 N. Division Street
Spokane 2, Washington

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

W

ME-104 (Rev.)
April 1952)

RECEIVED OCT 21 1957 D.M.E.A.

Budget Bureau No. 42-R1036.5

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

Month of August 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Drilling, ~~Bulldozing~~ Crosscutting ~~Drifting~~ Pocket		5,187.00	5,187.00		5187.00	5187.00
~~Contracts~~ Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Diamond		7,194.00	7,194.00		7194.00	7194.00
Shaft		62,600.00	62,600.00		62600.00	62600.00
& Drifting		165,792.00	165,792.00		165792.00	165792.00
Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs		6,020.00	6,020.00		6020.00	6020.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous: ~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analysis~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ Winze	10,237.50	18,900.00	29,137.50	10,237.50	18900.00	29137.50
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	10,237.50	314,460.48	324,697.98	10,237.50	314460.48	324697.98

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

Date Oct. 10, 1957 *Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 5118.75

Signature [signature] (Authorized Certifying Officer)

Date 10/17/57 Vou. No. 2058

(See other side)

Check No. 12292
Dated September 28, 1954
Amount $215.84
From Day Mines, Inc.
Contract Idm-E484
Royalty receipt

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /s/ John D. Sandell Title Metallurgist Date Oct. 14, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Oct. 15, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E-484

For Schedule of Collections No. DMA-157, datedAugust 24, 1954, giving royalty repayment of $303.90, see E-41.

F-1044
1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
I-II	Drifting & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Auger~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sumps & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station							2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2 Compartment Winze	ft.	10,237.50	65	29,137.50	185	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		10,237.50		310,554.98				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				6,020.00				7,020.00 3)
	TOTAL COSTS		10,237.50		324,697.98				

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

Date Oct. 10, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	65'	3454'
2) Timbering*	246'	200'	446'	246'	0	246'
3) New bldgs., Improvements	$1000	$6020	$7020	$1000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost fortimber and/or Rock bolts $1,000.

/s/ John D. Bardill

E-484

For Schedule of Collections No. DMA-153, ~~giii~~ dated July 27, 1954, giving royalty repayment of $109.18, see E-267.

INSTRUCTIONS

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

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

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

GPO 872894

E-484

For Schedule of Collections No. DMA-152, dated July 26, 1954, giving royalty repayment of $238.81, see E-63.

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN AUGUST, 1957

Production of ore subject to DMEA royalty in August, 1957, totalled 1,148 tons which assayed:

4.6 ounces silver per ton

10.8 per cent lead

3.2 per cent zinc

Progress of Stage II exploration in August was 65 feet of completed two-compartment winze, from 120 ft. to 185 ft. below the 1600 level.

Rollin Farmin - Assistant Manager

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

Budget Bureau No. 42-R1036.5

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

RECEIVED OCT 14 1957 DMEA

Month of July, 1957 Docket No. DMEA 2719 Contract No. Idn-E1-84
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Short Form Drilling: Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting		165,792.00	165,792.00		165792.00	165792.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
(2) ~~Labor and Supervision:~~ 1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs		6,020.00	6,020.00		6020.00	6020.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous: ~~Supplies and Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Camp Maintenance~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ Winze	8,662.50	10,237.50	18,900.00	8662.50	10237.50	18900.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8,662.50	305,797.98	314,460.48	8662.50	305797.98	314,460.48

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

Date Sept. 23, 1957 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 4331.25

Signature [signature] (Authorized Certifying Officer)

Date 10/7/57 Vou. No. 2048

(See other side)

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 17 1958

DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION
CONTRACT [illegible] AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Day Mines, Inc.
Day Building
Wallace, Idaho

pertaining to Exploration Project Contract No. I4m-[illegible], Docket No. [illegible]-8719, dated Feby 16, 1953, including Amendment Nos. 1 to 4, inclusive, and Amended Contract No. I4m-[illegible], Docket No. [illegible]-8719, dated December 6, 1956, including Amendment No. 1, and a Termination Agreement dated August 29, 1958, for the months of March 1953 to June 1958, inclusive, covering a project for the exploration of Lead-Zinc, on property known as the Hercules Mine, located in Shoshone County, Idaho.

My review included an examination of the Monthly Reports (Forms MY-164) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team Reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachments to this report.

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

Total cost as billed by the Contractor		$396,900.53
Exceptions:		
Prior audit	$ -0-	
Herewith	-0-	-0-
		$396,900.53

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of one Hundred Ninety Eight Thousand Four Hundred Fifty and 27/100 Dollars is valid and proper, provided that the Regional Executive Officer, The Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$ 198,450.27
Amount paid to date	197,[illegible].64
Balance due Operator	$ [illegible].63

George Mavor
George Mavor
OME Auditor

November 14, 1958

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-484 in accordance with the terms of the contract.

Signature /s/ John A. Bardill Title Metallurgist Date 9/25/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ W. E. Weissenborn Title Exec. Officer Date Oct. 3, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reasons for Report of Review in lieu of a final audit

(a) a major portion ($273,300.48) of accepted costs was covered by an Interim Audit Report dated April 23, 1956, issued by C. E. Fisher DMEA Auditor;

(b) the balance of (123,600.03) of the accepted costs was under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 14 1957 D.M.E.A.

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

Month of July 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
I-II	Drifting & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Raise~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sump & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station							2600	$0.90/cu.ft.
I-II	~~Roads and Trams~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2 Compartment Winze	Ft.	8,662.50	55	18,900.00	120	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		8,662.50		300,317.48				TOTAL COSTS AUTHORIZED BY CONTRACT
I	Operating Equipment Purchased				8,123.00				8,123.00
I-II	Initial Rehabilitation and Repairs				6,020.00				7,020.00 3)
	New Buildings, Improvements, etc.								
	TOTAL COSTS		8,662.50		314,460.48				

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

Date September 23,1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	65'	3454'
2) Timbering *	246'	200'	446'	246'	0	246'
3) New bldgs., Improvements	$1,000	$6,020	$7,020	$1,000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000

/s/ John D. Bardell

EXTRA COPY
O. M. E.
RECEIVED DEC 11 1958

DATE	INITIALS	CODE
		800

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-E484

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)

INSTRUCTIONS

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

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

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

GPO 872894

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

420 Custom House
555 Battery Street
San Francisco, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
11-24	C	220
		800

November 21, 1958

Certified Mail

Mrs. Dorothy F. Long
Authorized Certifying Officer
1201 N. Division Street
Spokane 2, Washington

RE: Docket No. DMEA-2719
Day Mines, Inc.
Contract No. Idm-E484

Dear Mrs. Long:

Reference is made to your letter dated November 5, 1958, in connection with audit of subject contract. Audit is now complete, and I am enclosing herewith one original and 3 copies of Report of Review for further distribution by your office. The report shows a balance due the Operator in amount of $950.63, and the report was approved by the Washington Office November 17, 1958.

I am also enclosing the following material previously submitted by you.

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)

The file of pre-audit papers, prepared by Mr. C. A. Turner, I have retained for my audit file of subject contract.

Sincerely yours,

"(SIGNED) [illegible]

George Mavor, OME Audit

Enclosures

Copy to: Jay L. Chambers

DELA 2710 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN JULY, 1957

Production of ore subject to [illegible] royalty in July, 1957, totalled [illegible],[illegible] tons which assayed:

[illegible].6 ounces silver per ton

[illegible].[illegible] per cent lead

[illegible].1 per cent zinc

Progress on State II exploration in July was 55.[illegible] feet of completed two compartment winze, from [illegible] ft. to 12[illegible].[illegible] ft. below the [illegible] level.

Rollin [illegible]ardin, Assistant Manager.

OFFICIAL FILE COPY
DNEA
RECEIVED [illegible]
DATE [illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 24 1958
DATE | INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
320 Custom House
555 Battery Street
San Francisco, California

November 21, 1958

~~Certified Mail~~

Mrs. Dorothy F. Long
~~Authorized Certifying Officer~~
~~1201 N. Division Street~~
Spokane 2, Washington

RE: Docket No. DMEA-4125
Northwest Uranium Mines, Inc.
Contract No. Idm-E964

Dear Mrs. Long:

Reference is made to your letter dated November 5, 1958, in connection with audit of subject contract. Audit is now complete, and I am enclosing herewith one original and 3 copies of Report of Review for further distribution by your office. The report shows a balance due the Operator in amount of $4,538.74, and the report was approved by the Washington Office November 17, 1958.

I am also enclosing the following material previously submitted by you.

1. Contract and Correspondence File.
   (Includes Annex I, Exhibit "A"
   and Amendment Nos. 1 thru 7)

2. Voucher File
   (MF-104's and 104A's, with attachments)

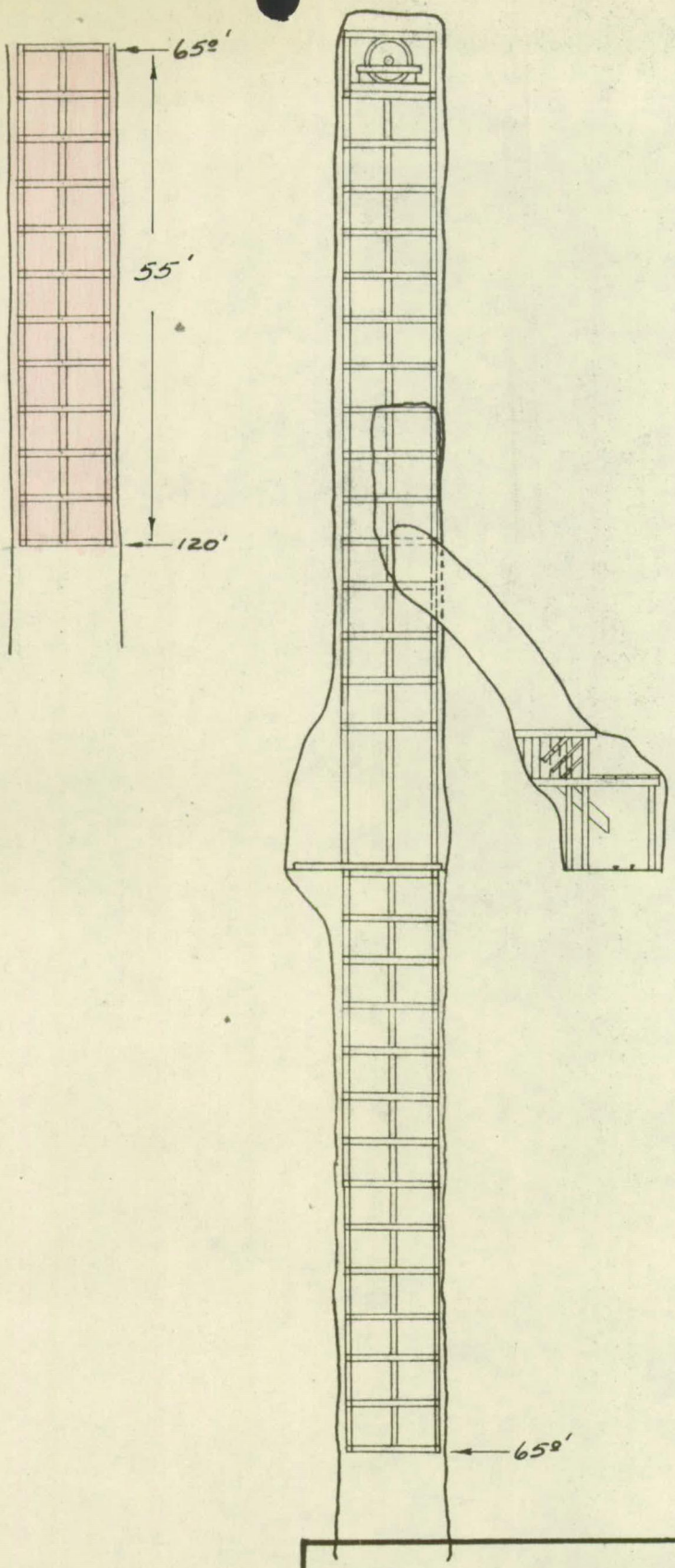
The file of pre-audit papers, prepared by Mr. C. A. Turner, I have retained for my audit file of subject contract.

Sincerely yours,

"(SIGNED) [illegible]
George Mavor, OME Auditor

Enclosures

Copy to Jay L. Chambers



DAY MINES INC.

DMEA 2719 HERCULES WINZE

SCALE 1" = 20'

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.

YEAR 1957

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

DATE	INITIALS	
11/10	C	220 800

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. BMEA-2719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Amended Contract Idm-E484

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)

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE	INITIALS	CODE

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

December 1, 1958

EXTRA
O. M.
RECEIVED DEC
DATE INITI
800

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. Idn-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 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

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

Budget Bureau No. 42-R1036.5

RECEIVED AUG 19 1957 D.M.E.A.

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

Month of June, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		7,194.00	7,194.00		7194.00	7194.00
~~Bulldozing~~ Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting & Drifting		165,792.00	165,792.00		165792.00	165792.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		6,020.00	6,020.00		6020.00	6020.00
(7) Miscellaneous:						
~~Repairs to Equipment~~ Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
~~Sampling and Analysis~~ Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
~~Payroll Taxes~~ Winze	4,725.00	5,512.50	10,237.50	4725.00	5512.50	10237.50
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,725.00	301,072.98	305,797.98	4725.00	301072.98	305797.98

I certify that the above bill is correct and just and that payment therefor has not been received.
Date August 6, 1957 Payee Day Mines, Inc.
Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 2362.50

Signature [signature]
(Authorized Certifying Officer)

Date 8/15/57 Vou. No. 2020
(See other side)

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /s/ John D. Bardill Title Metallurgist Date Aug 9, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Geo. Officer Date Aug. 9, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXTRA COPY
O. M. E.
RECEIVED NOV 10
DATE INITIALS

1201 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. DMEA-2719 (lead-zinc)
Day Mines, Inc.
Hercules Mine
Shoshone County, Idaho
Amended Contract No. Idm-2484

Dear Mr. Mayer:

The referenced contract was terminated by mutual agreement on August 29, 1958, effective as of August 10, 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, 1200 to 1600 level	313 feet	313 feet
1600 level stations	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.

Mr. Chamberlain

Withheld 1981

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED AUG 19 1957

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

Month of June 1957 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
I-II	Stage ~~Drifting~~ & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shafts~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winzes~~ Head Pocket Rse.				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191/ft.
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 ~~Auger~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
I	~~Stripping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Trenching~~ Sump & Pits				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station							2600	$0.90/cu.ft.
I-II	~~Roads and Trails~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2 Compartment Winze	Ft.	4,725.00	30	10,237.50	65	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		4,725.00		291,654.98				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				6,020.00				7,020.00 3)
	TOTAL COSTS		4,725.00		305,797.98				

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

Date August 6, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

		Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1)	Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	65'	3454'
2)	Timbering*	246'	200'	446'	246'	0	246'
3)	New bldgs.,Improvements	$1,000	$6020	$7020	$1000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000

/s/ John D. Bardill

Stage II	Authorized	Completed
1600 level rock bolts	50	20
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.	1600 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.	2603 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, 12 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
OME (2)
USGS (2)
USBM (19)

INSTRUCTIONS

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

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

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

GPO 872894

1201 N. Division St.
Spokane 2, Washington

June 10, 1958

EXTRA COPY
DMEA
RECEIVED JUN 18

DATE		CODE
		800

Day Mines, Inc.
Wallace, Idaho

Re: Contract No. Idm-2484
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

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN JUNE, 1957

Production of ore subject to DMEA royalty in June, 1957, totalled 3,347 tons which assayed:

2.57 ounces silver per ton
6.10 per cent lead
1.93 per cent zinc

Progress in Stage II exploration in June was 30.0 feet of completed two-compartment winze (Item 4).

Rollin Farmin - Assistant Manager

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

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

Budget Bureau No. 42-R1036.5

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

Month of May, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Drilling: Station		4,030.00	4,030.00		4030.00	4030.00
Bulldozing: Diamond		7,194.00	7,194.00		7194.00	7194.00
Crosscutting: Shaft		62,600.00	62,600.00		62600.00	62600.00
Raising: & Drifting		165,792.00	165,792.00		165792.00	165792.00
Timbering		23,135.00	23,135.00		23135.00	23135.00
1600 Level Station		1,230.00	1,230.00		1230.00	1230.00
(2) Labor and Supervision:		1,200.00	1,200.00		1200.00	1200.00
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	5,020.00	1,000.00	6,020.00	5,020.00	1000.00	6020.00
(7) Miscellaneous: Shaft Head Raise		5,550.00	5,550.00		5550.00	5550.00
Head Pocket Raise		2,100.00	2,100.00		2100.00	2100.00
Payroll Taxes: Winze	5,512.50		5,512.50	5512.50	—	5512.50
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	10,532.50	290,540.48	301,072.98	10,532.50	290540.48	301072.98

RECEIVED JUL 29 57

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 8, 1957 *Payee Day Mines, Inc.
Per M. K. Rice Title Asst. Secty.

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

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

(Instructions on reverse)

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

$ 5266.25

Signature Dorothy F. Perry
(Authorized Certifying Officer)

Date 7/19/57 Vou. No. 2007
(See other side)

DMEA Field Team, Region I

COO 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)

Withheld

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-484 in accordance with the terms of the contract.

Signature /s/ John D. Gardill Title Metallurgist Date 7-15-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Wing L. Agnew Title Acting Exec Date 7-17-57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

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FEB 1 1956

E-484

DMEA ~~2937~~ 2719 - Hercules

Summary of Progress in December, 1955

The Hercules mine remained strikebound through December. There was no progress or production to report.

Rollin Farmin
Assistant General Manager

RF/jab

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1957 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
I-II	Drifting & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	~~Crosscutting~~ Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	~~Raising~~ Shafts				62,600.00	313	200.00	313	$200/ft.
II	~~Shaft~~ Head Raise				5,550.00	75	74.00	75	$74/ft.
II	~~Winze~~ Pocket Raise				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191
I	~~Churn~~ Core				2,702.00	772	3.50	2000	$350/ft.
II	1600 ~~Auger~~ Level Station				1,200.00	1,600	.75	1600	$0.75/ft
I	~~Stoping~~ Station				4,030.00	6,200	.65	6200	$0.65/ft.
I	~~Pioneering~~ Sump & Pockets				8,586.48	6,456	1.33	6456	$1.33/cu.ft.
II	~~Test Pits~~ 1900 Station							2600	$0.90/cu.ft.
I-II	~~[illegible]~~ Timbering				1,230.00	246	5.00	446	$5/ft. 2)
II	2 Compartment Winze	ft.	5,512.50	35	5,512.50	35	157.50	350	$157.50/ft.
	TOTAL DISTRIBUTED COSTS		5,512.50	35	286,929.98				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.		5,020.00		6,020.00				7,020.00 3)
	TOTAL COSTS		10,532.50		301,072.98				

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

Date July 8, 1957 Operator Day Mines, Inc.

Per N. K. Rice Title Asst. Secty.

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

(Instructions on reverse)

REMARKS:

RECEIVED JUL 29 1957 DMEA

/s/ John D. Gordill

(For Government use only)

Item	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8'	1070'	4575.8'	3389'	65'	3454'
2) Timbering*	246'	200'	446'	246'	0	246'
3) New bldgs., Improvements**	$1000	$6020	$7020	$1000	$5020	$6020

* Rock bolts in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000

** New bldgs., Improvements Stage II: Hoist & ventilation system, 1.(d) $1,000; Substation and power cable, 6.(b) $4,020.

RECEIVED
FEB 1 1956

E-484

2719
DMEA ~~2917~~ - Hercules

Summary of Progress in November, 1955

The Hercules mine remained strikebound through November. There was no progress or production to report.

Rollin Farmin
Assistant General Manager

RF/jab

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
DEC 12 1955

DMEA ~~2917~~ 2719 -- Hercules

SUMMARY OF PROGRESS IN OCTOBER, 1955

E-484

The Hercules mine remained strikebound throughout the month of October and there is no progress or production report.

Rollin Farmin,
Assistant Manager

BLT

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 29 1957
DATE | INITIALS | CODE

DMEA 2719 Hercules

Summary of Production and Progress in May 1957

Production of ore subject to DMEA royalty in May, 1957, totalled 1,807 tons which assayed:

1.79 ounces silver per ton
4.83 per cent lead
2.89 per cent zinc

Progress in Stage II exploration in April and May was 35.0 ft. of completed two compartment winze (Item 4). The hoist and ventilation system were installed (Item 1(d)). The substation and power cable were installed (Item 6 (b)).

Rollin Farmin
Assistant Manager

w

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OCT 31 1955

DMEA 2917 2219 -- Hercules

SUMMARY OF PROGRESS IN SEPTEMBER, 1955

The Hercules mine remained strikebound throughout the month of September and there is no progress or production to report.

Rollin Farmin,
Assistant Manager

KAE

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

Budget Bureau No. 42-R1036.5

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

Month of April, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form: Pocket		5,187.00	5,187.00			
~~Contractor~~ Sump		3,399.48	3,399.48			
Station		4,030.00	4,030.00			
Drilling: Diamond		7,194.00	7,194.00			
Bulldozing: Shaft		62,600.00	62,600.00			
Crosscutting		165,792.00	165,792.00			
~~Drifting~~ Raising		23,135.00	23,135.00			
Timbering		1,230.00	1,230.00			
1600 Level Station		1,200.00	1,200.00			
(2) ~~Labor and Supervision:~~						
Labor		7,500.00	7,500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Shaft Head Raise		5,550.00	5,550.00			
~~Repairs to Equipment~~ Head Pocket Raise		2,100.00	2,100.00			
~~Sampling and Analysis~~						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		290,540.48	290,540.48			

RECEIVED JUN 27 1957 D.M.E.A.

Memo Only

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

Date June 6, 1957 *Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ —0—

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

Stage	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
I-II	Drifting & Crosscutting				165,792.00	3,454	48.00	4575.8	$48/ft. 1)
I	Raising				23,135.00	330.5	70.00	330.5	$70/ft.
I	Shafts				62,600.00	313	200.00	313	$200/ft.
II	Head Raise				5,550.00	75	74.00	75	$74/ft.
II	Head Pocket Raise				2,100.00	50	42.00	50	$42/ft.
I	Drilling: Core				4,492.00	1,361.5	3.30	1361.5	$3.47191
I	Core				2,702.00	772	3.50	2000	$3.50/ft.
II	1600 Level Station				1,200.00	1,600	.75	1600	$0.75/ft.
II	Station				4,030.00	6,200	.65	6200	$0.65/ft.
II	Sump & Pockets				3,399.48	6,456	1.33	6456	$1.33/cu.ft.
II	1900 Station							2600	$0.90/cu.ft.
I-II	Timbering				1,230.00	246	5.00	446	$5/ft. 2)
	TOTAL DISTRIBUTED COSTS				281,417.48				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
I	Initial Rehabilitation and Repairs				8,123.00				8,123.00
I-II	New Buildings, Improvements, etc.				1,000.00				7,020.00 3)
	TOTAL COSTS				290,540.48				

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

Date June 6, 1957 Operator Day Mines, Inc.

Per Burance Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Item	Authorized Stage I	Authorized Stage II	Authorized Total	Completed Stage I	Completed Stage II	Completed Total
1) Drifting & Crosscutting	3505.8	1070'	4575.8	3389	65	3454
2) Timbering*	246'	200'	446'	246'	0	246'
3) New bldgs., Improvements	$1000	$6020	$7020	$1000	0	$1000

* Rock bolts ~~$1,000~~ in lieu of timber are paid @ $4/bolt. Max. allowable cost for timber and/or Rock bolts $1,000.

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

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

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

Pursuant to the provisions of Exploration Project Contract No. Idm-[illegible], dated February 5, 1953, Docket No. DMEA-2719, hereinafter called the "contract", between Day Mines, Inc., a corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Drifting on the 1600 mine level, preceded by the necessary shaft sinking, has proved the existence of lead-zinc ore occurring within veins cutting through metamorphic rocks, principally hornfels.

Dated FEB 20 1956

THE UNITED STATES OF AMERICA

By O Mitteudorf
Administrator, Defense Minerals
Exploration Administration

WRGriswold/er 2/15/56
Copy to:
Docket
Mr. C. A. Fredell, Dr.,MD,EPS
Mr. Geehan, USBM
Mr. Kiilsgaard, USGS
Adar R File
Op. Committee
Base Metals
Cont. Adm. & Audit Div.
Finance Office
Region I, NW Dist. (2)
F. E. Johnson
W. R. Griswold
Chron.

INSTRUCTIONS

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

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

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

GPO 872894

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

FEB 20 1956

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

Re: Docket No. DMEA-2719 (Lead-Zinc)
Day Mines, Inc.
Revenue Mine
Shoshone County, Idaho
Contract No. Idm-2464

Dear Mr. Day:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-2464, dated February 5, 1953, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the Certification, all production from the land described in the contract after February 5, 1953, the date of the contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum which the Government has advanced as its participating interest is repaid, or until February 5, 1964, whichever occurs first.

You should continue to make royalty payments to Mr. Weissenborn, as you have in the past. You are requested to notify Mr. Weissenborn of any changes in ownership and production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. Weissenborn at six-month intervals that such is the case.

Sincerely yours,

C. G. Mittendorf

Administrator

Enclosure

WRGriswold/er 2/15/56
Copy to: Docket
Mr. C.A. Fredell, Dr., MB, KPS
Mr. Geehan, USBM
Mr. Kiilsgaard, USGS
Admr R. File
Op. Committee
Cont.Adm.&Audit Div
Base Metals
Region I, NW Dist.(2)
F. A. Johnson
W. R. Griswold
Chron.

D M E A 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN APRIL, 1957

Production of ore subject to DMEA royalty in April, 1957, was 1,893 tons which assayed:

2.18 ounces silver per ton
4.73 per cent lead
2.74 per cent zinc

A considerable portion of the preliminary work and installation of machinery has been accomplished for the Stage II exploration project. Since some work remains in these categories none will be reported until all have been completed.

Rollin Farmin - Assistant Manager

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 24 1957
DATE

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

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

Budget Bureau No. 42-R1036.5

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

Month of March, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		7,194.00	7,194.00		7194.00	7194.00
Bulldozing Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting		165,792.00	165,792.00		165792.00	165792.00
~~Drifting~~ Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
1600 Level Station		1,200.00	1,200.00		1200.00	1200.00
(2) Labor and Supervision:						
Labor		7,500.00	7,500.00		7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		623.00	623.00		623.00	623.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1000.00	1000.00
(7) ~~Miscellaneous~~ Shaft Head Raise	5,550.00		5,550.00	5,550.00		5550.00
~~Equipment~~ Head Pocket Raise	2,100.00		2,100.00	2100.00		2100.00
~~Sampling and Assay~~						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	7,650.00	282,890.48	290,540.48	7650.00	282,890.48	290540.48

RECEIVED MAY 10 1957 D.M.E.A.

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

Date April 29, 1957 *Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 3825.00

Signature [signature] (Authorized Certifying Officer)

Date 5/6/57 Vou. No. 1975

(See other side)

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

FEB 20 1956

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

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

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-2484.

The contract was dated February 5, 1953, with the Government participating to the extent of 50 percent in an exploration project estimated to cost $288,718.00. Actual expenditures (subject to audit) totalled $272,862.48, with the Government's share being half of such amount, or $136,431.24.

The total amount of work provided for under the contract consisted of shaft rehabilitation, 313 feet of shaft sinking, 12,656 cubic feet of rock excavation, 3,506 feet of drifting and crosscutting, 330 feet of raising, and 3,362 feet of diamond drilling. Work actually done consisted of shaft rehabilitation, 313 feet of shaft sinking, 12,656 cubic feet of rock excavation, 3,322 feet of drifting and crosscutting, 330 feet of raising, and 1,362 feet of diamond drilling.

The discovery consisted of lead-zinc ores occurring in veins cutting through metamorphic rocks, principally hornfels. The ore reserve indicated as a result of such work consists of 310,000 tons with an average grade of 2.8 percent lead, 5.8 percent zinc and 1.1 ounces of silver per ton.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WRGriswold/er 2/15/56
Copy to: Docket
Cont. Adm&Audit Div.
Region I, NW Dist. (2)
Base Metals
Admr R File
Op. Committee
Mr. Geehan, USBM
Mr. Kiilsgaard, USGS
F. E. Johnson
W. R. Griswold
Chron.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /s/ Eric G. Erickson Title Mining Engineer Date 5/2/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date 5/3/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit's copy

TERMINATION AGREEMENT

It is agreed this 29th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Day Mines, Incorporated, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E484 (Docket No. DMEA-2719), dated December 6, 1956, as amended, hereinafter called the "Contract," that:

1. Effective August 10, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of the work performed prior to August 10, 1958.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government with respect to percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

DAY MINES, INCORPORATED

By Henry L. Day.

Title President.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
* Drifting & Crosscutting	Ft.			165,792.00	3,454	48.00		
~~Crosscutting~~ Raising				23,135.00	330.5	70.00		
~~Raising~~ Shafts				62,600.00	313	200.00		
~~Shaft~~ Head Raise	Ft.	5,550.00	75	5,550.00	75	74.00		
~~Head~~ Pocket Raise	Ft.	2,100.00	50	2,100.00	50	42.00		
Drilling: Core				4,492.00	1,361.5	3.30		
Churn				2,702.00	772	3.50		
1600 ~~Level~~ Station				1,200.00	1,600	.75		
~~Stripping~~ Pocket				5,187.00	3,900	1.33		
~~Trenching~~ Station				4,030.00	6,200	.65		
~~Test Pits~~ Sump				3,399.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		7,650.00		281,417.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		7,650.00		290,540.48				

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

Date April 29, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

* Drifting	65 ft.	@ 48.00	3,120.00
Crosscutting	3,389 ft.	@ 48.00	162,672.00
	3,454 ft.		165,792.00

/s/ Eric G. Erickson

RECEIVED MAY 10 1957 D.M.E.A.

EXTRA COPY
DMEA
RECEIVED SEP 12 1958

DATE	INITIALS	CODE
		800

DAY MINES, INC
WALLACE, IDAHO

HENRY L. DAY
PRESIDENT

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.

INSTRUCTIONS

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

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

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

GPO 872894

MME Form 14
Sept. 1958

Contract No. Idm-E) 484
~~14-08-~~)

Docket No. DMEA) 2719
~~MME~~)

Date of Action 11/24/58

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Terminated contract

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor: Day Mines, Inc.
Day Building
Wallace, Idaho

Date of Contract	Region	State	Commodity
December 6, 1956	I	Idaho	Lead-Zinc

	Reserve	Obligation
Prior Amount	0	207,625.00
Increase	0	0
Decrease	0	9,174.73
Revised Amount	0	198,450.27

Remarks:

cc: 800
210

43244

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DMEA
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DATE	INITIALS	CODE

DMEA 2719 -- HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN MARCH, 1957

Production of ore subject to DMEA royalty in March was 1,562 tons which assayed:

4.31 ounces silver per ton.
9.72 per cent lead.
2.30 per cent zinc.

Stage II exploration progress in March is reported as follows:

Item 2. the shaft head raise was completed, exceeding the allowable 75 feet of two-compartment raise.

Item 3. the head pocket raise was completed, exceeding the allowable 50 feet of raise of 7 ft. by 6 ft. minimum cross-section.

The accompanying maps show the advance reported above.

Rollin Farmin - Assistant Manager

Contr[illegible] No. Idm-E 484

Docket No. 2719

DEPARTMENT OF THE INTERIOR

Executed amendment

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 6, 1956	I NW	Idaho	Lead-Zinc

Name and Address of Operator: Day Mines, Inc.
Day Building
Wallace, Idaho

	Reserve	Obligation
Prior Amount	$63,270.00	$144,355.00
Increase	0	63,270.00
Decrease	$63,270.00	0
Revised Amount	0	$207,625.00

Remarks:

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Name)

(Title)

Date Delivered to Bureau of Mines, Washington 12/28/56

9896

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

Budget Bureau No. 42-R1036.5

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

Month of February, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50 % Amount, $ 207,625.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form — Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump (Audit)		3,399.48	3,399.48		3399.48	3399.48
Drilling — Station	1,200.00	4,030.00	5,230.00		4030.00	4030.00
Bulldozing — Diamond		7,194.00	7,194.00		7194.00	7194.00
Crosscutting — Shaft		62,600.00	62,600.00		62600.00	62600.00
Drifting — Raising	1,252.80	164,539.20	165,792.00	1252.80	164,539.20	165,792.00
Timbering		23,135.00	23,135.00		23135.00	23135.00
1200 Fuse - Station		1,230.00	1,230.00	1200.00	1230.00 -0-	1230.00 1200.00
(2) Labor and Supervision:						
Labor					7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation					623.00	623.00
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00		-0-	-0-
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1000.00	1000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,452.80	280,437.68	282,890.48	2452.80	280437.68	282,890.48

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

Date March 28, 1957 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 1226.40

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 4/11/57 Vou. No. 1964

(See other side)

Contract No. Idm-E 484

Docket No. 2719

DEPARTMENT OF THE INTERIOR

Approved amendment

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 6, 1956	I NW	Idaho	Lead-Zinc

Name and Address of Operator: Day Mines, Inc.
Day Building
Wallace, Idaho

	Reserve	Obligation
Prior Amount	0	$144,355.00
Increase	$63,270.00	0
Decrease	0	0
Revised Amount	$63,270.00	$144,355.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 12.6.56

98963

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-484 in accordance with the terms of the contract.

Signature /s/ Eric L. Erickson Title Mining Engineer Date 4/1/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Wing L. Agnew Title Acting Exec Date 4/9/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government's copy

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MF-200A
(Rev. April 1956) DEC 10 1956

U. S. G. S.
SPOKANE, WASH.

RECEIVED DEC 21 1956 U.S.G.S. SPOKANE

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
AMENDED EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
2719	Lead-Zinc	*Idm–E* 484	Shoshone	Idaho

It is agreed DEC 6 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and DAY MINES, INC., an Idaho corporation,

whose mailing address is Day Building
Wallace, Idaho,
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall ~~begin the work on or before~~ continue the work, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work ~~within ... months from the date of the contract~~ by December 5, 1958.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $415,250.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $207,625.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: none

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: none

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

Month of February 1957 Docket No. DMEA 2719 Contract No. Idm-248h
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Cu.	~~1,262.00~~	~~26.3~~	165,722.00	3,454	48.00	3575.8	48.00
Raising				23,135.00	330.5	70.00	330.5	70.00
Shafts				62,600.00	313	200.00	313	200.00
Winzes								
Drilling: Core				4,492.00	1,361.5	3.30	1366.5	3.30
Churn				2,702.00	772	3.50	2000	3.50
1600 Hoist-Station Auger	cu.ft.	1,200.00	1600	1,200.00	1600	.75	1600	.75 cu.ft.
Stripping Pocket				5,187.00	3,900	1.33	2900	1.33 cu.ft.
Trenching Station	Cu.Ft.	1,200.00	1,600	40,300 ~~2,232.00~~	~~7,800~~ 6200	6.50 ~~.67~~	6200	.65 cu.ft.
Test Pits Sump				3,329.48	2,556	1.33	2556	1.33 cu.ft.
Roads and Trails								
Timbering				1,230.00	246	5.00	246	5.00 ft.
TOTAL DISTRIBUTED COSTS		2,452.00		273,707.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		2,452.00		282,830.48				

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

Date March 28, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

/s/ Eric G. Erickson, Mining Engineer

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in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

INSTRUCTIONS

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

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

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

GPO 872894

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. **See Annex II for deletions.**

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

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN FEBRUARY, 1957

Production of ore subject to DMEA royalty in February was 2,124 tons which assayed:

4.29 ounces silver per ton
9.23 per cent lead
3.22 per cent zinc

An eight-hundred-ton increase in storage of broken ore in the transportation system developed during February and thus the above reported production is considerably greater than the tonnage actually milled in the calendar month, but this situation will be offset in future months when the storage is reduced.

Stage II exploration progress in February is reported as follows:

Item 1(a), the 1600 station pilot drift was completed with an advance of 26.1 ft. to a total of 65.0 ft.

Item 1(b), excavation of a 1600 level station, was completed with the excavation of 1600 cubic feet of ground.

The accompanying maps show that work started on the pocket raise and on the head raise of the winze; these advances will not be reported until next month when the items will be completed.

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DMEA
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Rollin Farmin - Assistant Manager.

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

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

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

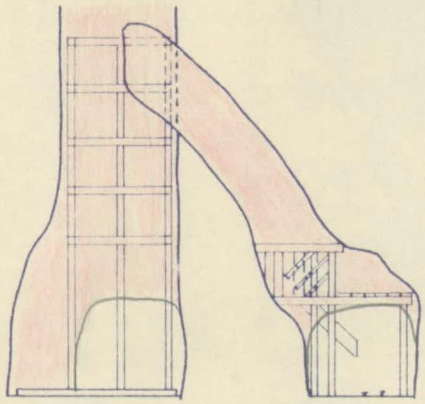
ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—
See Annex II which is attached hereto and made a part hereof.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE



DAY MINES INC.

DMEA 2719 HERCULES WINZE

SCALE 1" = 20'

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.

YEAR 1957

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DAY MINES, INC.
(Operator)

By Henry L. Day

Title President.

By C. F. Mitteudorf

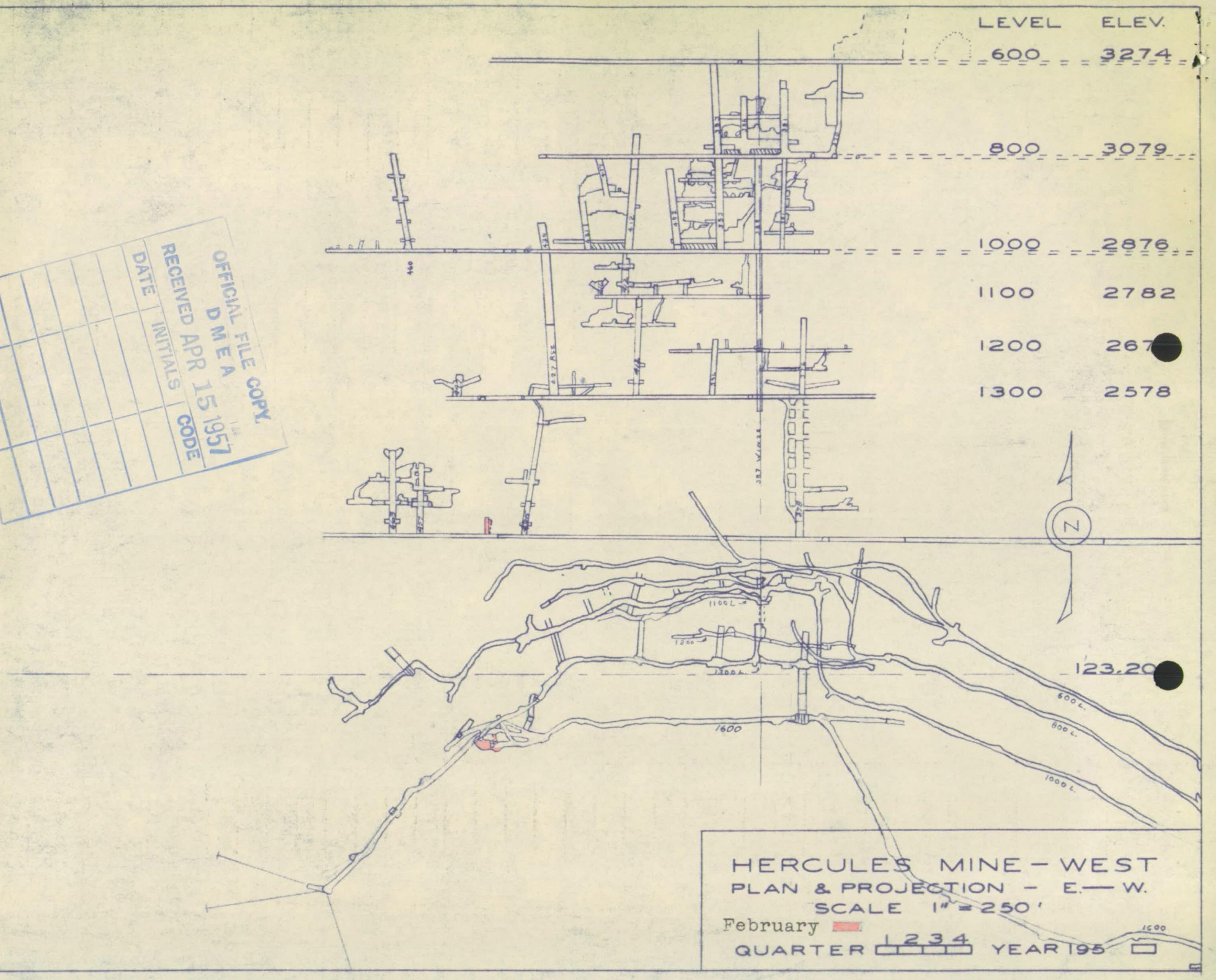
Administrator, Defense Minerals Exploration Administration

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

Norval K. Bue

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069



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AUG 21 1956

AMENDED EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

ANNEX I

The land referred to in Article 2 of the 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

excepting therefrom 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 locations of the claims are shown on the map attached to Amendment No. 2 of the original contract, entitled "Hercules Mine, Shoshone County, Idaho, Composite Map Showing Western Mine," which is incorporated herein by reference. However, the Government's right to percentage royalty is not limited by any markings on any map attached to the "Prior Contract," or any amendment thereof.

Form M[illegible]-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 415,250.00 Government Participation: 50% Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket	(Audit)	5,187.00	5,187.00		5187.00	5187.00
Sump		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling, Diamond		7,194.00	7,194.00		7194.00	7194.00
Bulldozing, Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting	1,867.20	162,672.00	164,539.20	1867.20	162,672.00	164539.20
Drifting, Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
(2) Labor and Supervision:						
Labor					7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation					623.00	623.00
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00		-0-	-0-
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1,000.00	1,000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,867.20	278,570.48	280,437.68	1867.20	278570.48	280437.68

RECEIVED MAR 28 1957 D.M.E.A.

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

Date March 11, 1957 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 933.60

Signature [signature] (Authorized Certifying Officer)

Date 3/14/57 Vou. No. 1951

(See other side)

RECEIVED
DEC 21 1956
D.M.E.A.

AMENDED EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

ANNEX II

WHEREAS:

The parties to this amended Contract are parties to a contract dated February 5, 1953, executed on Form MF-200 (Revised February 1952), having the same contract and docket numbers as this Amended Contract and hereinafter called the "Prior Contract."

The work set forth under the Prior Contract has been or soon will be completed, and the parties desire to add work to the project, to preserve the Certification of Discovery or Development heretofore made under date of February 20, 1956, and the Government's rights to royalty and liens for the payment thereof, and to restate their agreement in this Amended Contract.

NOW, THEREFORE, it is agreed that:

1. Effective as of February 5, 1953, the Prior Contract is superseded by this Amended Contract which shall govern all rights and obligations of the parties, except that any incompleted work under the Prior Contract shall be completed under said contract, and vouchers for work performed under the Prior Contract shall be submitted pursuant to and paid under the Prior Contract.

2. The Certification of Discovery or Development issued under date of February 20, 1956, shall be applicable to all work and lands included under the Prior Contract and this Amended Contract, as it may hereafter be amended, and further certification is hereby waived.

3. Article 6(a) of the Amended Contract is deleted.

4. Article 6(b) of the Amended Contract is amended by deleting all of clauses (1) and (2) after the words "as follows," and by substituting the following:

> "for a period of sixteen years from the date of the Prior Contract which was February 5, 1953, until the total amount contributed by the Government, without interest, under the Prior Contract and this Amended Contract, as it may hereafter be amended, is fully repaid, under the royalty provisions of this Amended Contract."

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ Eric L. Erickson Title Mining Engineer Date 3/12/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Executive Officer Date 3/12/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Prior Contract, except as otherwise provided in section 1 of this Annex II.

6. 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1957 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	1,867.20	38.9	164,539.20	3,427.9	48.00		
Raising				23,135.00	330.5	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,492.00	1,361.5	3.30		
Churn				2,702.00	772	3.50		
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,399.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		1,867.20	38.9	271,314.68				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		1,867.20		280,437.68				

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

REMARKS:

Date March 11, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

(Instructions on reverse)

(For Government use only)

/s/ Eric L. Erickson, Mining Engineer

RECEIVED MAR 18 1957 D.M.E.A.

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

INSTRUCTIONS

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

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

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

GPO 872894

AMENDED EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

EXHIBIT A

Description of the Work

The work is divided into two stages. Stage I consists of the work performed under the Prior Contract. Stage II consists of additional work to be performed under this Amended Contract.

Stage II

The work specified in this Stage II is indicated on the map entitled "Hercules Mine, Composite Plan of West Mine," attached hereto and made a part hereof.

1. (a) Drive a Pilot drift not more than 70 feet on the 1600 level, for hoist-room and winze. The size of this drift shall be not less than 8 feet by 8 feet in cross section in the clear of timber.

(b) Excavate for 1600 level station, not to exceed 1600 cubic feet of excavation.

(c) Install steel rock bolts as necessary for the above work.

(d) Install a hoist on the 1600 level, and install a ventilation system adequate for the performance of the work.

2. Drive a 2-compartment raise, above the location of the winze (item 4), not to exceed 75 feet above the 1600 level. This raise shall be not less than 11½ feet by 7½ feet in rock cross section.

3. Drive a raise for a head pocket, not to exceed 50 feet above the 1600 level. This raise shall be not less than 7 feet by 6 feet in rock cross section.

4. Sink a timbered 2-compartment, vertical winze, not to exceed 350 feet below the 1600 level. The winze shall be not less than 11½ feet by 7½ feet in rock cross section.

5. Cut a 1900 level pocket. The pocket shall not exceed 35 feet in length, and shall be not less than 7 feet by 6 feet in rock cross section.

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DATE | INITIALS | CODE

DMEA 2719 HERCULES

SUMMARY OF PRODUCTION AND PROGRESS IN JANUARY, 1957

Production of ore subject to DMEA royalty in January was 2,179 tons which assayed:

2.19 ounces silver per ton
4.39 per cent lead
6.30 per cent zinc

Work started in January on Stage II of the project, authorized by the amendment of December 6, 1956. The Pilot Drift (item 1.(a)), was started and advanced 38.9 feet.

Rollin Farmin - Assistant Manager

6. (a) Cut a 1900 level station, not to exceed 2,600 cubic feet of excavation.

(b) Install a substation and a power cable.

(c) Install a pump, signal system, and a loading gate.

7. On the 1900 level, crosscut to the Rambler vein and drift on the vein structure for not to exceed 1,000 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.

8. On the 1900 level, timber will be used where necessary or steel rock bolts will be placed. However, timbering may not exceed 200 linear feet nor may steel rock bolts, if used instead of timber, exceed 250 in number.

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

Estimated Cost of Project

Stage I

Estimated total cost of work completed under the Prior Contract	$288,710.00

Stage II

Fixed Unit Costs

1.	(a)	70 feet of drifting @ $48.00/ft.	$ 3,360.00
	(b)	1,600 cubic feet of excavation @ $0.75/cu. ft.	1,200.00
	(c)	50 rock bolts @ $4.00/bolt	200.00
	(d)	Install hoist and ventilation system 1/	1,000.00
2.		Raising 75 feet @ $74.00/ft.	5,550.00
3.		Raising head pocket, 50 feet @ $42.00/ft.	2,100.00

1/ The completed installation constitutes the unit.

W

F-104 (Rev.)
pril 1952)

Budget Bureau No. 42-R1036.5

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

Month of December, 1956 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $415,250.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket Sump Station Diamond Shaft Raising Timbering	(Audit)	5,187.00	5,187.00			
Drilling		3,399.48	3,399.48			
		4,030.00	4,030.00			
		7,194.00	7,194.00			
Bulldozing		62,600.00	62,600.00			
Crosscutting		162,672.00	162,672.00			
Drifting		23,135.00	23,135.00			
		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		278,570.48	278,570.48			

RECEIVED 1957 D.M.E.A.

Memo only No payment

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

Date Jan. 29, 1956 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ —o—

Signature [signature] (Authorized Certifying Officer)

Date Vou. No.

(See other side)

4.		Sinking 2-compartment winze 350 feet @ $157.50/ft.	$ 55,125.00	
5.		Cutting 1900 level pocket 35 feet @ $47.00/ft.	1,645.00	
6.	(a)	Cutting 1900 level station 2,600 cubic feet @ $0.90/cu. ft.	2,340.00	
	(b)	Install a substation and power cable 1/	4,020.00	
	(c)	Install pump, signal system, and loading gate 1/	1,000.00	
7.		Drifting and crosscutting 1,000 feet @ $48.00/ft.	48,000.00	
8.		200 linear feet of timbering @ $5.00/ft. or alternatively 250 rock bolts @ $4.00/ea.	1,000.00	
		Estimated Total Costs of Stage II		$126,540.00

S U M M A R Y

Estimated Total Cost of Stage I	$288,710.00	
Estimated Total Cost of Stage II	126,540.00	
Estimated Total Cost of Project		$415,250.00
Government Participation @ 50%		$207,625.00

1/ The completed installation constitutes the unit.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

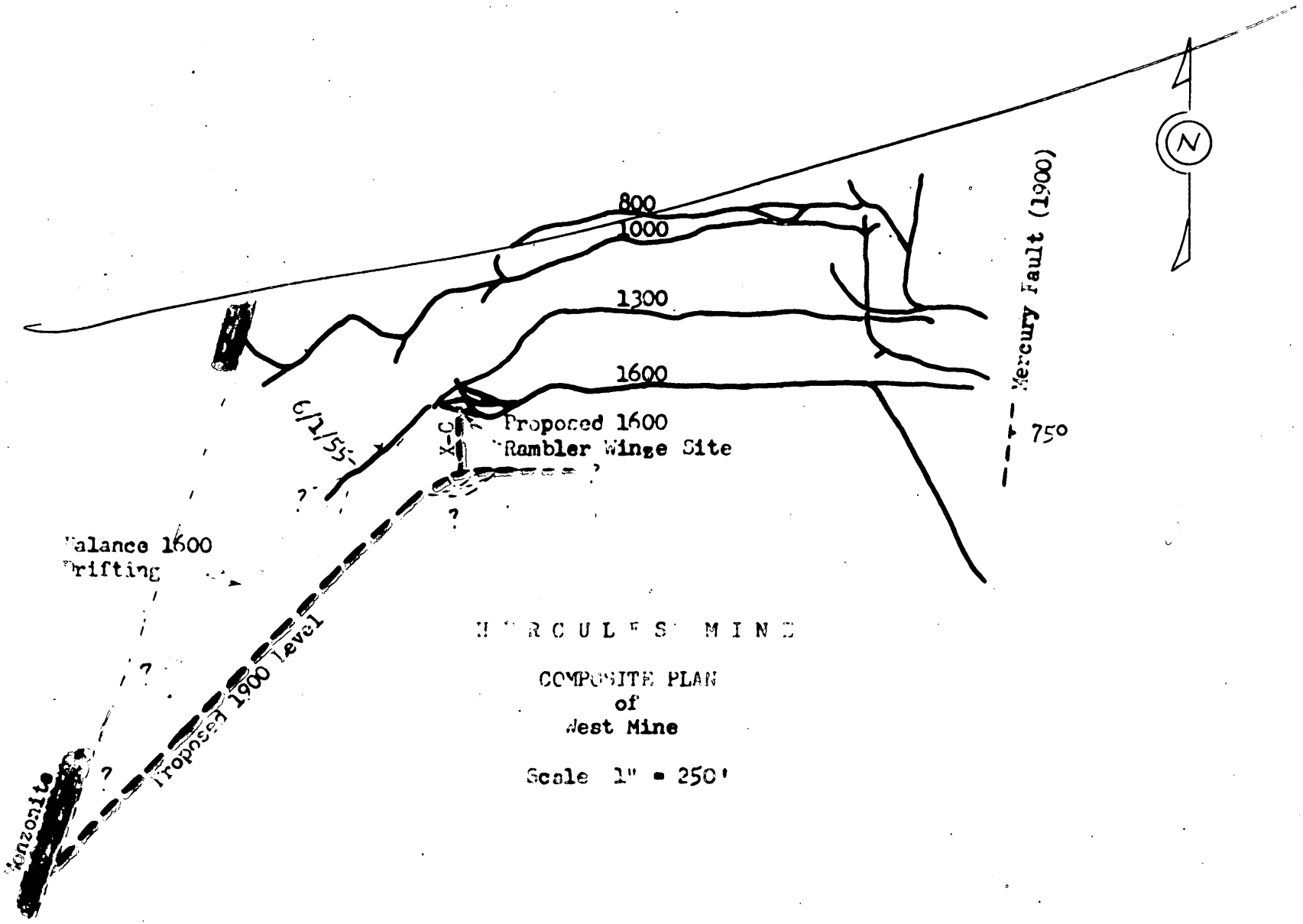
Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported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

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

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

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

GPO 872893



H E R C U L E S M I N E

COMPOSITE PLAN
of
West Mine

Scale 1" = 250'

Docket No. DMEA-2710

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED FEB 15 1957 D.M.E.A.

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

Month of December 1956 Docket No. DMEA 2719 Contract No. Com-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting				162,672.00	3,389	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,492.00	1,361½	3.30		
Churn				2,702.00	772	3.50		
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,399.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS				269,447.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS				278,570.48				

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

REMARKS:

Date Jan. 29, 1957 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

(Instructions on reverse)

(For Government use only)

RECEIVED
DEC 21 1956
D.M.E.A.

INSTRUCTIONS

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

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

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

GPO 872894

Government's copy

RECEIVED
MAR 22 1956

EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

AMENDMENT NO. 4

It is agreed this 7th day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Day Mines, Inc., that Contract Idm-E484 (Docket No. DMEA-2719), dated February 5, 1953, as amended, is further amended effective August 5, 1955, as follows:

1. In Article 3 of the contract, the period fixed for completion is extended from "30 months" to "44 months".

2. In Annex I to Amendment No. 2, the period "twelve years" is substituted for the period "eleven years".

3. In Article 10 of the contract form, that part of the second sentence beginning with the word "Provided" is deleted.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

DAY MINES, INC.

By Henry L. Day,
President.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 15 1957

DATE	INITIALS	CODE

DMEA 2719 - HERCULES

SUMMARY OF PRODUCTION IN DECEMBER, 1956

No exploration was undertaken in December. Production of ore subject to DMEA royalty during December was 1,438 tons which assayed:

1.86 ounces silver per ton,

3.47 per cent lead and

4.59 per cent zinc.

Rollin Farmin - Asst. Mgr.

Docket No. 2719

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 184

Date of Contract ~~or Amendment~~ February 5, 1953

Name and Address of Operator:

Day Mines, Inc.
Day Building
Wallace, Idaho

Amount of Government participation $207,625.00

Percent of Government participation 50 %

Region: I NW State: Idaho

Note: Please release $63,270.00. Amendment withdrawn.

E. H. Talbot
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 4/18/56

54458

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

Budget Bureau No. 42-R1036.5

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

Month of November, 1956 Docket No. DMEA 2719 Contract No. IDM - E484

Operator's Name Day Mines, Inc. Minerals Lead-Zinc

Address Wallace, Idaho

Contract Amount, $288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket (Audit)		5,187.00	5,187.00			
Sump		3,399.48	3,399.48			
Station		4,030.00	4,030.00			
Drilling: Diamond		7,194.00	7,194.00			
Bulldozing: Shaft		62,600.00	62,600.00			
Crosscutting		162,672.00	162,672.00			
Drifting: Raising		23,135.00	23,135.00			
Timbering		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) Buildings, Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		278,570.48	278,570.48			

RECEIVED JAN 14 1957 D.M.E.A.

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

Date December 20, 1956 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ —o—

Signature MJP (Authorized Certifying Officer)

Date Vou. No.

(See other side)

Docket No. 2719

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 484

Date of Contract February 5, 1953

Name and Address of Operator:

Day Mines, Inc.
Day Building
Wallace, Idaho

Amount of Government participation $ 207,625.00

Percent of Government participation 50 %

Region: I NW State: Idaho

Note: This document cancels the previous obligation of $144,355.00 and establishes the amount shown above.

E. H. Talbert
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 11/7/55

54458

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Government's copy

RECEIVED
APR 25 1955

EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

AMENDMENT NO. 3

This agreement entered into this 6th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Day Mines, Inc., is Amendment No. 3 of Contract Idm-E484, Docket No. DMEA-2719 dated February 5, 1953, and WITNESSETH THAT:

WHEREAS, in the course of the work the parties agreed orally in the field to certain changes and adjustments in the amount or number of certain units of the work without otherwise changing the specifications or requirements for the performance thereof, and without changing the estimated total cost of the work in the sum of $288,710.00 as provided in Amendment No. 2;

NOW THEREFORE, for the purpose of confirming said oral agreements the contract shall be and is hereby amended as of February 5, 1953, with respect to the amounts or units of work to be performed and the agreed unit costs or the estimated actual costs thereof, as the case may be (as provided in the contract as heretofore amended), as follows:

Agreed Unit Costs

313 feet of shaft @ $200/ft.	$ 62,600.00
6,200 cu. ft. of excavation for station @ $0.65/cu. ft.	4,030.00
6,456 Cu. ft. of excavation for pocket and sump @ $1.33/cu. ft.	8,587.00
3,505.8 feet of drifts and crosscuts @ $48/ft.	168,278.00
246 feet of timbering @ $5.00/ft.	1,230.00
330.5 feet of timbered raise @ $70/ft.	23,135.00

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 14 1957 D.M.E.A.

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

Month of November 1956 Docket No. DMEA 2719 Contract No. IDM - E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting				162,672.00	3,389	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,492.00	1,361½	3.30		
Churn				2,702.00	772	3.50		
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,399.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS				269,447.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS				278,570.48				

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

REMARKS:

Date December 20, 1956 Operator Day Mines, Inc.

Per [signature] Title Treasurer

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

(Instructions on reverse)

(For Government use only)

2,000 feet of drilling @ $3.50/ft.	$ 7,000.00	
Estimated Actual Costs		
1,361.5 feet of drilling	4,727.00	
Other estimated actual costs as stated in Exhibit "A"	9,123.00	
Total Estimated Cost Including Agreed Unit Costs		$288,710.00
Government's Participation @ 50%		$144,355.00

* * * * * * *

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

DAY MINES, INC.

By _____

President

INSTRUCTIONS

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

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

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

GPO 872894

J. L. Chambers

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

MAR 8 - 1955

Mr. A. E. Weissenborn
Executive Officer, Northwest District
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:

Reference is made to your letter of February 3, 1955, in regard to the interpretation of certain items in the short-form contract and "Agreed Unit Costs" and "Independent Contract" items in the long-form contract, MF-200A and MF-200, respectively.

For a general discussion of the questions raised in your letter you are referred to a communication from Jay L. Chambers, Chief of the Contract Administration and Audit Division, under date of January 28, 1955, to Charles A. Turner, Auditor, Region I, copies of which are attached for your ready reference as follows: One copy each for the members of the Field Team and one copy for the Certifying Officer if you care to give it to her. The Committee is in agreement with the points covered in this letter.

Your questions as applied to the Day Mines, Inc., Docket No. DMEA-2719, Contract No. Idm-E484, are discussed specifically below.

On page 2 of Exhibit "A" of the contract there is a list of six items under the heading of "Agreed Unit Cost". Please number these items from 1 to 6 for reference purposes. You will also note that on page 1 of Exhibit "A" under the heading "Description of the Work" that the items 2, 3, and 6 are modified by the word "approximately", thereby allowing small overages in designated footages for items 1, 2, 3, and 4 under "agreed unit cost" on page 2, but not providing for any changes in the unit cost prices. Items 4 and 5

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JAN 14 1957
D.M.E.A.

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS IN NOVEMBER, 1956

No exploration was undertaken in November. Production of ore subject to DMEA royalty during November was 1,833 tons which assayed:

1.62 ounces silver per ton,

4.08 per cent lead, and

3.29 per cent zinc.

Rollin Farmin
Asst. Mgr.

on page 2 of Exhibit "A" were maximums for quantity, unit cost, and total dollars. Of course, the small overages in footage allowed for items 1, 2, 3, and 4 also allowed small overages in total dollars applicable thereto.

Amendment No. 1 to the contract authorized an increase of footage in drifting, the excess cost for which was to be charged to the amount allotted for raising. The operator's report shows that a total of 2,828 feet of drifting and crosscutting was accomplished under Amendment No. 1 which was 188 feet over the 2,640 feet authorized by the original contract. The cost of this footage amounted to $9,024, which according to the amendment was to be charged to the funds for raising. This reduced the $22,400 allowed in the original contract for raising to $13,376, and automatically reduced the number of authorized feet for raising from 320 feet to about 191 feet.

Amendment No. 2, among other things, provided for an additional 95 feet of raising at $70.00 per foot for an increase of $6,650 and likewise increased the footage for raising from 191 feet to 286 feet. The amendment also increased the dollar amount for raising from $13,376 to $20,026. The operator's report shows that he raised a total of 330.5 feet or about 44.5 feet more than was provided in the amended contract. This overage in footage resulted in an excess of $3,109 in the amount authorized for raising.

The contract also provided for 3,900 cubic feet of excavation for "pocket and sump" at $1.33 per cubic foot for a total of $5,187; and also for 330 feet of shafting at $200 per foot for a total of $66,000. The shaft was stopped at 17 feet short of the maximum amount allowed which left a dollar balance of $3,400. This $3,400 was then applied to increase the size of the pocket and sump.

Under category 1, Independent Contracts, the contract provided for 1,000 feet of AX size diamond drilling at $5.00 per foot or a total of $5,000. All the items shown under "Independent Contracts" are maximums in all their details in the February 1952 revision of the contract. Because the unit cost of the drilling work was under the $5.00 maximum stipulated in the contract, the operator used the balance to drill an additional 361.5 feet beyond the 1,000 feet maximum.

All of the above overages were made without amendment authorizing the excess footage or the transfer of funds to the items in excess. Whenever items are under agreed unit cost provisions or under category 1 (Independent Contracts) of the contract, overages for such items must be authorized by amending the contract.

To illustrate the points covered above we are transmitting as an attachment to this letter a contract resume' prepared by the Contract Administration and Audit Division.

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

Budget Bureau No. 42-R1036.5

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

Month of October, 1956 Docket No. DMEA 2719 Contract No. IDM - E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00			
Sump		3,399.48	3,399.48			
Station		4,030.00	4,030.00			
Drilling Diamond		7,194.00	7,194.00			
Bulldozing Shaft		62,600.00	62,600.00			
Crosscutting		162,672.00	162,672.00			
Drifting Raising		23,135.00	23,135.00			
Timbering		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		278,570.48	278,570.48			

RECEIVED JAN 14 1957 D.M.E.A.

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

Date November 19, 1956 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ — o —

Signature [signature]
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

The Operating Committee does not question the good engineering involved in these changes. The changes doubtless improved the program established under the contract. The General Accounting Office, however, does not audit a contract from an engineering or a geological standpoint. It is concerned almost solely in determining whether the operator does his work in accordance with the terms of the contract. Because our own auditors must follow the principles established by the General Accounting Office they, too, must be concerned chiefly in determining that the contract provisions are followed. Therefore in order to arrive at an equitable settlement with the operator, it is necessary that an amendment be drawn to confirm the changes authorized orally. Such an amendment has been prepared in this office and attached to this letter. If you are in agreement with the amendment as written, please have the operator sign the usual number of copies and distribute according to regular procedure. If you do not agree with it, prepare a draft and submit to the Washington Office for approval.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

E. L. Newcomb

Member, Geological Survey

Enclosures

JLChambers/wb 2-18-55

Copy to: Docket
Admr. Reading File
Operating Committee
O. M. Bishop
T. H. Kiilsgaard
W. R. Griswold
C. A. Turner
J. L. Chambers

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

XXXXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington

February 3, 1955

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

Dear Mr. Selfridge:

The questions of allowable maximums and the transfer of items within a category have been raised regarding "Agreed estimated costs of units of work actually performed" with reference to the contract forms MF-200, Feb. 1952 and June 1954, and contract form MF-200A, February 1952, as follows:

(1) Are the number of units, cost per unit, and total cost considered allowable maximums when not starred, and;

(2) in a category containing several items such as drilling, bulldozing, crosscutting, timbering, etc., can the crosscutting, for example, be increased and the drilling or timbering be decreased without an amendment?

The Certifying Officer, Region I, asked the Field Team for an opinion on the questions listed, especially in connection with the Day Mines, Inc., contract Idm-E484. The Field Team interpretation is cited in the attached copy of a letter dated December 28, 1954.

Mr. Turner wrote Mr. Chambers regarding these questions and has received a reply dated January 28, 1955, which differs somewhat from the Field Team opinions. We understand this matter may have been discussed with you, but we do not have a copy of Mr. Chambers' reply to attach. May we have your opinion as to whether or not we are right in our interpretation of the action necessary in connection with the Day Mines contract, and may we also have a ruling for our guidance when similar situations arise in the future?

By Field Team, Region I
Northwest District

cc: DMEA (1)
USGS (2)

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

Thomas E. Howard
For: Wing G. Agnew, Member
U. S. Bureau of Mines

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 14 1957 D.M.E.A.

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

Month of October 1956 Docket No. DMEA 2719 Contract No. TUM - E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting				162,672.00	3,389	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,492.00	1,361½	3.30		
Churn				2,702.00	772	3.50		
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,399.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS				269,447.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS				278,570.48				

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

Date November 19, 1956 Operator Day Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

DOKD

XXXXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington

December 28, 1954

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

Re: Docket No. DMEA-2719 (lead-zinc)
Day Mines, Inc.
Shoshone County, Idaho
Contract No. Ida-2484

Dear Mrs. Purdy:

It has come to our attention that you feel Amendment No. 2 to the subject contract is not entirely clear as to whether or not unused money remaining in the contract when Amendment No. 2 was requested may be used to complete the raising without first having authorization by a Field Team letter or an amendment, and that you would like our interpretation as to just what is necessary when it seems desirable to exceed one item of work at the expense of another.

It is the interpretation of the Field Team that in any "Agreed Unit Cost" contract (Form MF-200, Revised Feb. 1952, or Form MF-200A) that the total number of units specified for each type of work or the money allowed for it, is not an allowable maximum unless starred and may be exceeded by a reasonable amount if necessary to accomplish the objectives of the project, without an amendment to the contract or specific authorization from the Field Team. The engineer's signature and the approval of the Executive Officer, or his representative, on the MF-104, as indicated by his signature, will be sufficient authority for you to make payment; provided, however, that you call this to the attention of the Field Team.

By Field Team, Region II

cc: DMEA (2)
USGS (2)

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

Wing G. Scott, Member
Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 6376

w

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS IN OCTOBER, 1956

No exploration was undertaken in October.

Production of ore subject to DMEA royalty during October was 1,904 tons which assayed 1.29 ounces silver per ton, 2.97 per cent lead and 4.27 per cent zinc.

Rollin Farmin
Assistant Manager

Government's copy

Defense Minerals Administration
RECEIVED
NOV 22 1954

EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

AMENDMENT NO. 2

It is agreed this 10th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Day Mines, Inc., that Contract Idm-E484 (Docket No. DMEA-2719), dated February 5, 1953, as amended, is further amended effective February 5, 1953, as follows:

1. In Article 3 of the contract, the period fixed for completion, "two (2) years," is deleted and the period "30 months" is substituted.

2. To the "Description of the Work" in Exhibit "A," as amended, add:

(a) Continue raise from 1600 level (two compartment, timbered) 95 feet to the 1300 level. On the 1600 level drift west and/or crosscut 650 feet on the Hercules vein, including excavation for diamond drill, car transfer and switching stations. Drifts and crosscuts shall be 8 feet by 8 feet in the clear, timbered as necessary, but not to exceed an aggregate of 200 feet of this timbering shall be allowed for contribution by the Government. The location, direction and extent of this work must have prior approval of the Government.

(b) 2,000 feet of diamond drilling on the 1600 level to test walls for other ore-bearing structures and to make certain that the main body of monzonite has been cut. Drill holes shall be at least AX in size, and the location, direction, inclination, and extent of the holes must have prior approval of the Government.

The location of the above-described work is indicated on attached map entitled "Hercules Mine - Shoshone County, Idaho, Composite Map Showing Western Mine."

Form MF-10* (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

Month of September, 1956 Docket No. DMEA 2719 Contract No. 1DM-E484
Operator's Name Day Mines, Inc. Minerals Lead - Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00			
Sump		3,399.48	3,399.48			
Station		4,030.00	4,030.00			
Drilling, Diamond		7,194.00	7,194.00			
Bulldozing Shaft		62,600.00	62,600.00			
Crosscutting	2,568.00	160,104.00	162,672.00			
Drifting Raising		23,135.00	23,135.00			
Timbering		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,568.00	276,002.48	278,570.48	2568.00	276002.48	278570.48

RECEIVED JAN 14 1957 D.M.E.A.

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

Date October 30, 1956 Payee Day Mines, Inc.

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 1284.00

Signature [signature] (Authorized Certifying Officer)

Date 1-2-57 Vou. No. 1920

(See other side)

3. The Government will contribute to the costs of this work on the basis of Agreed Unit Costs, as provided under that title in Exhibit "A," as follows:

95 feet, 2-compartment, timbered raise @ $70.00/ft.	$ 6,650.00	
Drift and/or crosscut, 650 feet @$48.00/ft.	31,200.00	
2,000 feet of diamond drill holes @ $3.50/ft., including supervision, reaming, cementing, casing, core boxes, and all other costs to complete the drilling	7,000.00	
Timbering of drifts and/or crosscuts, 200 feet @ $5.00/ft.	1,000.00	
Total Agreed Unit Costs of Amendment No. 2		$45,850.00

4. In Exhibit "A" the "Total Unit Cost" is increased to $274,587.00; the "Total Estimated Cost of the Project" is increased to $288,710.00; and the amount of "Government Participation @ 50%" is increased to $144,355.00.

5. Annex I, attached hereto and made a part hereof, is substituted for Article 9 of the contract.

6. Appendix I of the contract is revised to read as follows:

The property 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

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature 1st Eric G Erickson Title Mining Engr. Date 11-2-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Wing G Agnew Title Acting Exec Date 12-27-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 14 1957 D.M.E.A.

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

Month of September 1956 Docket No. DMEA 2719 Contract No. 1DM-R484
Operator's Name Day Mines, Inc. Minerals Lead - Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	2,568.00	53½	162,672.00	3,389	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,492.00	1,361½	3.30		
Churn				2,702.00	772	3.50		
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,399.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		2,568.00		269,447.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		2,568.00		278,570.48				

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

Date October 30, 1956 Operator Day Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

excepting therefrom 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.

In addition to royalty on production from the described land, any production which is transported through any shaft, drift, crosscut, raise, or other working to the cost of which the Government has contributed under this contract shall be subject to the Government's percentage royalty in the same manner and to the same extent as if it had come from the described land, regardless of where it comes from.

The Government's right to percentage royalty is not limited by any markings on maps attached to the contract.

For location of claims refer to map attached to this amendment, entitled: "Hercules Mine, Shoshone County, Idaho, Composite Map Showing Western Mine."

* * * *

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Administrator, Defense Minerals
Exploration Administration

DAY MINES, INC.

By Henry L. Day
President.

INSTRUCTIONS

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

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

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

GPO 872894

EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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ANNEX I

The following provisions are in lieu of Article 9 :

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

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

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

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

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

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DMEA 2719 - HERCULES

SUMMARY OF PROGRESS IN SEPTEMBER, 1956

During September the 1600 level Rambler drift was extended westerly from 3048.5 feet to 3089.0 feet, an advance of 40.5 ft., and a spur drift was extended westerly from the 2946.5 ft. point for an advance of 13.0 ft. Total advance in September, 53.5 ft. This drifting demonstrates that the vein diverged toward the west from our former heading and continues southwesterly as a sub-commercial lead-zinc vein, worthy of additional exploration. A progress map is enclosed.

Production of ore subject to DMEA royalty in September was 1,352 tons which assayed 3.70 ounces silver per ton, 7.69 per cent lead and 3.31 per cent zinc.

Rollin Farmin - Asst. Manager

RF:KAE
Encl.

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

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

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

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

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PROCUREMENT SECTION

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

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

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

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

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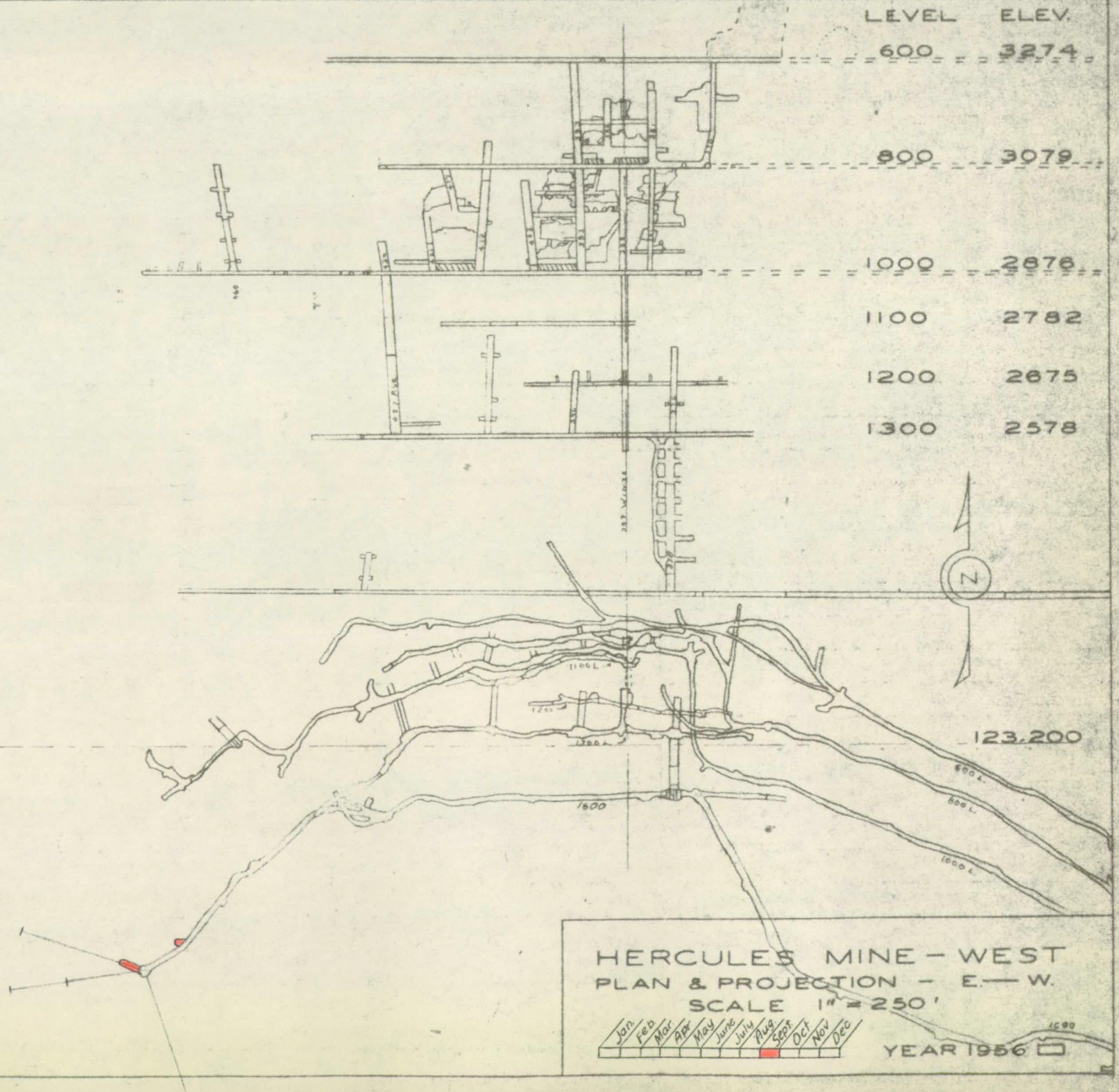
LEVEL ELEV.
600 3274
800 3079
1000 2876
1100 2782
1200 2675
1300 2578
123,200
N
1600
HERCULES MINE - WEST
PLAN & PROJECTION - E.— W.
SCALE 1" = 250'
Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec
YEAR 1956

Government Copy

AMENDMENT NO. 1

It is agreed this 3rd day of May 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Day Mines, Inc.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 484 of February 5, 1953 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be April 23, 1954.

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

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

Executed in sextuplicate the day and year first above written.

DAY MINES, INC.
(Operator)

By Henry L. Day

THE UNITED STATES OF AMERICA

By Wing G. Agnew
~~XXXXXXXXXXXXXXXX~~ Exec. Officer
DMEA Field Team, Region II
Wing G. Agnew, Acting

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JAN 14 1957
D.M.E.A

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BATES NO. 0376

E-484

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DMEA 2719 - HERCULES

SUMMARY OF PROGRESS IN JULY AND AUGUST, 1956

Considerably more ore was broken in August than was milled; it is accumulating in transfer raises and ore pockets and will soon necessitate an increased rate of milling, when these storage places become filled to capacity. As was the case once before, it seems better to report the two months combined production for July and August rather than to report negative figures for August separately.

Production of ore subject to DMEA royalty for July and August combined was 3,234 tons which assayed 1.15 ounces of silver per ton, 3.08 per cent lead and 2.78 per cent zinc.

No exploration was undertaken in July and August.

Rollin Harman - Asst. Mgr.

Day Mines, Inc.
Exploration Project Contract No. Idm-E484
Docket No. DMEA-2719 (lead-zinc)

Amendment No. 1

Exhibit "F"

Changes and modifications

In Exhibit "A" of the contract, under Description of the Work, delete Items 4 and 6, and in lieu thereof substitute the following:

4. Crosscut and drift an aggregate distance of 2,640 feet on the Hercules vein structure, as shown on the attached maps "Vertical Longitudinal Projection of Hercules Project" and "Plan Projection of Hercules Project." This work includes timbering where necessary, and the excavation of all diamond drill, car transfer and switching stations. If a suitable site for a raise on ore has not been developed when the 2,640 foot point is reached, additional drifting on the vein is to be performed until such a site is developed or until drifting and raising funds are exhausted. Funds for the additional drifting beyond the 2,640 foot point shall be taken from unused funds alloted to raising, the work to be at unit costs prescribed in the contract.

6. Raise (two compartment, timbered) from the 1600 level, at a point located in the drift and of dimensions approved in advance by the Government.

Form MF²104 (Rev.)
(April 1952)

W

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Memo only

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OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May & June, 1956 Docket No. DMEA 2729 Contract No. 1a1 - 2[illegible]
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Kellogg, Idaho
Contract Amount, $ 200,000.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket Station	(Audit)	3,395.00	3,395.00			
Drilling: Diamond	-235.00	4,030.00	4,030.00			
Bulldozing: Shaft		7,129.00	7,194.00			
Crosscutting		62,600.00	62,600.00			
Drifting: Raising		160,101.00	160,101.00			
Timbering		23,135.00	23,135.00			
		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1,123.00	1,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	-235.00	275,337.00	275,102.00			

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

Date July 30, 1956 *Payee Day Mines, Inc.

Per [signature] Title Secretary

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

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

(Instructions on reverse)

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

$ —o—

Signature M.E.P.
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

No costs claimed and no payment made.
We advised to audit on April 1956 MF104

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Day Mines, Inc.
Exploration Project Contract No. Idm-E484
Docket No. DMEA-2719 (lead-zinc)

Justification of Amendment No. 1

Drifting on the 1600 level of the Hercules vein has found ore but not in sufficient quantity to warrant the raise authorized in the cited contract. It is believed that further drifting will better explore the Hercules vein on the 1600 level and that such work will be of benefit in locating a raise to explore that section of the vein above the 1600 level. The contract has therefore been amended to allow funds authorized for raising to be devoted to additional drifting, the unit costs of this work to be those authorized for drifting and crosscutting in the contract.

Thor H. Kiilsgaard
Geologist

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Day & June 195____ Docket No. DMEA 2719 Contract No. I.[illegible] - [illegible]
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT: Units	AUTHORIZED BY CONTRACT: Unit Costs
Drifting								
Crosscutting				160,10[illegible]	3334	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes	(Audit Correction							
Drilling: Core		-235.00		4,492.[illegible]	1361	3.30		
Churn				2,[illegible]02.00	772	3.[illegible]		
Auger								
Stripping Pocket				5,1[illegible]7.00	3900	1.33		
Trenching Station				4,030.00	6200	.65		
Test Pits Sump				3,397.[illegible]	2555	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		-235.00		266,879.[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		1,[illegible]		276,002.[illegible]				

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

Date July 30, 1956 Operator Day Mines, Inc.

Per [signature] Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Docket No. DMEA # 2719

Commodity Lead - Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 484

Date of Contract ~~or amendment~~: Feb. 5, 1953

Name and Address of Operator:
Day Mines, Inc. An Idaho Corp.
Day Building ,
Wallace, Idaho

Amount of Government participation _____ $ 144,355.00

Percent of Government participation 50 %

Region: 11 State: Idaho

Note: This document cancels the previous obligation of $ 121,430.00 and establishes the obligation shown above.

J. L. Chambers (Name)
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

11/4/54

54458

INSTRUCTIONS

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

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

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

GPO 872894

Docket No. DMEA 2719

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 484

Date of Contract ~~or Amendment~~: February 5, 1953

Name and Address of Operator:

Day Mines, Inc. An Idaho Corporation
Day Bldg.,
Wallace, Idaho

Amount of Government participation $ 121,430.00

Percent of Government participation 50 %

Region: II State: Idaho

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Feb. 5, 1953 13808

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DMEA 2719 - HERCULES

SUMMARY OF PROGRESS IN MAY AND JUNE, 1956

NOTE: The inventory of ore in transfer passes in the Hercules mine in May and June has caused the DMI engineering staff difficulty in establishing satisfactory figures for each month but they have a satisfactory figure for the two months combined production. We request, therefore, that the following be used as governing May and June Combined Production:

The production of ore subject to DMEA royalty for May and June combined was 2,043 tons which assayed 1.41 ounces silver per ton, 2.88 per cent lead and 4.16 per cent zinc.

No exploration was undertaken in May and June.

Rollin Farmin - Assistant Manager

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

DOCKET NO. DMEA 2719

COMMODITY Lead-Zinc

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

Government's copy
IDM-E 484

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 5th day of February, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Day Mines, Inc., an Idaho Corporation
Day Building
Wallace, Idaho

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Idaho, County of Shoshone, described as follows:[3] See Appendix I attached hereto and made a part hereof

the Operator represents and undertakes:[4]

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

None

(*b*) ~~That the Operator is a lessee, in possession and entitled to possession, and the owner's consent is attached~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 15 days from the date of this contract shall commence work on a project of exploration for[5] Lead-Zinc

in or upon the described land; and shall bring the project to completion within a period of two (2) years from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13

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

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

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

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

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

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

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

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUN 25 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump.		3,399.48	3,399.48		3399.48	3399.48
Drilling Station		4,030.00	4,030.00		4030.00	4030.00
Bulldozing Diamond Shaft	1,428.00	6,001.00	7,429.00	1193.00	6001.00	7194.00
Crosscutting		62,600.00	62,600.00		62600.00	62600.00
Drifting		160,104.00	160,104.00		160104.00	160104.00
Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
(2) Labor and Supervision:						
Labor					7500.00	7500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation					623.00	623.00
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00		-0-	-0-
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1000.00	1000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,428.00	274,809.48	276,237.48	1193.00	274809.48	276002.48

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

Date June 7, 1956 *Payee Day Mines, Inc.

Per [signature] Title Secretary

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

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

(Instructions on reverse)

adjusted to audit report

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

$ 596 50

Signature MeP
(Authorized Certifying Officer)

Date 6-21-56 Vou. No. 1799
(See other side)

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $ 121,430.00, which is 50 percent of $ 242,860.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in Exhibit "A" as "agreed unit costs", they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

Day Mines, Inc.
(Operator)

By Henry L. Day President.

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

S. F. Heitfeld

[CORPORATE SEAL]

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

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 6/15/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Wing G. Agnew Title Acting Exec. Officer Date 6/18/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting				160,104.00	3335½	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.	1,428.00	408	2,702.00	772	3.50		
Churn				4,727.00	1361½	3.43		
Auger								
Stripping Pocket				5,187.00	3900	1.33		
Trenching Station				4,030.00	6200	.65		
Test Pits Stump				3,399.48	2556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		1,428.00	408	267,114.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		1,428.00		276,237.48				

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

Date June 7, 1956 Operator Day Mines, Inc.

Per [signature] Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

/s/ Eric G Erickson

EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

EXHIBIT "A"

Description of the Work

The purpose of this project is to explore the downward extension of the Hercules structure for lead and zinc in an area west of the main shaft.

The following work shall be performed:

1. Rehabilitate the Hercules shaft below the 1200 level, including repair of shaft, and unwatering and clearing debris from the bottom of it.

2. Deepen and timber the Hercules shaft (3 compartments, each compartment 56" x 62" in clear) a distance of approximately 330 feet to the 1600 level. See attached map "Vertical Longitudinal Projection of Hercules Project" designating this work as Hercules "Proposed Shaft Sinking."

3. Excavate a station, approximately 6200 cubic feet of excavation; excavate a pocket and sump, approximately 3900 cubic feet of excavation; and install pumps, gates, blowers, and electrical equipment; all on the 1600 level.

4. Crosscut and drift an aggregate total distance of 2640 feet on the Hercules vein structure, as shown on the attached maps "Vertical Longitudinal Projection of Hercules Project" and "Plan Projection of Hercules Project." This work includes timbering where necessary, and the excavation of all diamond drill, car transfer, and switching stations.

5. Diamond drill an aggregate total of 1000 feet of AX size drill hole from 4 positions to probe the Hercules vein. The approximate locations, attitudes and distances, are shown on the map "Plan Projection of Hercules Project."

6. Raise (two compartment, timbered) from the 1600 to the 1300 level, a distance of approximately 320 feet, at a point located in the drift and of dimensions approved in advance by the Government.

INSTRUCTIONS

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

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

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

GPO 872894

The location, direction, attitude and extent of all work under the contract is subject to the approval of the Government.

Estimated Costs of the Project
AGREED UNIT COSTS

330 feet, 3 compartment shaft @ $200/ft.	$66,000.00
6200 cu. ft. of excavation for station @ $0.65/cu. ft.	4,030.00
3900 cu. ft. of excavation for pocket and sump @ $1.33/cu. ft.	5,187.00
Drift and crosscut, 2640 feet @ $48.00/ft., including excavation for diamond drill, car transfer and switching stations, minimum size 8' x 8'	126,720.00
Timbering of crosscut and drift-880 feet @ $5.00/ft.	4,400.00
320 feet, 2 compartment, timbered raise @ $70.00/ft.	22,400.00
Total Unit Cost	$228,737.00

The Government will contribute to the costs of shaft sinking, excavation, drifting, crosscutting, timbering of crosscut and drift, and of timbered raise, on the basis of these agreed, estimated, unit costs, as they accrue, for units of work actually performed, in lieu of actual costs. The agreed, estimated unit cost includes all costs of the work except those costs specified in Article 6(a) of the contract form for which schedules appear below, to which the Government will contribute on the basis of actual costs.

Scheduled Actual Costs
(*Indicates allowable maximum)

(1) Independent Contracts

1000 ft. AX size diamond drill hole @ $5.00/ft.*, including supervision, labor, reaming, cementing, casing, core boxes, and all other costs to complete the drilling.	$5,000.00*

DAY MINES, INC.

WALLACE, IDAHO

COPY

May 14, 1956

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JUN 25 1956

DMEA 2917 - HERCULES

SUMMARY OF PROGRESS IN APRIL, 1956

During April the following core drilling was completed:

DD Hole No. 1605, from 133 ft. to 241 ft., an advance of 108 feet.

DD Hole No. 1606, from 0 ft. to 300 ft., an advance of 300 feet.

The April ore production subject to DMEA royalty was 592 tons, which assayed 1.87 oz. Ag., 4.26 % Pb., and 0.84% Zn.

Rollin Farmin - Asst. Mgr.

The diamond drilling shall be subcontracted to the lowest responsible bidder and the subcontract is subject to the approval of the Government.

(2) Labor, Supervision, Consultants (for shaft rehabilitation)

Labor, including power and all materials, for rehabilitation of Hercules shaft below the 1200 level1/	$6,500.00	
Supervision of shaft rehabilitation, including shift bosses and engineering1/	1,000.00*	$ 7,500.00*

(4) Operating Equipment (for use in rehabilitating shaft)

To be furnished by Operator	Depreciation Allowance	
750 hp hoist, 1 month	313.00*	
2 sump pumps, 1 month	78.00*	
Compressor, 1 month	170.00*	
Level locomotive and 16 cars, 1 month	62.00*	
Total Depreciation Allowance		623.00*

(6) New Buildings, Improvements, Installations

Install pumps, gates, blowers and electrical equipment, labor and material	1,000.00*
Total Estimated Cost of Project	$242,860.00*
Government Participation @ 50%	$121,430.00*

1/ Labor shall be paid at a shift rate not exceeding the shift rate paid for like work in the Coeur d'Alene mining district. The cost of supervision shall not exceed 20%* of the direct labor cost of shaft rehabilitation.

DMEA Field Team, Region I, NW Dist. June 21, 1956

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JUN 25 1956

Certifying Officer, Region I, NW

Contract Idm-E484, Day Mines, Inc. Monthly operating report for April 1956.

The subject operating report has been processed and forwarded for payment.

A disallowance of $235.00 has been made from the costs claimed for diamond drilling to bring the accepted costs into agreement with those approved by the recent audit report submitted by DMEA Auditor, C. E. Fisher.

Myrtle Purdy

cc: DMEA (2)
USGS (2)
Wash. (2)
AD
Engineer

EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

APPENDIX I

The property is all that ground lying below the 1000-level east of the Mercury Fault and lying below the 1300-level west of the Mercury Fault, within the following patented lode mining claims:

Name	U. S. Survey No.
Protection lode	1654
Selkirk lode	2069
Mercury lode	1782
Tacoma lode	2101

all in the Summit and Leland Mining Districts, Shoshone County, Idaho.

In addition to the land described above, any minerals lying above the 1300-level west of the Mercury Fault which are passed through or transported through any shaft, drift, crosscut or raise which is the subject of any work described in Exhibit "A" of this contract, shall be subject to the Government's percentage royalty.

The Government's right to percentage royalty is not limited by any markings on maps attached to the contract.

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

w

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

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MAY 14 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1956 Docket No. DMEA 2719 Contract No. DMI-1404
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $ 144 355 00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		$ 5,187.00	$ 5,187.00		5187.00	5187.00
Sump.		3,399.48	3,399.48		3399.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond	1,274.00	4,727.00	6,001.00	1274.00	4727.00	6001.00
Bulldozing Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting		160,104.00	160,104.00		160104.00	160104.00
Drifting Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00		8123.00	8123.00
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1000.00	1000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,274.00	273,535.48	274,809.48	1274.00	273535.48	274809.48

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

Date April 30, 1956 Payee Day Mines, Inc.

Per [signature] Title Secretary

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

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

(Instructions on reverse)

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

$ 637 00

Signature [signature] (Authorized Certifying Officer)

Date 5/10/56 Vou. No. 1769

(See other side)

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. 0376

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 5/7/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. Officer Date 5/8/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

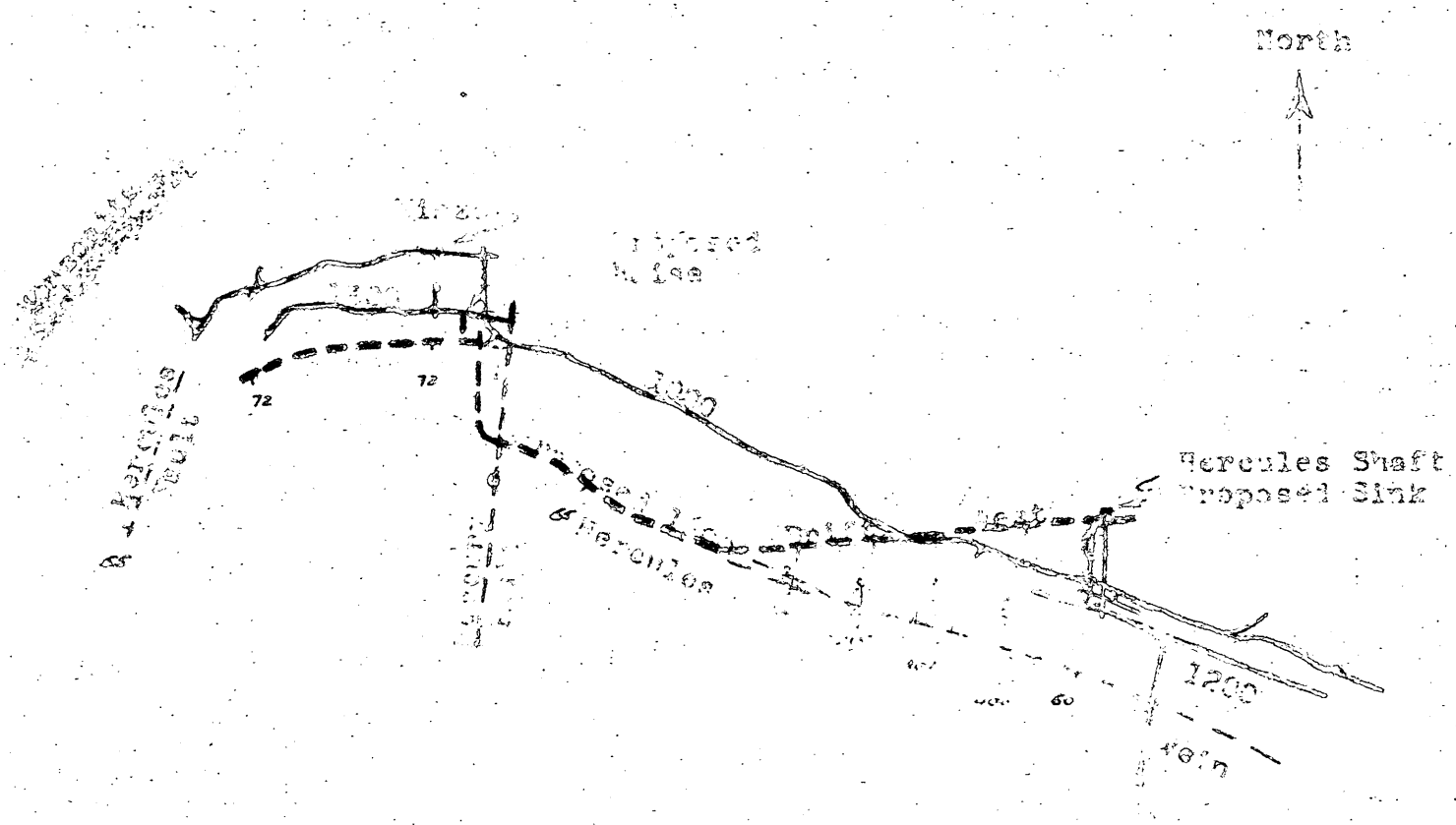
Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.



Docket No. DMEA-2719

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 2729 Contract No. [illegible]

Operator's Name Bay Mines, Inc. Minerals Lead - Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT: Units	AUTHORIZED BY CONTRACT: Unit Costs
Drifting								
Crosscutting				160,104.00	3335½	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core	ft.	1274.00	364	1,274.00	364	3.50		
Churn				4,787.00	1361½	3.43		
Auger								
Stripping				5,187.00	3900	1.33		
Trenching				4,030.00	6200	.65		
Test Pits				3,399.00	2556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		1274.00	364	265,606.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				6,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		1274.00		274,729.00				

Pocket Station Sump

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date April 30, 1956 Operator Bay Mines, Inc.

Per [signature] Title Secretary

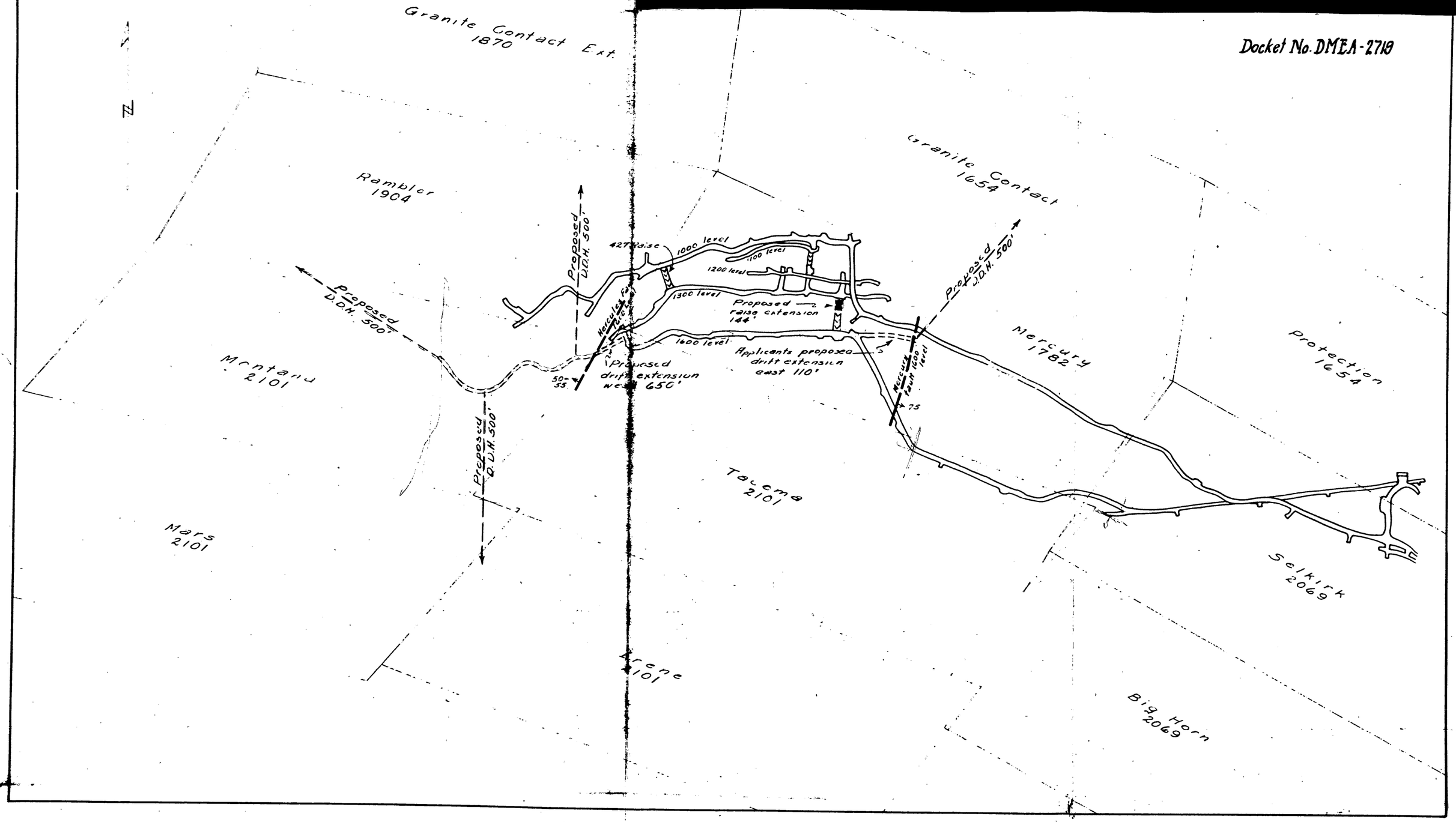
NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

Docket No. DMEA-2719



HERCULES MINE - SHOSHONE CO, IDAHO

Composite Map showing Western Mine Area below 1000 ft level and Proposed Additional Work on 1600 ft. level

Scale. 1" = 250'

Plate 1

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

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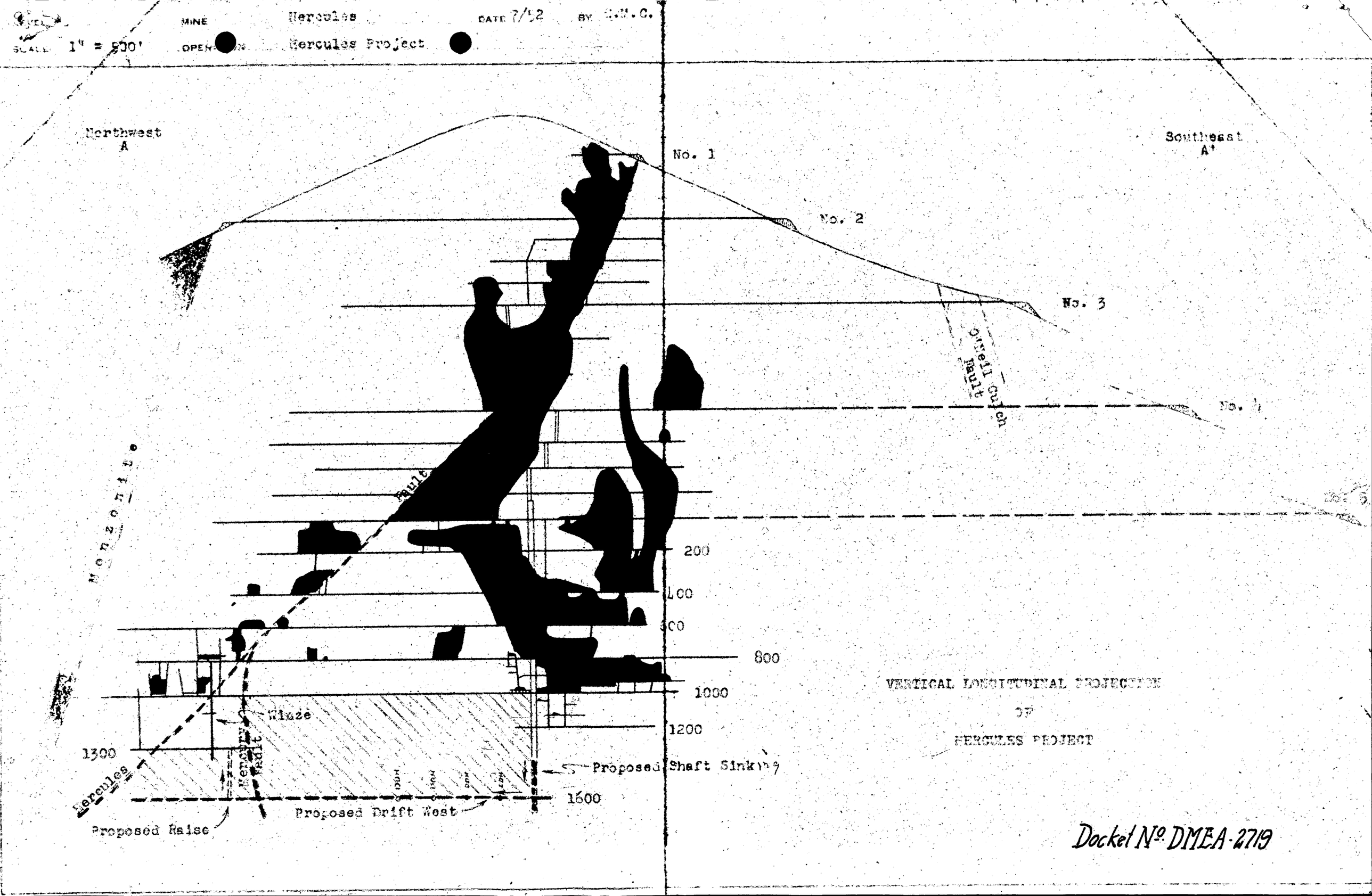
GPO 872894

PROJECT MINE Hercules DATE 7/42 BY G.H.C.

SCALE 1" = 200' OPERATION Hercules Project



VERTICAL LONGITUDINAL PROJECTION

OF

HERCULES PROJECT

Docket No. DMEA-2719

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MAY 14 1956

COPY

DAY MINES, INC.
WALLACE, IDAHO

April 19, 1956

DMEA 3917 - Hercules

Summary of Progress in March 1956

During March the following core drilling was completed:

DD Hole No. 1664, from 0. ft. to 231 ft., 231 ft. advance.
DD Hole No. 1665, from 0. ft. to 133 ft., 133 ft. advance.

Total drilled in March 364 ft.

The ore production subject to DMEA royalty in March was 1,311 tons which assayed 2.55 oz. Ag., 4.36% Pb. and 4.56% Zn.

Rollin Farmin
Assistant Manager

RF/jab

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MAR 14 1956

DMEA 2917 - HERCULES

SUMMARY OF PROGRESS IN FEBRUARY, 1956

The strike which closed the Hercules mine on August 24, 1955, was terminated February 1, 1956, and the mine was put back in operation during the month. Ore was broken at several locations in the mine but milling was not resumed until March. No advance was made in Project exploration work.

ROLLIN FARMIN,
Asst. Gen. Mgr.

(3)

DAY MINES, INC.

WALLACE, IDAHO

RECEIVED
MAY 14 1956

April 9, 1956

Dr. Verne Fryklund
U. S. Geological Survey
South 157 Howard St.
Spokane, Washington

Dear Verne:

We have completed Diamond Drill Hole No. 1604 at the west end of the Hercules 1600 level. Four copies of the core log are enclosed, and you will notice that an excellent core recovery of 92.1% was obtained. Assays shown are entirely from sludge samples. As you know, our technical staff is undermanned at the present time, and for that reason we have not split core for sampling. The presumption is that crosscutting will follow the drilling program anyway, and these intersections will be much better sampled from the later openings. Drill hole intersections which are not explored by later work will be sampled by core splitting.

Core logs of the current and future drill holes will be forwarded to you as they are completed.

Details of the Mars 27-19 orcsscut proposals as you presented them to me a week ago will be discussed with Mr. Day, who has just returned to Wallace, this week.

Sincerely yours,

Garth M. Crosby
Chief Geologist

Encl. 4

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APR 20 1956
U. S. G. S.
SPOKANE, WASH.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
MAY 21 1956

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of

Day Mines, Inc.
Day Building
Wallace, Idaho

pertaining to exploration Project Contract No. Idm-E484, Docket No. DMEA-2719, dated February 5, 1953, including Amendments No's 1 to 4, inclusive, covering a project for the exploration of lead and zinc on property known as Hercules Mine, located at Burke, Shoshone County, Idaho, for the period February 19, 1953, to August 31, 1955, inclusive.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$273,534.48
Exceptions (see Audit Report for details):		
Prior to this audit	$ -o-	
During this audit	234.00	234.00
Total Accepted Cost		$273,300.48

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One Hundred Thirty-six Thousand Six Hundred Fifty and 24/100 Dollars

**** $136,650.24 ****

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official, has accepted or will accept the project as having otherwise met the terms of the contract.

C. E. Fisher
C. E. Fisher, Auditor

April 23, 1956

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APR 30 1956

INTERIM AUDIT REPORT

RECEIVED
MAY 2 1 1958

I. INTRODUCTION

On April 11 and 12, 1956, an interim audit (covering operations for the period February 19, 1953, to August 31, 1955) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E484, Docket No. DMRA-2719, dated February 5, 1953, including Amendments Nos. 1 to 4 inclusive, with:

DAY MINES, INC.
Day Building
Wallace, Idaho

covering a project for the exploration of lead and zinc on property known as Hercules Mine, located at Burke, Shoshone County, Idaho.

The original records under this contract were maintained by and were in the custody of Mr. Leonard Gaffney, Chief Accountant, in the company's offices at Wallace, Idaho.

An audit of production and sales records relating to ore mined and sold by this operator, subject to percentage royalty due the Government, was made concurrently with this interim cost audit. The results of such audit are included in a separate royalty audit report dated April 23, 1956.

Mr. Eric G. Ericksen, Mining Engineer, Bureau of Mines, Region I, Northwest District, accompanied the auditor and assisted in both audits.

II. GENERAL INFORMATION ON RECORDS

The general books of the company were made available for inspection as necessary. The major portion of costs to which the Government is obligated to contribute under terms of the contract are based on unit costs specified in the contract. The records selected for detailed review during this audit were only those applicable to those portions of the contract providing for reimbursement of the operator on basis of actual costs incurred and did not include those pertaining to costs in which the Government is obligated to participate on basis of units of work completed.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date"

column of the Form MF-104, Operator's Monthly Report and Voucher, for the month of August, 1955. Exploration work under this contract was interrupted by a strike of miners against this operator and other operators in the district, commencing August 24, 1955. The strike was settled February 1, 1956, however, no claim had been made to the date of this audit, for exploration work accomplished since the end of the strike. Amendment No. 4 to the contract extended the period for completion of the exploration to 44 months from the date of the contract, that is, until October 5, 1956.

The classification of costs reported by the operator on Form MF-104 for August, 1955, has been adjusted for the purpose of this audit, and the audit findings shown below follow such adjusted classification.

(1a) Agreed Unit Costs		Claimed	Accepted
313 feet, 3 compartment shaft @ $200/ft-		$ 62,600.00	$ 62,600.00
6,200 cu.ft.	excavation for station @ $0.65/cu. ft.	4,030.00	4,030.00
3,900 cu.ft.	excavation for pocket @ $1.33/cu. ft.	5,187.00	5,187.00
2,556 cu.ft.	excavation for sump @ $1.33/cu. ft.	* 3,398.48	3,399.48
3,335½ feet	drift & crosscut @ $48/ft.	160,104.00	160,104.00
246 feet	timbering @ $ 5/ft.	1,230.00	1,230.00
330½ feet	2 compartment timbered raise @ $70/ft.	23,135.00	23,135.00
Total agreed unit costs		$259,684.48	$259,685.48

* $1.00 error in extension has been adjusted in Accepted Costs.

The footages accomplished in connection with the items comprising agreed unit costs claimed and accepted were verified by the DMEA engineer. All of the work to be performed at agreed unit cost rates, as provided by Amendment No. 3 had been completed at the time of the audit except for a contemplated 2,000 feet of drilling at $3.50 per foot, which was started subsequent to the settlement of the strike and no portion of which has been claimed for reimbursement by the Government to the date of the audit.

(1b) Independent Contracts		
1,361.5 feet AX core drilling	$ 4,727.00	$ 4,492.00

The amount of $4,727.00 claimed, of which $4,492.00 has been accepted for 1,361.5 feet of AX core drilling subject to Government participation, on basis of actual costs, consisted of the following:

Paid Vivian Brothers, Inc., Kellogg, Idaho

AX Diamond Drill Holes - Feet

1601	1602	1603	Totals	Rate	Amount
351.0	301.5	347.5	1,000.0	$2.50/ft.	$2,500.00
147.0		152.5	299.5	$3.50/ft.	1,048.25
		62.0	62.0	$4.00/ft.	248.00
498.0	301.5	562.0	1,361.5		$3,796.25

Setting up time - 3 hours @ $5.00/hr.	15.00	$3,811.25
Miscellaneous Labor		235.00

Allowance for additional costs incurred by operator:

Compressed air	@	$ .25/ft.	
Hoisting and transporting	@	$ .10/ft.	
Core boxes and core cases	@	$ .15/ft.	
Total		$ .50/ft x 1,361.5 ft. diamond drilling	680.75
Total claimed cost			$4,727.00
Less: Costs for miscellaneous labor disallowed Such services are covered by the allowance of $.50/ft.			235.00
Total accepted costs			$4,492.00

The drilling contract with Vivian Brothers, Inc. has been approved by the Government. The allowance for additional costs incurred by the operator at the rate of 50¢ per foot of drilling accomplished was determined by the examining engineer and by this auditor to be reasonable and not in excess of actual costs of such incidental costs applicable to diamond drilling.

The original contract provided for 1,000 feet of AX size diamond drilling at $5.00 per foot, including supervision, labor, reaming, cementing, casing, core boxes, and all other costs to complete the drilling. The rate of $5.00 per foot and the total cost of $5,000.00 were designated as maximum amounts allowable. Under Amendment No. 3, the footage was increased to 1,361.5 feet at an estimated actual cost of $4,727.00. The accepted total cost of 1,361.5 feet of diamond drilling amounting to $4,492.00, and the average cost of $3.30 per foot are both well within the allowable maximums provided in the original contract.

(2) Labor and Supervision

No items of cost were reported by the operator on Form MF-104 under this category. The original contract authorized costs aggregating $7,500.00 under the caption (2) Labor, Supervision, Consultants (for shaft rehabilitation). Such expenditures classified under category (5) Initial Rehabilitation and Repairs by the operator are transferred to category (2) Labor and Supervision - Labor, for purpose of this audit.

The accepted costs under this category relate to cost of rehabilitating the Hercules shaft below the 1200 level, including repair of the shaft and unwatering and clearing debris from the bottom of it, as follows:

Labor

Type	No. of Shifts	Wages Paid	
Compressormen	60	$ 1,204.32	
Hoistmen	80½	1,344.07	
Miners	214	3,466.20	
Timberman	68	1,121.42	
Others	19½	583.23	
Totals	482	$ 7,719.24	
Less: Excess over contract maximum		219.24	$ 7,500.00

The original contract allowed maximum costs for labor, supervision and consultants for shaft rehabilitation in the amount of $7,500.00. The contract also provided that labor should be paid at a rate not exceeding the shift rate paid for like work in the Coeur d'Alene Mining District, that supervision, including shift bosses and engineering, should not exceed 20% of direct labor cost; and that the total supervision cost should not exceed $1,000.00.

The total direct labor costs applicable to this rehabilitation work were in excess of the allowable maximum provided by the contract for both labor and supervision. For this reason no supervision costs were assigned to the shaft rehabilitation job costs.

The reported labor costs were verified with labor distribution sheets prepared from time records maintained by the mine foreman. Wages paid were verified and recomputed to the extent deemed necessary to establish the propriety of the operator's pay roll procedure. The operator is one of the "16 companies" operating in the Coeur d'Alene Mining District party to a contract with the International Union of Mine, Mill and Smeltermen.

All of the wages paid applicable to work on this shaft rehabilitation were at the union day-pay rates, plus any overtime or shift differentials as provided by the contract with the Union.

In addition to the actual wages paid for direct labor as shown above, the operator incurred substantial costs for fringe benefits provided by the Union contract or by Federal or State of Idaho statutes. Such costs were not claimed on Form MF-104. These costs averaged $1.93 per shift worked during the year 1953 comprised of the following:

Item	Cost per Shift
Holiday Pay	$ .26
Vacations	.49
Social Security Taxes	.35
Hospital	.11
Non-occupational disability insurance	.05
Compensation insurance	.40
Dependents hospital insurance	.10
Pensions	.14
Group Insurance	.03
Total	$ 1.93

(3) Operating Materials and Supplies

This category of cost is not applicable to this contract.

(4) Operating Equipment

The sub-categories Rental and Purchase under this category of costs are not applicable to this contract. No items of cost have been reported by the operator on Form MF-104 under sub-category Depreciation, although the original contract authorized charges aggregating $623.00 for use of company-owned equipment to be used in shaft rehabilitation work. The charges for use of such equipment, classified under category (5) Initial Rehabilitation and Repairs by the operator, are transferred to this category for purposes of this audit, as detailed below:

Operating Equipment

750 H.P. hoist	- 1 month	$313.00	
2 Sump pumps	- 1 month	78.00	
Compressor	- 1 month	170.00	
Level locomotive and 16 cars	- 1 month	62.00	$623.00

The shaft rehabilitation work was started on February 19, 1953, and was completed on April 7, 1953, during which period

there were no other operations at the Hercules Mine. Thus, the equipment was used for a period of more than one month, with the charge for its use limited to one month under the terms of the contract.

(5) Initial Rehabilitation and Repairs

The charges reported by the Operator under this category have been transferred to (2) Labor and Supervision - Labor and (4) Operating Equipment-Depreciation, as explained above.

(6) New Buildings, Improvements, etc.

The costs incurred under this category amounted to $1,135.40 representing 71½ shifts of work by electricians and machinists. The claimed and allowed costs amounted to $1,000.00 under terms of the contract which made such amount the allowable maximum for Government participation.

The remarks under category (2) Labor and Supervision - Labor, with respect to labor costs, audit procedure, union contract, fringe benefits, etc. are also applicable in connection with this category.

(7) Miscellaneous

This category of costs is not applicable to this contract.

IV. CONCLUSION

The interim audit disclosed that all costs charged to this project during the period February 19, 1953, to August 31, 1955, are reasonable and proper under the terms of the contract.

A summary of costs claimed, disallowed and accepted follows:

Item	Totals Aug. 55 MF-104)	Audit Adjustments	Accepted Costs
(1a) Agreed Unit Costs:			
3-compartment shaft	$ 62,600.00		$ 62,600.00
Station	4,030.00		4,030.00
Pocket	5,187.00		5,187.00
Sump	3,398.48	$ 1.00	3,399.48
Drift and crosscut	160,104.00		160,104.00
Timbering	1,230.00		1,230.00
2-compartment raise	23,135.00		23,135.00
(1b) Independent Contracts:			
AX core drilling	4,727.00	(235.00)	4,492.00
(2) Labor and Supervision			
Labor	-o-	7,500.00	7,500.00
(4) Operating Equipment			
Depreciation	-o-	623.00	623.00
(5) Initial Rehab.& Repairs	8,123.00	(8,123.00)	-o-
(6) New Buildings, Improvements, etc.	1,000.00		1,000.00
Totals	$273,534.48	$ (234.00)	$ 273,300.48

At the conclusion of the audit, the findings were discussed with Mr. Leonard Gaffney, Chief Accountant, Day Mines, Inc. On April 16, 1956, Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, was informed of the results of the audit.

C. E. Fisher

C. E. Fisher, Auditor

April 23, 1956

Mr. Clarence

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAY 1 1956

Mr. Clarence E. Fisher
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Day Mines, Inc.
Contract Idm-E484
Docket DMEA-2719

Dear Mr. Fisher:

Returned herewith for revision are the Washington copies of your Interim Audit Certificate and Report covering costs of the referenced project and, also, the First Royalty Audit Report and Certificate.

The cost audit certificate and the audit summary state the total cost as billed by the Operator to be $273,535.48, whereas the August, 1955, MF-104 indicates $273,534.48 as the amount claimed. The one dollar difference represents an additional allowance by the certifying officer and should be so indicated in the certificate and report.

On page 2 of the report both agreed unit costs and independent contract costs are listed under the categorical title (1) Independent Contracts. These two categories should be listed under separate titles as (1a) Agreed Unit Costs and (1b) Independent contracts. Also, the amount shown as claimed for sump excavation and total agreed unit costs should be $3,398.48 and $259,684.48, respectively.

In the last full paragraph on page 3 of the report it is stated that the 50¢ per foot allowance for incidental costs was determined "by the examining engineer" to be reasonable. Didn't you, as auditor, make an independent determination or, at least, verify the engineer's determination? Also, the disallowance of $235.00 (or 30.7% of the 50¢ rate) does not appear compatible with a statement that the incidental costs claimed are reasonable.

On pages 4 and 5, as well as in the audit summary on page 7, the costs of shaft rehabilitation have been set forth under category (5) Initial Rehabilitation and Repairs rather than under the appropriate categories of (2) Labor and Supervision and (4) Operating Equipment, as set forth in Exhibit "A" of the contract. Category (5) properly does not include rehabilitation of underground workings. See definition of this category on reverse of Form MF-104 and in Article 6 (a) (5) of this contract. Also note the statement in regard to this

category, on page 17 of the audit manual, that "This category is limited to objects that ordinarily are found on the surface and not underground."

With regard to the royalty audit report the repayment period is stated erroneously as 10 years, rather than the correct 12 years, in two places in the first paragraph under II General Information. Also the next paragraph (the first on page 2) specifies accepted costs and the Government's contribution in amounts which are not in agreement with your cost audit certificate.

Item (b) listed on page 2 under Conference with Examining Engineer does not cover a matter which would be disclosed by such conference. This information is contained in Amendment No. 2 of the contract and properly should be stated as a second paragraph under the Section II General Information portion of the report.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
May 1, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form MF-404 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
APR 26 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1955 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00		5187.00	5187.00
Sump		3,398.48	3,398.48	1.00	3398.48	3399.48
Station		4,030.00	4,030.00		4030.00	4030.00
Drilling Diamond		4,727.00	4,727.00		4727.00	4727.00
Bulldozing Shaft		62,600.00	62,600.00		62600.00	62600.00
Crosscutting	672.00	159,432.00	160,104.00	672.00	159432.00	160104.00
Drifting Raising		23,135.00	23,135.00		23135.00	23135.00
Timbering		1,230.00	1,230.00		1230.00	1230.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00		8123.00	8123.00
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1000.00	1000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		272,862.48	273,534.48	673.00	272862.48	273535.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 10, 1955 *Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 336.50

Signature MEP
(Authorized Certifying Officer)

Date 4/20/56 Vou. No. 1758
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6484 in accordance with the terms of the contract.

Signature /s/ Eric G Erickson Title Mining Engr Date 9-13-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldoh Title Mining Engr Date 9-14-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 26 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 2719 Contract No. DMA-F484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	672.00	14	160,104.00	3,335½	48.00		
Raising				23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,398.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		672.00	14	264,411.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		672.00		273,534.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date Sept. 10, 1955 Operator DAY MINES, INC.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

ISI Eric G Erickson

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
APR 26 1956

DMEA Field Team, Region I, NW District April 23, 1956

DMEA Certifying Officer, Region I

Docket No. DMEA 2719, Contract Idm-E484, Day Mines, Inc.
Monthly operating report for August 1955.

An amount of $1.00 has been added to the approved cost of the sump excavation to correct a mathematical error made when a cost of $3,398.48 was originally approved on the MF-104 for September 1 to October 15, 1953.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. (2)
AD
Engineer

Form MF-504 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG 29 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA 2719 Contract No. IDM - E 484
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $ 144,355.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		$ 5,187.00	$ 5,187.00			
Sump		3,398.48	3,398.48			
Station		4,030.00	4,030.00			
Drilling, Diamond		4,727.00	4,727.00			
Bulldozing						
Crosscutting	$8,304.00	$151,128.00	$159,432.00			
Drifting Shaft		62,600.00	62,600.00			
Raising		23,135.00	23,135.00			
Timbering		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs			8,123.00			
(6) New Bldgs., Improvements, etc.			1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$8,304.00	$264,558.48	$272,862.48	$8,304.00	264,558.48	272,862.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 22, 1955 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4152.00

Signature [signature] (Authorized Certifying Officer)

Date 8-24-55 Vou. No. 1591

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Eng Date 8-24-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Goldsp Title Mining Eng Date 8-24-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April-1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 29 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 2719 Contract No. IDM - E484
Operator's Name Day Mines, Inc Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$ 8,304.00	173	$159,432.00	3,321½	$ 48.00	3505.8'	48.00 ft
Raising				23,135.00	330½	70.00	3305'	70.00 ft
Shafts				62,600.00	313	200.00	313	200.00 ft
Winzes								
Drilling: Core				4,727.00	1,361½	3.43	13645'	3.47 ft
Churn							2000	3.50 ft
Auger								
Stripping Pocket				5,187.00	3,900	1.33	3900'	1.33 cu ft
Trenching Station				4,030.00	6,200	.65	6200'	0.65 cu ft
Test Pits Sump				3,398.48	2,556	1.33	2556'	1.33 cu ft
Roads and Trails					1v664			
Timbering				1,230.00	246	5.00	246'	5.00 ft
TOTAL DISTRIBUTED COSTS		$ 8,304.00	173	$263,739.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		$ 8,304.00		$272,862.48				288710.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date Aug. 22, 1955 Operator Day Mines, Inc.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA 2917 - Hercules

SUMMARY OF PROGRESS IN JULY, 1955

RECEIVED
AUG 29 1955

During July the 1600 level Rambler drift was extended southwesterly from 2875.5 feet to 3048.5 feet, an advance of 173.0 feet. Approximately 80 feet of this advance was in ore averaging 6.2 feet wide which assayed 3.0 Ag., 7.5% Pb. and 12.1% Zn. ✓ 20% ±

The subsequent 93 feet of advance followed the extension of the vein fracture, crossed a monzonite dike and found only narrow stringers of pyrrhotite beyond. Percussion-drilled test holes failed to find additional ore and diamond drilling will be used in the next effort. A raise has been collared at 2840 feet to develop the ore body toward 1300 level during the diamond drilling program.

The total ore production subject to DMEA royalty for July is 1619 tons which averaged 2.88 oz. Ag., 6.14% Pb. and 6.32% Zn.

RF:mbr

ROLLIN FARMIN

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUL 19 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1955 Docket No. DMEA 2719 Contract No. Idm - E484

Operator's Name Day Mines, Inc. Minerals Lead - Zinc

Address Wallace, Idaho

Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		$ 5,187.00	$ 5,187.00			
Sump		3,398.48	3,398.48			
Station		4,030.00	4,030.00			
Diamond		4,727.00	4,727.00			
Drilling						
Bulldozing						
Crosscutting	$5,736.00	145,392.00	151,128.00			
Drifting Shaft		62,600.00	62,600.00			
Raising		23,135.00	23,135.00			
Timbering		1,230.00	1,230.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$5,736.00	$258,822.48	$264,558.48	5736.00	258822.48	264558.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 12, 1955 *Payee Day Mines, Inc.

Per [signature] Title Asst. Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2868.00

Signature MDP
(Authorized Certifying Officer)

Date 7-15-55 Vou. No. 1559
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature 151 Eric G. Erickson Title Mining Engr Date 7-13-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Stephen W. Goldsch Title Mining Engr Date 7-13-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 19 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1955 Docket No. DMEA 2719 Contract No. Idm - E484
Operator's Name Day Mines, Inc. Minerals Lead - Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$5,736.00	119½	$ 151,128.00	3,148½	$ 48.00	3505.8	48.00 ft
Raising				23,135.00	330½	70.00	3305	70.00 ft
Shafts				62,600.00	313	200.00	313	200.00 ft
Winzes								
Drilling: Core				4,727.00	1,361½	3.43	1361.5	3.47 ft
Churn							2000	3.50 ft
Auger								
Stripping Pocket				5,187.00	3,900	1.33	3900'	1.33 cu ft
Trenching Station				4,030.00	6,200	.65	6200	0.65 cu ft
Test Pits Sump				3,398.48	2,556	1.33	2556'	1.33 cu ft
Roads and Trails								
Timbering				1,230.00	246	5.00	246'	5.00 ft
TOTAL DISTRIBUTED COSTS		$5,736.00	119½	$ 255,435.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		$5,736.00		264,558.48				288710.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date July 12, 1955 Operator Day Mines, Inc.

Per [signature] Title Asst. Secretary

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

/s/ Eric G Erickson

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA 2917 - Hercules

SUMMARY OF PROGRESS IN JUNE, 1955

During June the 1600 level Rambler drift was extended southwesterly from 2756.0 feet to 2875.5 feet, an advance of 119.5 feet. This advance followed a vein which averaged 4.3 feet wide, assaying 1.4 Ag., 3.1 Pb. and 19.1 Zn. The last 20 feet of the advance was in good ore 8 feet wide.

The total ore on which DMEA receives royalty for June is 1806 tons, averaging 1.22 oz. Ag., 3.29% Pb. and 5.91% Zn.

Two copies of the geologic map are enclosed, additional to copies delivered to Mr. Fryklund of the Field Team.

RF:mbr

ROLLIN FARMIN

Assistant Manager

Form ME-104 (Rev.)
(April 1952)

W

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

JUL - 5 1955

Month of May, 1955 Docket No. DMEA 2719 Contract No. Idm - E404

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

Contract Amount, $200,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket		5,187.00	5,187.00			
Sump		3,398.28	3,398.28			
Station		4,030.00	4,030.00			
Drilling Timbering		1,230.00	1,230.00			
Bulldozing						
Crosscutting	$ 5,064.00	140,328.00	145,392.00			
Drifting Shaft		62,600.00	62,600.00			
Diamond Drilling		4,727.00	4,727.00			
Raising		23,135.00	23,135.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 5,064.00	253,758.48	258,822.48	5064.00	253758.48	258822.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date June 14, 1955 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2532 00

Signature MAP
(Authorized Certifying Officer)

Date 6/27/55 Vou. No. 15416
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Eng Date 6-24-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Eng Date 6-27-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL - 5 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of MAY 1955 Docket No. DMEA 2719 Contract No. Idm - E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	5064.00	105½	145,392.00	3,029	48.00	3505.8	48.00 ft
Raising				23,135.00	330¼	70.00	330.5	70.00 ft
Shafts				62,600.00	313	200.00	313	200.00 ft
Winzes								
Drilling: Core				4,727.00	1,361½	3.43	1361.5	3.47 ft
Churn							2600	3.50 ft
Auger								
Stripping Pocket				5,187.00	3,900	1.33	3900'	1.33 cu ft
Trenching Station				4,030.00	6,200	.65	6200'	0.65 cu ft
Test Pits Sump				3,398.40	2,556	1.33	2556	1.33 cu ft
Roads and Trails								
Timbering				1,230.00	246	5.00	246'	5.00 ft
TOTAL DISTRIBUTED COSTS		5064.00		249,699.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		1894.00		259,822.48				288710.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 14, 1955 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

/s/ Eric G Erickson

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

RECEIVED
JUL - 5 1955

DMEA 2917 - Hercules

SUMMARY OF PROGRESS IN MAY, 1955

During May the 1600 level Rambler drift was extended southwesterly from 2650.5 feet to 2756.0 feet, an advance of 105.5 feet. The drift followed a vein averaging 3.9 feet wide which assayed 1.1 oz. Ag., 2.3% Pb. and 3.1% Zn. A fault of northwesterly dip cut obliquely through the vein and ore of much better grade and width was disclosed beyond the fault late in the month.

The sub-commercial ore from the 1600 level was co-mingled with other ore reaching 1600 level for a total of 778 tons assaying 0.97 Ag., 2.36 Pb. and 1.29 Zn., on which DMEA receives royalty.

RF:mbr

Rollin Farmin
Assistant Manager

Form M-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 20 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 195 Docket No. DMEA 2719 Contract No. Idm-2484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering	$	$ 1,230.00	$ 1,230.00			
Pocket		5,187.00	5,187.00			
Sump		3,398.48	3,398.48			
Drilling: Station		4,030.00	4,030.00			
Bulldozing						
Crosscutting	$1,896.00	138,432.00	140,328.00			
Drifting: Shaft		62,600.00	62,600.00			
Diamond Drilling		4,727.00	4,727.00			
Raising		23,135.00	23,135.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,896.00	$251,862.48	$253,758.48	1896.00	251862.48	253758.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 16, 1955 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 948.00

Signature MGP
(Authorized Certifying Officer)

Date 6-15-55 Vou. No. 1524

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature 151 Eric G Erickson Title Mining Engr Date 5-27-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Stephen W Zoldoh Title Mining Engr Date 5-27-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-204A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 20 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1955 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	Ft.	$1,896.00	39½	$140,328.00	2,923½	48.00	3505.8	48.00 ft
Raising				23,135.00	330½	70.00	330.5	70.00 ft
Shafts				62,600.00	313	200.00	313	200.00 ft
Winzes								
Drilling: Core				4,727.00	1,361½	3.43	1361.5	3.47 ft
Churn							2000	3.50 ft
Auger								
Stripping Pocket				5,187.00	3,900	1.33	3900'	1.33 cu ft
Trenching Station				4,030.00	6,200	.65	6200'	0.65 cu ft
Test Pits Sump				3,398.48	2,556	1.33	2556'	1.33 cu ft
Roads and Trails								
Timbering				1,230.00	246	5.00	246'	5.00 ft
Total Distributed Costs		$1,896.00		$244,635.48				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
Total Costs		$1,896.00		$253,758.48				288 710.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 16, 1955 Operator DAY MINES, INC.

Per [signature] Title Secretary

Remarks:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Eric G Erickson

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

RECEIVED
JUN 20 1955

DMEA 2719 - Hercules

SUMMARY OF PROGRESS DURING APRIL, 1955

During April the 1600 level Rambler drift was extended southwesterly from 2611 to 2650.5 feet, an advance of 39.5 feet. This advance followed a faulted vein averaging 5.8 feet wide, carrying 0.8 oz. Ag., 1.9% Pb. and 2.6% Zn. Some additional water was encountered in the various branches of Hercules Fault and a raise was started on the footwall vein while the water courses were allowed to drain down.

The sub-grade ore from the Rambler drift was combined with other ore from 1600 level for a total of 771 tons, assaying 0.91 oz. Ag., 2.84% Pb. and 2.02% Zn., on which DMEA receives royalty.

RF:mbr

ROLLIN FARMIN
Assistant Manager

Form MF-704 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1955 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering		$ 1,230.00	$ 1,230.00			
Pocket		5,187.00	5,187.00			
Sump		3,398.48	3,398.48			
Station		4,030.00	4,030.00			
Drilling						
Bulldozing						
Crosscutting	$1,872.00	136,560.00	138,432.00			
Drifting		62,600.00	62,600.00			
Shaft		4,727.00	4,727.00			
Diamond Drill		23,135.00	23,135.00			
Raising						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,872.00	$249,990.48	$251,862.48			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 19, 1955 Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 936.00

Signature [signature]
(Authorized Certifying Officer)

Date 5-4-55 Vou. No. 1493
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6484 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 4-26-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Goldoft Title Mining Engr Date 4-26-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1955 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$1,872.00	39	$138,432.00	2,884	$48.00	3505.8	48/ft
Raising				23,135.00	330½	70.00	330.5	70 ft
Shafts				62,600.00	313	200.00	313'	200/ft
Winzes								
Drilling: Core				4,727.00	1,361½	3.43	1361.5	$3.47 ft
~~Churn~~ Core							2000	3.50 ft
Auger								
Stripping Pocket				5,187.00	3,900	1.33	3900 ft²	1.33 cu ft
Trenching Station				4,030.00	6,200	.65	6200 ft²	0.65 cu ft
Test Pits Sump				3,398.48	2,556	1.33	2556 ft²	1.33
Roads and Trails								
Timbering				1,230.00	246	5.00	246'	$5.00 ft
TOTAL DISTRIBUTED COSTS		$1,872.00		$242,739.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		$1,872.00		$251,862.48				288710.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date April 19, 1955 Operator DAY MINES, INC.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS:

151 Eric G Erickson (For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA 2719--Hercules

SUMMARY OF PROGRESS DURING MARCH, 1955

During March the 1600 level Rambler drift was extended westerly from 2572 ft. to 2611 ft., an advance of 39.0 ft. A strong flow of water was encountered in a branch of the Hercules fault, at this point, and the work was suspended until additional pumping facilities were placed at the main shaft. The drift developed a strong vein averaging 4.5 ft. of lead-zinc ore.

1,096 tons of development ore, averaging 0.47 oz. Ag., 1.22% Pb., and 3.05% zn., were produced from the 1600 level and from the raise above 1600 level.

Rollin Farmin

Assistant Manager

RF:KAE

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1955 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering		$ 1,230.00	$ 1,230.00			
Pocket		5,187.00	5,187.00			
Drilling: Sump		3,398.48	3,398.48			
Bulldozing: Station		4,030.00	4,030.00			
Crosscutting	$ 816.00	135,744.00	136,560.00			
Drifting: Shaft		62,600.00	62,600.00			
Diamond Drill		4,727.00	4,727.00			
Raising		23,135.00	23,135.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 816.00	$249,174.48	$249,990.48	816.00	249,174.48	249,990.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date March 23, 1955 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 408 00

Signature [signature]
(Authorized Certifying Officer)

Date 5-4-55 Vou. No. 1493
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 4-4-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldak Title Mining Eng Date 4-5-55

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1955 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	Ft.	$ 816.00	17	$136,560.00	2,845	48.00		
Raising	Ft.			23,135.00	330½	70.00		
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core				4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,398.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$ 816.00		$240,867.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		$ 816.00		$249,990.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date March 23, 1955 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

151 Eric H Erickson

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA 2719--Hercules

SUMMARY OF PROGRESS DURING FEBRUARY, 1955

During February a much improved showing of zinc-lead ore was developed in the 1600 level "Nose" area, near the west end of the earlier Project drifting, along the north side of the previous opening. The trackage was re-aligned and advance commenced late in the month on the new drifting authorized by Amendment No. 2, November 10, 1954. The 1600 level Rambler drift west advanced 17.0 feet, total 17.0 feet, in fair zinc-lead ore.

Development ore from the 1600 level activity amounted to 843 tons, assaying 0.24 oz. Ag., 0.51% Pb. and 1.52% Zn. The material was co-mingled with stope ore for milling.

RF:mbr

Rollin Farmin

Assistant Manager

DMEA 2719 - Hercules

SUMMARY OF PROGRESS DURING JANUARY, 1955

No advance was made in DMEA-participating development work, although the drift at the west end of the 1600-ft. level was realigned preparatory to resuming westward advance. This work, together with other activity on the 1600-ft. level, produced 692 tons of sub-ore, which assayed 0.99 oz. Ag., 2.61% Pb. and 1.17% Zn. and will be co-mingled with stope ore for milling.

RF:mbr

Rollin Farmin

Assistant Manager

W

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 21 1955

E-484

DMEA 2719 - Hercules

SUMMARY OF PROGRESS DURING DECEMBER, 1954

No advance was made on the DMEA-sponsored West Drift, pending completion of eastward 1600 level drifting and an untimbered ore pass from 1300 level. These activities produced 1259 tons of sub-ore which assayed 0.60 oz. Ag., 1.30% Pb. and 0.40% Zn. and was co-mingled with stope ore for milling.

Rollin Farmin

RF:mbr

Rollin Farmin

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 195[illegible] Docket No. DMEA 2719 Contract No. [illegible]
Operator's Name [illegible], Inc. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 2[illegible],710.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering		$ 1,[illegible]	$ 1,[illegible]			
Pocket		5,157.00	5,157.00			
Sump		3,3[illegible]	3,3[illegible]			
Station		4,030.00	4,030.00			
Drilling						
Bulldozing		135,7[illegible]	135,7[illegible]			
Crosscutting		[illegible]	[illegible]			
Drifting		1,727.00	1,727.00			
Diamond Drill						
Raising	3,290.00	19,845.00	23,135.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		6,123.00	6,123.00			
(5) Initial Rehabilitation and Repairs		1,000.00	1,000.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Totals	$3,290.00	[illegible]	[illegible]	3290.00	245884.48	249174.48

I certify that the above bill is correct and just and that payment therefor has not been received. Dec. 1[illegible], 195[illegible] [illegible], Inc.
Date *Payee
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1645.00

Signature [signature]
(Authorized Certifying Officer)

Date 1/6/55 Vou. No. 1394
(See other side)

RECEIVED JAN 10 1955

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 12/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 12/23/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1954 Docket No. DMEA 2219 Contract No. [illegible]
Operator's Name Day Mines, Inc. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				$ 135,744.00	2,000	68.00		
Crosscutting								
Raising	Ft.	3,290.00	47	23,135.00	330	70.00		
Shafts				62,000.00	313	200.00		
Winzes								
Drilling: Core				4,727.00	1,251	3.43		
Churn								
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,393.00	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$ 3,290.00		$ 240,051.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				9,123.00				
Initial Rehabilitation and Repairs				1,000.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 3,290.00		$ 249,174.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date Dec. 14, 1954 Operator Day Mines, Inc.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
JAN 10 1955

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - Hercules

SUMMARY OF PROGRESS DURING NOVEMBER, 1954

During November the raise above Hercules 1600 level was completed to the Hercules 1300 level, being extended from 283½ feet to 330½ feet, an advance of 47 feet.

The vein developed by this advance averaged 5.68 feet wide and was comprised mainly of iron-bearing minerals. The material broken averaged 0.70 oz. Ag. and 1.11% Pb., with negligible zinc, and the portion that was drawn from the raise was co-mingled with stope ore from 1000 level for milling. Its value will be reported subsequently.

RF:mbr

Rollin Farmin

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 1954 Docket No. DMEA 2719 Contract No. Idm - E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 288,710.00 Government Participation: 50 % Amount, $144,355.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering		$ 1,230.00	$ 1,230.00	✓		
Pocket		5,187.00	5,187.00	✓		
Sump		3,398.48	3,398.48			
Station		4,030.00	4,030.00	✓		
Drilling						
Bulldozing						
Crosscutting		135,744.00	135,744.00			
Drifting Shaft		62,600.00	62,600.00	✓		
Diamond Drill		4,727.00	4,727.00			
Raising	$ 4,690.00	15,155.00	19,845.00	✓		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00	✓		
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00	✓		
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 4,690.00	$241,194.48	$245,884.48	4690.00	241194.48	245884.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 22, 1954 *Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2345.00

Signature [signature]
(Authorized Certifying Officer)

Date 12/16/54 Vou. No. 1377
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ Eric G. Erickson Title Mining Engr. Date 12/3/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W. Zoldok Title Mining Engr. Date 12/6/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DEC 23 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 2719 Contract No. Idm - E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.			$135,744.00	2,828	48.00		
Raising	"	$4,690.00	67	19,845.00	283½	70.00		
Shafts	"			62,600.00	313	200.00		
Winzes								
Drilling: Core				4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,398.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$4,690.00		$236,761.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		$4,690.00		$245,884.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Nov. 22, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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...Minerals Administration
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DMEA 2719 - Hercules

SUMMARY OF PROGRESS IN OCTOBER, 1954

During October the raise above Hercules 1600 level was extended from 216.5 feet to 283.5 feet, an advance of 67 feet. The vein developed by this advance averaged 4.9 feet wide and assayed 0.7 oz. Ag., 1.1% Pb., 0.1% Zn. and carries everywhere a large proportion of valueless iron-bearing minerals.

The sub-marginal material from the raise was co-mingled with stope ore from 1000 level for milling; the value will be reported subsequently.

RF:mbr

Rollin Farmin

Assistant Manager

(Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Received

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1954 Docket No. DMEA 2719 Contract No. Idm - E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering		1,230.00	1,230.00			
Pocket		5,187.00	5,187.00			
Drilling						
Sump		3,398.48	3,398.48			
Bulldozing						
Station		4,030.00	4,030.00			
Crosscutting						
Drifting		135,744.00	135,744.00			
Shaft		62,600.00	62,600.00			
Diamond Drill		4,727.00	4,727.00			
Raising	4,585.00	10,570.00	15,155.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,585.00	236,609.48	241,194.48	4585.00	236,609.48	241,194.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct. 12, 1954 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2292.50

Signature [signature]
(Authorized Certifying Officer)

Date 11/8/54 Vou. No. ~~1346~~ 1345
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ Eric G Erickson Title Mining Engr Date 10/15/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Engr Date 10/18/54

when amendment no 2 is signed

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

DMEA-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 13 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.			$135,744.00	2,828	$ 48.00		
Raising	"	$4,585.00	65½	15,155.00	216½	70.00		
Shafts	"			62,600.00	313	200.00		
Winzes								
Drilling: Core				4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket				5,187.00	3,900	1.33		
Trenching Station				4,030.00	6,200	.65		
Test Pits Sump				3,398.48	2,556	1.33		
Roads and Trails								
Timbering				1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$4,585.00		$232,071.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.				1,000.00				
TOTAL COSTS		$4,585.00		$241,194.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 12, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - Hercules

Summary of Progress in September, 1954.

During September, the raise above Hercules 1600 level was extended from 151.0 to 216.5 feet, an advance of 65.5 feet. It followed a vein 5.1 feet wide of average assay 0.7 oz. Ag., 1.2% Pb. and 0.4% Zn. The gangue is chiefly iron minerals. Material broken in the raise was co-mingled with stope ore from the 1000 level for milling; the value will be reported upon receipt of smelter returns.

RF:mbr

Rollin Farmin

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 27 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 2719 Contract No. Idm-2E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering	$ .00	$ 1,230.00	$ 1,230.00			
Drilling: Pocket	.00	5,187.00	5,187.00			
Bulldozing: Sump	.00	3,398.48	3,398.48			
Crosscutting: Station	.00	4,030.00	4,030.00			
Drifting: Shaft	.00	135,744.00	135,744.00			
Diamond Drill	.00	62,600.00	62,600.00			
Raising	3,430.00	4,727.00	4,727.00			
(2) Labor and Supervision:		7,140.00	10,570.00	3430.00	7140.00	10570.00
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 3,430.00	$233,179.48	$236,609.48	3430.00	233179.48	236609.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 11, 1954 *Payee DAY MINES, INC.

Per [signature] Title Asst. Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1715.00

Signature MOP
(Authorized Certifying Officer)

Date 9/23/54 Vou. No. 1292

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 9/20/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 9/20/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 27 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 2719 Contract No. Idm - E 484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.			$135,744.00	828	$ 48.00		
Raising	"	$3,430.00	49	10,570.00	151	70.00		
Shafts	"			62,600.00	313	200.00		
Winzes								
Drilling: Core				4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket	Cu. Ft.			5,187.00	3,900	1.33		
Trenching Station	" "			4,030.00	6,200	.65		
Test Pits Sump	" "			3,398.48	2,556	1.33		
Roads and Trails								
Timbering	Ft.			1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$3,430.00	49	$227,486.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,000.00				
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$3,430.00		$236,609.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 11, 1954 Operator DAY MINES, INC.

Per [signature] Title Asst. Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA 2719 - Hercules

Summary of Progress in August, 1954

During August, the raise above Hercules 1600 level was extended from 102 to 151 feet above the rail, an advance of 49 feet. The vein developed by this advance averaged 3.7 feet in width of sub-grade lead ore, from which 542 tons were produced which assayed 0.2 oz. Ag., 0.9% Pb, and 0.1% Zn. This material was co-mingled with stope ore for milling and its value will be reported after smelter returns have been received.

RF:mbr

Rollin Farmin

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
SEP 13 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1954 Docket No. DMEA 2719 Contract No. Idm B 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering $	.00	1,230.00	1,230.00			
Pocket	.00	5,187.00	5,187.00			
Drilling Sump	.00	3,398.48	3,398.48			
Bulldozing Station	.00	4,030.00	4,030.00			
Crosscutting	.00	135,744.00	135,744.00			
Drifting Shaft	.00	62,600.00	62,600.00			
Diamond Drill	.00	4,727.00	4,727.00			
Raising	4,550.00	2,590.00	7,140.00	4550.00	2590.00	7140.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS $	4,550.00	228,629.48	233,179.48	4550.00	228629.48	233179.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 10, 1954 Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
2275.00
$ 2275.00

Signature [signature]
(Authorized Certifying Officer)

Date 9/10/54 Vou. No. 1272
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 8/23/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Engr Date 9/8/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

SEP 13 1954

Month of July 1954 Docket No. DMEA 2719 Contract No. Idm E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.			$135,744.00	828	48.00		
Raising	"	$4,550.00	65	7,140.00	102	70.00		
Shafts	"			62,600.00	313	200.00		
Winzes								
Drilling: Core	"			4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket	Cu.Ft.			5,187.00	3,900	1.33		
Trenching Station	" "			4,030.00	6,200	.65		
Test Pits Sump	" "			3,398.48	2,556	1.33		
Roads and Trails								
Timbering	Ft.			1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$4,550.00	65	$224,056.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,000.00				
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$4,550.00		$233,179.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Aug. 10, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - Hercules

Summary of Progress in July, 1954

During July, the raise above 1600 level was extended from 37 feet to 102 feet, an advance of 65 feet. The raise followed a vein which averaged 4.1 ft. wide of low grade lead ore. The ore produced from the raise in July totalled 801 tons, averaging 1.3 oz. Ag., 2.9% Pb. and 1.2% Zn. This ore was co-mingled with higher grade stope ore for milling; its value for computation of 5% royalty to DMEA will be computed and reported later, after smelter returns have been received.

RF:mbr

Rollin Farmin

Assistant Manager

Form MS-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1954 Docket No. DMEA 2719 Contract No. Idm - E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50% Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Timbering	$ 1,230.00	$ .00	$ 1,230.00	1230.00	— 0 —	1230.00
Drilling: Pocket	.00	5,187.00	5,187.00		5187.00	5187.00
Bulldozing: Sump	.00	3,398.48	3,398.48		3398.48	3398.48
Crosscutting: Station	.00	4,030.00	4,030.00		4030.00	4030.00
Drifting: Shaft	3,096.00	132,648.00	135,744.00	3096.00	132648.00	135744.00
Diamond Drill	.00	62,600.00	62,600.00		62600.00	62600.00
Raising	.00	4,727.00	4,727.00		4727.00	4727.00
(2) Labor and Supervision:	2,590.00	.00	2,590.00	2590.00	— 0 —	2590.00
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00		8123.00	8123.00
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00		1000.00	1000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 6,916.00	$ 221,713.48	$ 228,629.48	6916.00	221713.48	228629.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 8, 1954 Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3458.00

Signature [signature]
(Authorized Certifying Officer)

Date 8/16/54 Vou. No. 1246

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 7/30/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 8/2/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 4 Docket No. DMEA 2719 Contract No. Idm - E484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$ 3,096.00	64½	$ 135,744.00	828	$ 48.00		
Raising	"	2,590.00	37	2,590.00	37	70.00		
Shafts	"			62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.			4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket	Cu.Ft.			5,187.00	3,900	1.33		
Trenching Station	" "			4,030.00	6,200	.65		
Test Pits Sump	" "			3,398.48	2,556	1.33		
Roads and Trails								
Timbering	Ft.	$ 1,230.00	246	1,230.00	246	5.00		
TOTAL DISTRIBUTED COSTS		$ 6,916.00		$ 219,506.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		.00		1,000.00				
Initial Rehabilitation and Repairs		.00		8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ ~~6,916.00~~		$ ~~228,629.48~~				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date July 8, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA 2719 - Hercules

Summary of Progress during June, 1954

During June, the Hercules 1600 level was extended from 5.0 ft. to 69.5 ft. eastward from the Mercury crosscut, an advance of 64.5 ft. in narrow lead ore.

Ground support of the drifts and crosscuts has been accomplished by rock bolting, in lieu of conventional timbering, and is herewith reported in aggregate as 246 ft. of supported drift at $5.00 per ft.

Raise No. 377 was started from 1600 level, about 40 ft. west of the Mercury crosscut and 6 ft. south of the drift. It was advanced 37 ft. during June in fair lead ore. This raise is comprised of two timbered compartments and two adjoining, untimbered "joker chutes".

RF:mbr

ROLLIN FARMIN

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1954 Docket No. DMEA 2719 Contract No. Idm 5484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50% Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Rocket	$ .00	$ 5,187.00	$ 5,187.00			
Drilling: Sump	.00	3,398.48	3,398.48			
Bulldozing: Station	.00	4,030.00	4,030.00			
Crosscutting	12,000.00	120,648.00	132,648.00	12000.00		
Drifting: Shaft	.00	62,600.00	62,600.00			
Diamond Drill	.00	4,727.00	4,727.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 12,000.00	$ 209,713.48	$ 221,713.48	12000.00	209713.48	221713.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 2, 1954 Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 6000 00

Signature [signature] (Authorized Certifying Officer)

Date 6/15/54 Vou. No. 1176
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 6/7/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 6/8/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 2719 Contract No. Idm 8484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$ 12,000.00	250	$132,648.00		48.00		
Raising								
Shafts	Ft.			62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.			4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket	Cu.Ft.			5,187.00	3,900	1.33		
Trenching Station	"			4,030.00	6,200	.65		
Test Pits Sump	"			3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 12,000.00		$212,590.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Installation								
Operating Equipment Purchased		.00		1,000.00				
Initial Rehabilitation and Repairs		.00		8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 12,000.00		$221,713.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 2, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

LMEA 2719 Hercules

Summary of Progress during May, 1954

During May, the Hercules 1600 level was extended westerly from 2363 feet to 2608 feet, an advance of 245 feet. The central portion of this advance was in marginal ore but the first and last portions were on barren vein. The west heading was stopped and a drift easterly was started, from a point 1870 feet west of the shaft station, and was advanced 5 feet in marginal ore. Total 1600-level advance for the month was 250.0 feet.

It now appears that the raise from 1600 to 1300 level may be driven from the new easterly drift instead of from the disappointing westerly drift.

Part of the vein material excavated in the drift was milled during the month but the resulting concentrates have not yet reached the East Helena smelter, which is strike-bound.

RF:mbr

Rollin Farmin

Assistant Manager

F-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 2719 Contract No. Idm E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Pocket $	.00	5,187.00	5,187.00			
Drilling: Sump	.00	3,398.48	3,398.48			
Bulldozing: Station	.00	4,030.00	4,030.00			
Crosscutting	13,848.00	106,800.00	120,648.00			
Drifting: Shaft	.00	62,600.00	62,600.00			
Diamond Drill	.00	4,727.00	4,727.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.	.00	1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS $	13,848.00	195,865.48	209,713.48	13848.00	195865.48	209713.48

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 11, 1954 *Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 6924.00
Signature [signature] (Authorized Certifying Officer)
Date 5/18/54 Vou. No. 1167
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /s/ Eric G Erickson Title Mining Eng. Date 5/13/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldak Title Mining Eng. Date 5/13/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 2719 Contract No. Idm E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$13,848.00	288½	$120,648.00	2,513½	48.00		
Raising								
Shafts	Ft.	.00		62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.	.00		4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket	Cu.Ft.	.00		5,187.00	3,900	1.33		
Trenching Station	" "	.00		4,030.00	6,200	.65		
Test Pits Sump	" "	.00		3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$13,848.00		$200,590.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment ~~Purchased~~ Installation		.00		1,000.00				
Initial Rehabilitation and Repairs		.00		8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$13,848.00		$209,713.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 11, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - Hercules

Summary of Progress during April, 1954

During April, the Hercules 1600 level was extended from 2074.5 to 2363 feet west of the station, an advance of 288.5 feet.

The vein developed by this advance is made up principally of iron minerals and quartz, carrying only a small proportion of galena and sphalerite. Part of the development material has been milled, to provide a check on sampling of the vein, but as yet none of the mill concentrates have been shipped to the smelter.

Rollin Farmin

RF:mbr

Assistant Manager

Form MF-107 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
APR 29 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1954 Docket No. DMEA 2719 Contract No. Idm E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50 % Amount, $ 121,430

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket	$ .00	$ 5,187.00	$ 5,187.00			
Bulldozing Sump	.00	3,398.48	3,398.48			
Crosscutting	16,272.00	90,528.00	106,800.00	16,272.00		
Drifting Station	.00	4,030.00	4,030.00			
Shaft	.00	62,600.00	62,600.00			
Diamond Drill	.00	4,727.00	4,727.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 16,272.00	$179,593.48	$195,865.48	16,272.00	179,593.48	195,865.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 9, 1954 Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 8136.00

Signature [signature] (Authorized Certifying Officer)

Date 4/23/54 Vou. No. 1141 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature 1st Eric G Erickson Title Mining Engr Date 4/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Zoldok Title Mining Engr Date 4/16/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1954 Docket No. DMEA 2719 Contract No. Idm E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$16,272.00	339	$ 106,800.00	2,225	48.00		
Raising								
Shafts	Ft.	.00		62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.	.00		4,727.00	1,361½	3.43		
Churn								
Auger								
Stripping Pocket	Cu.Ft.	.00		5,187.00	3,900	1.33		
Trenching Station	"	.00		4,030.00	6,200	.65		
Test Pits Sump	"	.00		3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$16,272.00		$ 186,742.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment ~~Purchased~~ Installation		.00		1,000.00				
Initial Rehabilitation and Repairs		.00		8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$16,272.00		$ 195,865.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date April 9, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 Hercules

Summary of Progress during March, 1954

During March, the Hercules 1600 level was extended northerly, as a crosscut, from 1745.5 feet to 1882.5 feet, an advance of 137 feet. The vein was encountered and a drift was extended westerly along it from 1872.5 feet to 2074.5 feet, an advance of 202 feet. Total advance for the month was 339 feet.

The vein is of marginal lead-zinc ore grade where it first was exposed by the crosscut, but the values diminish to the west where the vein is composed predominantly of iron minerals. The same pattern was observed in the comparable length of the 1300 level so we are not unduly discouraged.

Rollin Farmin

RF:mbr

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February 28, 1954 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

Contract Amount, $242,860.00 Government Participation: 50 % Amount, $121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket	$ .00	$ 5,187.00	$ 5,187.00			
Bulldozing Sump	.00	3,398.48	3,398.48			
Crosscutting	14,808.00	75,720.00	90,528.00			
Drifting Station	.00	4,030.00	4,030.00			
Shaft	.00	62,600.00	62,600.00			
Diamond Drill	.00	4,727.00	4,727.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 14,808.00	$ 164,785.48	$179,593.48	14808.00	164785.48	179593.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Mar. 16, 1954 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 7404.00

Signature [signature]
(Authorized Certifying Officer)

Date 3/24/54 Vou. No. 1117
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Eng. Date 3/22/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Eng. Date 3/22/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1954 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$ 14,808.00	308½	$ 90,528.00	1,886	$ 48.00		
Raising								
Shafts	Ft.	.00		62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.	.00		4,727.00	1,361½	3.43		
Churn								
Auger								
~~Stopes~~ Pocket	Cu. Ft.	.00		5,187.00	3,900	1.33		
~~Raises~~ Station	"	.00		4,030.00	6,200	.65		
~~Ore Bins~~ Sump	"	.00		3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 14,808.00		$ 170,470.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Installation								
Operating Equipment ~~Purchase~~		.00		1,000.00				
Initial Rehabilitation and Repairs		.00		8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 14,808.00		$ 179,593.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Mar. 16, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 Hercules

Summary of Progress during February, 1954

During February the Hercules 1600 level was extended from 1437.0 ft. to 1745.5 ft. west of the station, an advance of 308.5 ft. Additional excavation of 1645 cu. ft. was made for car transfers.

The Mercury fault cut off the barren Hercules vein at 1610 ft., after which approximately 300-ft. of crosscut will be required to reach the offset segment of vein, in which ore is expected.

Rollin Farmin

RF:mbr

Assistant Manager

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January 31 1954 Docket No. DMEA 2719 Contract No. Idm - E484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

Contract Amount, $ 242,860 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket $	.00	$ 5,187.00	$ 5,187.00			
Bulldozing Sump	.00	3,398.48	3,398.48			
Crosscutting	18,360.00	57,360.00	75,720.00			
Drifting Station	.00	4,030.00	4,030.00			
Shaft	.00	62,600.00	62,600.00			
Diamond Dri.	1,890.50	2,836.50	4,727.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.		1,000.00	1,000.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS $	20,250.50	$144,534.98	$164,785.48	20250.50	144534.98	164,785.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Feb. 16, 1954 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 10,125.25

Signature [signature] (Authorized Certifying Officer)

Date 2/24/54 Vou. No. 1094 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 2/25/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 2/25/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1954 Docket No. DMEA 2719 Contract No. Idm - E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	18,360.00	382½	75,720.00	1,577½	$ 48.00		
Raising								
Shafts	Ft.	.00		62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.	1,890.50	416	4,727.00	1,361½	3.43		
Churn								
Auger								
~~Stripping~~ Pocket	Cu.Ft.	.00		5,187.00	3,900	1.33		
~~Trenching~~ Station	"	.00		4,030.00	6,200	.65		
~~Test Pits~~ Sump	"	.00		3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 20,250.50		$ 155,662.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Installation								
Operating Equipment ~~Purchased~~		.00		1,000.00				
Initial Rehabilitation and Repairs		.00		8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 20,250.50		$ 164,785.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Feb. 16, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project—if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - Hercules

Summary of Progress during January, 1954

During January, the Hercules 1600 level west drift was extended from 1054.5 to 1437.0 feet from the shaft station, an advance of 382.5 feet. A portion of this advance was on vein containing low-grade mineralization and 444 tons of this material has been stored for possible future milling, to avoid the high cost of disposing of it as waste during a severe blizzard.

Diamond drilling (Item 5) in January involved deepening of two holes to test a hanging wall branch of vein disclosed earlier. 416 feet of holes were drilled.

ROLLIN FARMIN

RF:mbr

Assistant Manager

DAY MINES, INC.

WALLACE, IDAHO

COPY

D. M. E. A. 2719 - HERCULES

STATEMENT OF ADDITIONAL DIAMOND DRILLING COSTS

In addition to contract price paid to Vivian Brothers, Inc. for diamond drilling, Day Mines, Inc. incurs expense of an estimated fifty-cents per foot. A tabulation of these costs are as follows:

	Estimated Cost Per Foot
Compressed Air	$ .25
Hoisting & Transporting	.10
Core Boxes & Core Care	.15
	$ .50

In our invoice to you, we include the applicable contract rate plus this additional fifty-cents per foot.

Secretary

LGG:tdc

THIS AGREEMENT, made and entered into this 1st day of December, 1953, by and between DAY MINES, INC., a corporation organized and existing under the laws of the State of Idaho having its registered office and principal place of business in Wallace, Shoshone County, Idaho, the PARTY OF THE FIRST PART, and VIVIAN BROTHERS, INC., a corporation organized and existing under the laws of the State of Idaho having its registered office and principal place of business in Kellogg, Shoshone County, Idaho, the PARTY OF THE SECOND PART, WITNESSETH:

WHEREAS, the Party of the First Part owns and operates the HERCULES MINE in Shoshone County, Idaho, and to prospect and explore said mine is desirous of having certain diamond drill work performed therein and

WHEREAS the Party of the Second Part owns and operates diamond drill machines and equipment.

NOW, THEREFORE, it is mutually covenanted and agreed as follows:

1. That the Party of the Second Part herein is an independent contractor and there shall be no privity of contract between the Party of the First Part and employees of the Party of the Second Part. All such employees, whether on a wage or profit sharing basis, shall be selected, hired, directed and paid by Party of the Second Part, and that subject only to the specific limitations herein set out the Party of the Second Part shall have exclusive dominion and control of the operations herein contemplated.

2. That the Party of the Second Part agrees to furnish drilling labor, equipment, diamonds, and material necessary to the drilling of underground holes and shall diligently drill such diamond drill holes as the Party of the First Part shall specify according to specifications furnished by the Party of the First Part.

3. That the Party of the First Part agrees to furnish stations adequate for 10 ft. pulls for all holes up to 500 feet in depth and stations

adequate for 70 ft. pulls for all holes exceeding 500 feet in depth. Compressed air and water to be furnished by the Party of the First Part at the drilling stations at no expense to the Party of the Second Part.

4. That the Party of the Second Part shall perform all diamond drill work under regular mine conditions and during the ordinary working hours prevailing at the said Hercules Mine.

5. That the Party of the Second Part will at its own expense carry Workmen's Compensation Insurance and Occupational Disease Compensation Insurance covering its employees. That the Party of the Second Part will pay any taxes and make any deductions under the Federal Social Security Act, and the laws of the State of Idaho in aid thereof for which the Party of the Second Part may become obligated and will comply with other laws, rules, and regulations of any governmental authority affecting the operations of the Party of the Second Part in said premises, and will furnish the Party of the First Part with supporting evidence of such compliance.

That the Party of the Second Part will pay all such premiums required for Workmen's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Party of the First Part evidence of compliance with said law and payment of premiums due on such policies.

6. That the said Party of the Second Part will perform all drilling work in said premises in a miner-like manner and in accordance with the mining laws of the State of Idaho under such rules and regulations as have been or may be issued by the Industrial Accident Board of Idaho or the State Mines Inspector.

7. As payment in full for services performed by the Party of the Second Part, and for the use and rental of its drill machine and equipment, the Party of the Second Part shall be paid in accordance with the following schedules:

UNIT PRICE PER LINEAR FOOT FOR UNDERGROUND CORE DRILLING:

For the first 1,000 feet of total drilling of specified short holes - AX size core bit $2.50 per foot,

and for all drilling thereafter:

0 to 250'	AX size core bit	$3.00 per ft.
250 to 500'	AX size core bit	$3.50 per ft.
500 to 750'	AX size core bit	$4.00 per ft.
750 to 1,000'	AX size core bit	$4.50 per ft.

UNIT PRICE PER LINEAR FOOT FOR REAMING FROM EX TO AX SIZE HOLE:

0 to 250'	$1.50 per ft.
250 to 500'	$1.75 per ft.
500 to 750'	$2.00 per ft.
750 to 1,000'	$2.25 per ft.

In addition, the Party of the Second Part shall be paid at the rate of $5.25 per hour for handling casing.

8. That the Party of the Second Part agrees to collar all drill holes with BX size and continue with AX size holes until completion of holes if possible. However, in the event a hole caves and satisfactory core, sludge, or progress cannot be made, the Party of the Second Part will be permitted to case holes and reduce to EX size and continue the hole at the corresponding AX price per foot.

9. That on the last day of each and every month during the life of this agreement, the said Party of the First Part shall cause measurements to be taken of the diamond drill work performed by the Party of the Second Part during the month, and the compensation payable to the Party of the Second Part for his services performed shall be based upon the said measurements and shall be paid at the rate hereinbefore specified on or before the 10th of the following month hereafter during the life of the said agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in their respective names by their respective duly authorized

officers the day and year herein first above written and have affixed hereto their respective corporate seals the day and year first above written.

DAY MINES, INC.

By Henry L. Day
President

ATTEST:

S. H. Reichelt
Secretary

PARTY OF THE FIRST PART

VIVIAN BROTHERS, INC.

By C. B. Vivian
Vice President

ATTEST:

E. M. Vivian
Secretary

PARTY OF THE SECOND PART

Form MF-194 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 2719 Contract No. Idm-5464
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860.00 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket $	.00	5,187.00	5,187.00			
Bulldozing Sump	.00	3,398.48	3,398.48			
Crosscutting	18,696.00	38,664.00	57,360.00			
Drifting Station	.00	4,030.00	4,030.00			
Shaft	.00	62,600.00	62,600.00			
Diamond Drill	2,836.50	.00	2,836.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
* Rental Installation	1,000.00	.00	1,000.00	-0-		-0-
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.				1,000.00		1,000.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 22,532.50	122,002.48	144,534.98	22532.50	122002.48	144,534.98

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Jan. 13, 1954 *Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 11,266.25
Signature [signature] (Authorized Certifying Officer)
Date 1/20/54 Vou. No. 1053
(See other side)

*Item (6), Exhibit "A" of Contract

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 1/18/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldoke Title Mining Engr Date 1/18/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form [illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 3 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	$ 18,696.00	389½	$ 57,360.00	1,195	$ 48.00		
Raising								
Shafts		.00		62,600.00	313	200.00		
Winzes								
Drilling: Core	Ft.	2,836.50	945½	2,836.50	945½	3.00		
Churn								
Auger								
Pocket	Cu.Ft.	.00		5,187.00	3,900	1.33		
Station	" "	.00		4,030.00	6,200	.65		
Sump	" "	.00		3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		21,532.50		135,411.98				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Installation		1,000.00	00	1,000.00				
Initial Rehabilitation and Repairs		.00	00	8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 22,532.50		$ 144,534.98				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Jan. 13, 1954 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - Hercules

Summary of Progress during December, 1953.

During December, the Hercules 1600 level west crosscut was extended from 741.5 feet to 874 feet west of the station, an advance of 136.5 feet, which cut diagonally across the vein, exposing a zone forty feet wide of non-commercial mineralization. A drift was started along the footwall of the vein at 801.5 feet and was extended to 1054.5 feet, an advance of 253 feet. Total advance of the heading for the month was 389.5 feet.

Diamond drilling (Item 5) commenced in December and 945.5 feet of drilling was completed in three holes. Only low-grade vein material was disclosed. How low?

The installation of station, pocket and shaft bottom facilities was completed in December (Item 3). These included two pumps, two air-operated chute gates, transformers, battery chargers, signal system, telephone, station tugger, shaft bulkheads, a spill skip and three blowers for the ventilation system.

RF:mbr

Rollin Farmin
Assistant Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 2719 Contract No. Idm - E 484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

Contract Amount, $242,860.00 Government Participation: 50% Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket $	.00	5,187.00	5,187.00			
* Bulldozing Sump	3,398.48	.00	3,398.48			
Crosscutting	18,624.00	20,040.00	38,664.00			
Drifting Station	.00	4,030.00	4,030.00			
Shaft	.00	62,600.00	62,600.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS $	22,022.48	99,980.00	122,002.48			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec. 11, 1953 Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 11,011.24

Signature [signature] (Authorized Certifying Officer)

Date 12/18/53 Vou. No. 1014 (See other side)

*Resubmitted as suggested by DMEA Field Team.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 12/18/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen A Zoldok Title Mining Engr Date 12/18/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1953 Docket No. DMEA 2719 Contract No. Idm - E 484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	18,624.00	388	38,664.00	805½	48.00		
Raising								
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Pocket	Cu.Ft.			5,187.00	3,900	1.33		
Trenching Station	" "			4,030.00	6,200	.65		
Test Pits Sump	" "	3,398.48		3,398.48	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 22,022.48		$ 113,879.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS				$ 122,002.48				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Dec. 11, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DAY MINES, INC.

WALLACE, IDAHO

COPY

DMEA 2719 - Hercules

Summary of Progress during November, 1953

During November the Hercules 1600 Level west crosscut was extended from 353.5 feet to 741.5 feet, an advance of 388 feet.

Two diamond drill stations were excavated and most of the station and pumping facilities were installed.

After discussing the question of payment for the additional sump excavation that was deleted from the October voucher, we were advised to re-submit the item at this time.

Rollin Farmin

tdc

[illegible]-104 (Rev.)
[illegible]ril 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

U. S. DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct. 15 to Oct. 31, 1953 Docket No. DMEA 2719 Contract No. Idc-[illegible]
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860 Government Participation: 50% Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket	$ .00	$ 5,187.00	$ 5,187.00		5187.00	5187.00
* Bulldozing Sump	.00	3,400.00	3,400.00	[illegible].48	3398.48	- 0 -
Crosscutting	10,080.00	9,960.00	20,040.00	10,080.00	9960.00	20,040.00
Drifting Station	.00	4,030.00	4,030.00		4030.00	4030.00
Shaft	.00	62,600.00	62,600.00		62,600.00	62,600.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00		8123.00	8123.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 10,080.00	$ 93,300.00	$ 103,380.00	6681.52	93298.48	99980.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 13, 1953 Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3340.75

Signature [signature]
(Authorized Certifying Officer)

Date 11/18/53 Vou. No. 970
(See other side)

* Amdt. must be made to allow this charge.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E4484 in accordance with the terms of the contract.

Signature /S/ Eric G. Ericksson Title Min Engr Date 11-16-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A E Weissenborn Title Exec. officer Date Nov 16-53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

F-104A
(1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
NOV 23 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 15 to Oct. 31, 1953 Docket No. DMEA 2719 Contract No. Idm-1484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Ft.	10,080.00	210	20,040.00	417½	48.00		
Raising								
Shafts				62,600.00	313	200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Pocket	Cu. Ft.			5,187.00	3,900	1.33		
Trenching Station	" "			4,030.00	6,200	.65		
Test Pits Sump	" "			3,400.00	2,556	1.33		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 10,080.00		$ 95,257.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS				$ 103,380.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Nov. 13, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DAY MINES, INC.

WALLACE, IDAHO

COPY

NOV 23 1953

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS, OCT. 15-31, 1953

The short period reported herewith brings us back to normal monthly reports in the future.

The 1600 level crosscut west was extended from 143.5 feet to 353.5 feet, an advance of 210.0 feet. A car transfer and diamond drill station was excavated at 225 feet.

Rollin Farmin
Assistant Manager

tdc

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
NOV 20 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept. 1 to Oct. 15, 1953 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $242,860 Government Participation: 50% Amount, $121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Pocket $	.00	5,187.00	5,187.00			
Bulldozing Sump	3,400.00	.00	3,400.00	3398.48		
Crosscutting	9,960.00	.00	9,960.00	9960.00		
Drifting Station	.00	4,030.00	4,030.00			
Shaft	1,600.00	61,000.00	62,600.00	1600.00		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 14,960.00	78,340.00	93,300.00	14958.48	78 340.00	93298.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct. 20, 1953 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 7479.25

Signature [signature]
(Authorized Certifying Officer)

Date 11/4/53 Vou. No. 952
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484 in accordance with the terms of the contract.

Signature /S/ Eric G. Carlsson Title Mining Engr Date 10/26/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr Date 10/27/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-164A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 1 to Oct. 15, 1953 Docket No. DMEA 2719 Contract No. Idm-E484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting 207½ @ 48.00	Ft.	9,960.00	207½	9,960.00	207½	48.00		
Raising								
Shafts 8 @ 200.00	Ft.	1,600.00	8	62,600.00	313	200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stopping~~ Pocket	Cu.Ft.			5,187.00	3900	1.33		
~~Stopping~~ Station	" "			4,030.00	6200	.65		
~~Stopping~~ Sump	" "	3,400.00	2556	3,400.00	2556	1.33		
Roads and Trails								
Total Distributed Costs		$ 14,960.00		$ 85,177.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
Total Costs		$ 14,960.00		$ 93,300.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 20, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

Remarks:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 Hercules

Summary of Progress, Sept. 1, to Oct. 15, 1953

2 0 1953

The six-week period reported herewith includes the final work of shaft sinking and the final work of the pocket, sump and station excavation, which present inter-related problems of reporting.

The Hercules Shaft was deepened from "1672-ft. level" to "1680-ft. level", an advance of 8 feet of completed shaft. The total shaft sinking becomes 313 feet, leaving unused 17 feet ($3400.00) that originally was set up for this phase of the project. However, we prefer to exchange this for more efficient sumpage, excavated adjoining the 1600 level pocket, instead of at the shaft bottom as originally planned.

All of the station excavation (6200 cu. ft.) and pocket excavation (3900 cu. ft.) allowable have been reported and were allowed as progress for August, 1953. The sump excavation now reported is 2556 cu. ft. at $1.33 = $3400.00. This is less than the actual volume excavated, likewise the pocket excavation that has been reported is less than half the actual excavation that was completed with a view toward future mine operations beyond this exploration project. The sump, however, is thought to be necessary to the exploration project, because of the considerable flow of water that will be encountered. It has been placed alongside of the pocket, instead of using additional shaft bottom, with the objective of getting better settling and disposal of the sediment that will be washed from the advancing exploration headings.

Crosscutting on 1600 level was started and advanced 64 feet to the east. The main crosscut west was advanced 143.5 feet.

Rollin Farmin
Assistant Manager

tdc

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860 Government Participation: 50 % Amount, $ 121,430.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
~~Pocket Excavation~~	5,187.00	.00	5,187.00	5187.00		5187.00
* Station Excavation	4,362.80	.00	4,362.80	4030.00		4030.00
Crosscutting						
Drifting						
Shaft Sinking	3,000.00	58,000.00	61,000.00	3,000.00	58,000.00	61,000.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00		8,123.00	8,123.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 12,549.80	$ 66,123.00	$ 78,672.80	12,217.00	66,123.00	78,340.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 19, 1953 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

* Exceeded allowable maximum.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 6,108.50

Signature [signature]
(Authorized Certifying Officer)

Date 9/30/53 Vou. No. 923
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature S/ E. A. Erickson Title Mn. Eng. Date 9/29/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ M. E. Volin Title Member DMEA Field Team Date 9/30/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2719 Contract No. Idm-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts 151 @ 200.00	ft.	3,000.00	15	61,000.00		200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Pocket Excavation	cu.ft.	5,187.00	3900	5,187.00		1.33		
Station Excavation	"	4,362.80	6712	4,362.80		.65		
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 12,549.80		$ 70,549.80				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 12,549.80		$ 78,672.80				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 19, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs"; and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DAY MINES, INC.

WALLACE, IDAHO

COPY

September 19, 1953

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS DURING AUGUST, 1953

The Hercules Shaft was deepened from "1657-ft. level" to "1672-ft. level", an advance of 15 ft. of completed shaft. Excavation for the "1600-ft. level" station, pocket and sump were started and were advanced as follows:

Pocket Excavation	3,900 cu. ft.	(@ $1.33)
Station Excavation	6,712 "	(@ $0.65)

Considerable parts of the station and pocket openings have been rock-bolted, for support of the fractured ground.

Rollin Farmin

Assistant General Manager

tdc

[illegible]04 (Rev.)
[illegible]052)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1953 Docket No. DMEA 2719 Contract No. Idm - E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $242,860 Government Participation: 50 % Amount, $121,430

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	$ 21,000.00	37,000.00	58,000.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 21,000.00	45,123.00	66,123.00	21,000.00	45,123.00	66,123.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 11, 1953 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 10,500.00

Signature [signature]
(Authorized Certifying Officer)

Date 8/21/53 Vou. No. 883
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E484, in accordance with the terms of the contract.

Signature /s/ John A. Boucher Title Mining Engr Date 8/18/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr Date 8/19/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

F104A
(1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 2719 Contract No. Ida - E 484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts 105' @ $200.00	Ft.	21,000.00	105	58,000.00	290	200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 21,000.00	105	58,000.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 21,000.00		$ 66,123.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Aug. 11, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DAY MINES, INC.

WALLACE, IDAHO

COPY

August 11, 1953

DEPARTMENT OF THE ARMY
Defense

DMEA 2719 - Hercules

SUMMARY OF PROGRESS DURING JULY, 1953

The Hercules shaft was deepened from "1552-ft. level" to "1657-ft. level", an advance of 105 ft. of completed shaft.

No unusual conditions were encountered and the ground traversed remained relatively uniform.

Rollin Farmin
Superintendent

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1953 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $242,860 Government Participation: 50 % Amount, $121,430

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	$ 17,000.00	$ 20,000.00	$ 37,000.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	.00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 17,000.00	$ 28,123.00	$ 45,123.00	17,000.00	28123.00	45123.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 13, 1953 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 8500.00

Signature [signature]
(Authorized Certifying Officer)

Date 7/21/53 Vou. No. 842
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-484 in accordance with the terms of the contract.

Signature Eric G Erickson Title Mining Engr Date 7/20/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr Date 7/20/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 2719 Contract No. IDM-E484

Operator's Name DAY MINES, INC. Minerals Lead-Zinc

Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts 85' @ 200.00	ft.	$17,000.00	85	$ 37,000.00	185	200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$17,000.00	85	$ 37,000.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		$17,000.00		$ 45,123.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date July 13, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DAY MINES, INC.

WALLACE, IDAHO

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

COPY

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS DURING JUNE, 1953

The Hercules shaft was deepened from "1467-ft. level" to "1552-ft. level", an 85-ft. advance of completed shaft.

No unusual conditions developed, although sickness among crew members, power outages and a Union Holiday somewhat retarded advance.

Rollin Farmin

Superintendent

-104 (Rev.)
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Wash.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of MAY 195 3 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $ 242,860 Government Participation: 50 % Amount, $ 121,430

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	$ 16,000	$ 4,000.00	$ 20,000.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	00	8,123.00	8,123.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 16,000	$ 12,123.00	$ 28,123.00	16,000.00	12,123.00	28,123.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 8, 1953 *Payee DAY MINES, INC.
Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 8000 00
Signature [signature] (Authorized Certifying Officer)
Date 6/16/53 Vou. No. 791
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 484 in accordance with the terms of the contract.

Signature S/ E. H. Erickson Title M. Eng Date 6/15/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ F. E. Howard Title M. Eng Date 6/15/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of MAY 1953 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts 80' @ $200.00	Ft.	$ 16,000	80	$ 20,000.00	100	$200.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 16,000	80	$ 20,000.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS				$ 28,123.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 8, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DAY MINES, INC.

WALLACE, IDAHO

COPY

DMEA 2719 - Hercules

SUMMARY OF PROGRESS DURING MAY, 1953

The shaft-sinking operation suffered a setback during the first week of May because of a fatal accident. A full crew was organized and in normal cycle by May 6. The shaft was deepened from "1387-ft. level" to "1467-ft. level" in May, an advance of 80 feet of completed shaft.

ROLLIN FARMIN

Superintendent

tdc

Fo[redacted]104 (Rev.)
[redacted] 1952)

UNITED STATES
DE[redacted]RTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

JUN 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $242,860 Government Participation: 50 % Amount, $121,430

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking $	4,000.00	.00	4,000.00	4000.00	—	4000.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	.00	8,123.00	8,123.00	—	-0-	-0-
(5) Initial Rehabilitation and Repairs					8123.00	8123.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS $	4,000.00	8,123.00	12,123.00	4000.00	8123.00	12123.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 8, 1953 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2000.00

Signature [signature]
(Authorized Certifying Officer)

Date 5/25/53 Vou. No. 772
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 484 in accordance with the terms of the contract.

Signature /S/ Edward W Buel Title Mining Engr Date 5/14/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 5/19/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising Shafts 20 ft. @ 200.00	ft.	4,000.00	20	4,000.00	20	4,000.00	330	@ 200.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4,000.00	20	4,000.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS				$ 12,123.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 8, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS DURING APRIL, 1953

Rehabilitation of the bottom 67 ft. of the old Hercules Shaft was completed during April.

The remaining equipment needed for shaft sinking was installed and sinking was started, converting the old four-compartment shaft to its new three-compartment form. 20 lin. ft. of new shaft was completed in April, extending it to the "1387-ft. level."

tdc

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
APR 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1953 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho
Contract Amount, $242,860 Government Participation: 50 % Amount, $121,430

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	$ 8,123.00	.00	$ 8,123.00	8123.00	—	8123.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 8,123.00		$ 8,123.00	8123.00	—	8123.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 8, 1953 *Payee DAY MINES, INC.

Per [signature] Title Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4061.50

Signature [signature] (Authorized Certifying Officer)

Date 4/22/53 Vou. No. 939
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 13484 in accordance with the terms of the contract.

Signature /S/ Edward W Burl Title Mining Engr Date 4/17/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 4/17/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 2719 Contract No. IDM-E484
Operator's Name DAY MINES, INC. Minerals Lead-Zinc
Address Wallace, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs	$	8,123.00		$ 8,123.00				
New Buildings, Improvements, etc.								
TOTAL COSTS	$	8,123.00		$ 8,123.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date April 8, 1953 Operator DAY MINES, INC.

Per [signature] Title Secretary

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

DAY MINES, INC.

WALLACE, IDAHO

COPY

April 8, 1953

DMEA 2719 - HERCULES

SUMMARY OF PROGRESS DURING MARCH, 1953

Rehabilitation of the Main Shaft below 1200 Level was two-thirds completed in March. This work progressed under covering bulkheads while a general repair of the upper part of the shaft was proceeding overhead. This general repair of the upper part of the shaft is necessary for safety during the subsequent shaft sinking, but is not considered a part of DMEA 2719.

Rehabilitation below 1200 Level included unwatering, mucking up old spill, removing old bulkheads; also, installing shaft guides, ladders, pipes and electric cables in the newly opened part of the shaft. It also involved installing a dam and pump on 1200 Level, as well as a Porter Hoist, sheave, work cage, sinking bucket and bucket-dumping device and a slusher hoist and scraper. 100 ft. of rehabilitation is considered complete at this time. The remaining 67 ft. is partly rehabilitated now, but will not be reported complete until next month.

Certain work on the sinking phase of the project (framing of timber sets, etc.) has been started, but no sinking has been completed.

Expense in excess of maximum amount allowable for rehabilitation has already been incurred, therefore, the full amount is claimed on this report.

Rollin Farmin, Supt.

tdc

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APR 17 1959
INDEX COPY
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AMENDED EXPLORATION PROJECT CONTRACT
DAY MINES, INC.
DOCKET NO. DMEA-2719

Amendment No. 1

It is agreed this 2nd day of July, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Day Mines, Inc., that Amended Exploration Project Contract Idm-E484, Docket No. DMEA-2719, dated December 6, 1956, is amended, effective December 6, 1956, as follows:

(a) In Exhibit "A", Stage II, work item numbered 7 is revised to read:

> "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 in the clear of timber."

(b) In Exhibit "A", Stage II, a new work item 9 is added as follows:

> "9. Not to exceed a total of 1600 feet of long hole percussion drilling may be done on the 1600, 1750 and 1900 levels, as approved by the Government."

(c) In Exhibit "A", under the "Estimated Cost of Project, Stage II":

(1) Item 7 is revised to read:

"7. Drifting and crosscutting, 950 feet @ $48.00/ft.	$45,600.00"

(2) A new item 9 is added as follows:

"9. Long hole percussion drilling, 1,600 feet @ $1.50/ft.	$ 2,400.00"

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount of the Government's contribution, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

DAY MINES, INC.

By Max Daimer

Title Vice President

Contract Resumé

Jobs-E 484, DMEA-2719, Day Mines, Inc.

Item	Authorized by Contract			Amendment No. 1#		Amendment No. 2		Total Authorization		Totals - Nov. 54 MF-104		Authorized Balance	
Agreed Unit Costs:													
Shaft	330'	@ $200.00	$66000.00	—	—	—	—	330'	$66000.00	313'	$62600.00	17'	$3400.00
Station Excavation	6200#	65	403000	—	—	—	—	6200#	403000	6200#	403000	—	—
Pocket "	3900#	133	518700	—	—	—	—	3900#	518700	3900#	518700	(2556#)	(339848)
Sump "										2556#	339848		
Drift/Crosscut	2640'	48.00	126720.00	188'	9024.00	650'	31200.00	3478'	166944.00	2828'	135744.00	650'	31200.00
Timbering	880'	500	440000	—	—	200'	100000	1080'	540000	246'	123000	834'	417000
Raise	320'	70.00	22400.00	(128.8')	(9024.00)	95'	6650.00	286.1'	20026.00	330.5'	23135.00	(44.4')	(3109.00)
Diam. drilling	—	—	—	—	—	2000'	700000	2000'	700000	—	—	2000'	700000
Independent Contract:													
Diam. drilling	1000'	500*	500000*	—	—	—	—	1000'	500000*	1361.5'	472700	(361.5')	27300
Labor, Supervision, etc.													
Labor		—	650000	—	—	—	—	—	650000				
Supervision		—	100000*	—	—	—	—	—	100000*				
										—	812300	—	—
Operating Equipment:													
Depreciation		—	62300*	—	—	—	—	—	62300*				
New Work, Supervision, etc:													
Pumps, gates, elec. equip. etc		—	100000*	—	—	—	—	—	100000*	—	100000	—	—
Totals		—	$2428600.00	—	—	—	$458500.00	—	$2887100.00	—	$2491744.48	—	$395355.52

* Designated by asterisks in Exh. A as "allowable maximums"; however, art. 6(a)1 of contract provides that no. of units under Independent Contracts is also on "allowable maximum".

\# Amendment No. 1 provides for the use of raising funds for additional drifting, which per MF-104 amounted to 188'.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

FEB 2 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2719, Day Mines, Inc. (lead-zinc), Contract No. Idm-2484, Amendment No. 3

Reference is made to Mr. Griswold's memorandum to this office of February 18 requesting the preparation of Amendment No. 3 pursuant to a draft thereof prepared by the Contract Administration and Audits Division.

It appears to this office that further adjustment of the account is necessary before an amendment can be drafted as requested, because the work provided for by the proposed amendment totals more than the total amount that would be allowed by the amended contract. The following statement of the account as suggested by the draft of amendment will point up the difficulty:

Unit Costs

Shaft	$66,000	
reduced by your item 1	3,400	$ 68,600
Excavate station		4,030
" pocket	5,187	
increased by your item 1	3,400	8,587
Drifting 2640' / 188' / 650'		166,944
Timber $4,400 / $1,000		5,400
Raise 191' / 95' / 44.5'		23,135
Drilling		7,000

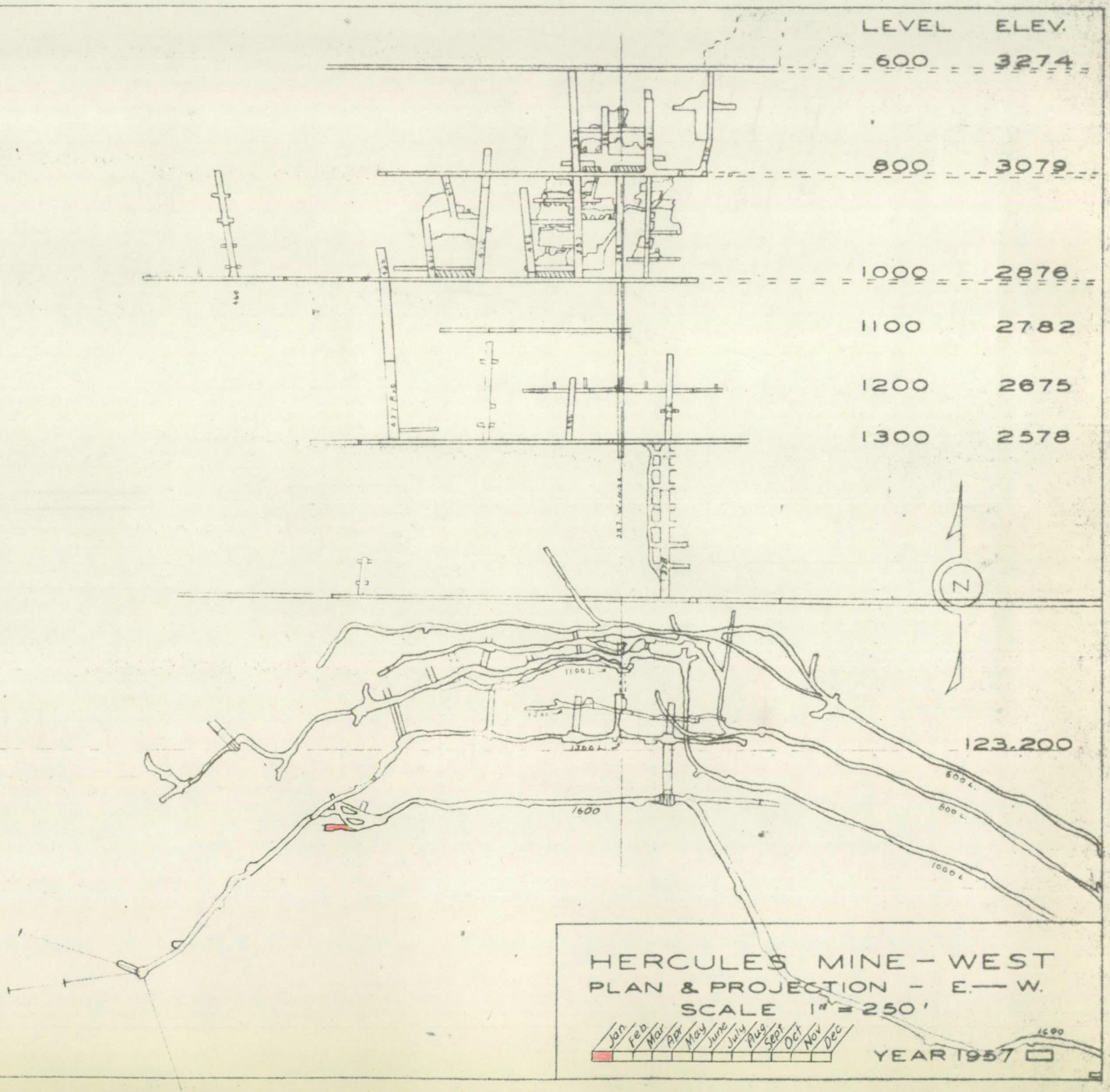
Actual Costs

Drilling $5,000 reduced to	4,727
Other	9,123
Total - Amendment No. 3	$291,546
Estimated Total - Amendment No. 2	288,710
Excess	2,836

JLHofflund/emd
Copy to: DMEA Docket
Solicitor's Docket
J. L. Chambers
W. R. Griswold
J. L. Hofflund
chron.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals


LEVEL ELEV.
600 3274
800 3079
1000 2876
1100 2782
1200 2675
1300 2578
N
123.200
1600
HERCULES MINE - WEST
PLAN & PROJECTION - E. — W.
SCALE 1" = 250'
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
YEAR 1957

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DATE	INITIALS	CODE