OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 2 1959

DATE	INITIALS	CODE
2-2	C	220
"	JH	110
"	EWF	800
2-4	WRB	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: July 1 to December 31, 1958

Date of report: January 2, 1959

Operator: Sunset Mines, Inc., P. O. Box 869, Kellogg, Idaho

Mine name: Liberal King (Sunset)

County and State: Shoshone County, Idaho

Docket number and commodity: DMEA-3409 (lead-zinc)

Contract number: Idm-E738

Date of contract: November 22, 1954

Date of certification: June 25, 1958 (in Termination Agreement)

Expiration date of royalty payments: November 22, 1965

Total amount of contract:	$101,125.00
Total expenditures under contract:	15,585.00
Amount of Government participation @ 50%:	7,792.50
Contribution by the Government under Contract Idm-E102 to be added to Government contribution to Idm-E738:	42,739.75
Total for repayment to Government:	$ 50,532.25
Royalty payments this period:	$ 847.70
Previous royalty payments:	none
Total royalty payments to date:	847.70
Percent of Government participation repaid:	1.7%
Royalty due on production to date:	none

	Tons	Analysis
Original estimate of DMEA reserves (from Field Team final report) Mines ___ Survey ___ Joint x	No measurable reserves indicated.	
Revised estimate of DMEA reserves (Field Team) Mines___ Survey___ Joint ___		
Increase of reserves by work performed subsequent to DMEA project work:		
Production of DMEA ore (this period):	none	
(previous):	177.4290 tons Zn conc. 27.050 " Pb "	
(to date):	same as above	
Production of Operator's ore found subsequent to DMEA work (this period):	none	
(previous):	none	
(to date):	none	
Percent of revised reserves mined:		

Production remarks: The above production was mined and sold by lessees during the contract period. Royalty due was not paid until July 25, 1958.

The mine was shut down in November 1957.

Investment data: none

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

Signed: S. W. Zoldok (Engineer)

NON-PRIVILEGED DOCUMENT

TO BE PHOTOCOPIED AND PRODUCED

DO NOT CODE

BATES NO. USGS P0000412

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 2257

U. S. 1958
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 12/3/58
(Give place and date)

O.M.E.

THE UNITED STATES, Dr. Payee's Account No. Idm-E738 DMEA-3409

To Sunset Mines, Inc.
(Payee)

1400 West 52nd Street Seattle Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Aug. 1956	Balance withheld under Voucher No. 1876, dated 9/21/56				200	00
	Sept. 1956	As per attached certified form MF-104, dated 10/3/56, adjusted to audit				56	24
	June 1957	As per attached certified form MF-104, dated 7/9/57				306	75
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 562 99

(Payee must NOT use this space)

Differences .....

Account verified; correct for 562 99

(Signature or initials) .....

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

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1958

OPERATOR'S MONTHLY REPORT AND VOUCHER

O.M.E.

Amendment No. 4

Month of June, 1957 Docket No. DMEA 3409 Contract No. Idm-E738

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

Address P.O. Box 869, Kellogg, Idaho

Contract Amount, $101,125.00 Government Participation 50 % Amount, $ $50,562.50

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 (Core)					12,099.00	12,099.00
Bulldozing						
Crosscutting						
Drifting						
Survey Holes 301 + 302					160.00	160.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Services & Supplies					1396.00	1396.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	313.50		313.50	313.50	927.50	1241.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis					14.00	14.00
Payroll Taxes						
Liability Insurance						
Excavating Dia. Drill Station	300.00		300.00	300.00	375.00	675.00
(8) Contingencies (specify):						
TOTALS	$613.50		$613.50	613.50	14971.50	15,585.00

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

Date July 9th 1957 *Payee Sunset Mines, Inc.,

Per R. E. Lowe Title Manager

*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:

306.75

$ 306.75

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/3/58 Vou. No. 2257

(See other side)

1 Copy 104A
1 " Narrative To Work
2/7/58

(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. 6738 in accordance with the terms of the contract.

Signature /s/ Stephen W. Zoldak Title Mining Engr. Date 12-2-58

APPROVAL BY ~~DMEA~~ OME EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 3, 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.

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 September 1958, 195..... Docket No. DMEA 329 Contract No. [illegible]
Operator's Name Sunset Mines, Inc. Minerals Lead - Zinc
Address P. O. Box [illegible], Kellogg, Idaho
Contract Amount, $101,125.00 Government Participation: 50 % Amount, $50,562.50

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 Core	$100.00	$11,999.00	$12,099.00	100.00	11999.00	12,099.00
Bulldozing						
Crosscutting						
Drifting						
Survey of Holes 301		160.00	160.00		160.00	160.00
(2) Labor and Supervision: 302						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Services & Supplies	12.50	1,383.50	1,396.00	12.50	1383.50	1396.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		927.50	927.50		927.50	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		14.00	14.00		14.00	14.00
Payroll Taxes						
Liability Insurance						
Excavating Blast Drift Station		375.00	375.00		375.00	375.00
(8) Contingencies (specify):						
TOTALS	$112.50	$14,859.00	$14,971.50	112.50	14859.00	14971.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date October 3rd 1958 *Payee Sunset Mines, Inc.

Per P. F. Lones Title Manager

*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:
56.25
$ 56.24

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/3/58 Vou. No. 2257
(See other side)

I by mistake sent to Washington 10/23/58

adj. to credit 56.25 -.01 Pay. $56.24

(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-738 in accordance with the terms of the contract.

Signature /s/ Eric G. Erickson Title Mining Engr. Date 10/15/56

APPROVAL BY ~~DMEA~~ DME EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 3, 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:

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

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

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

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.

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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".

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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.

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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.

CENTRAL FILE COPY
DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE
8/26	C	220
8/26	Com	100
"	Ed	110
8/27	EEJ	800
"	alt	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

August 8, 1958

MEMORANDUM

To: DMEA Field Team, Region I

From: J. D. Bardill and E. G. Erickson, Mining Engineers, U. S. Bureau of Mines

Subject: Final inspection report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

Finished!

The exploration project contract was terminated by mutual agreement on June 25, 1958, effective as of July 1, 1957.

The project site was last inspected by J. D. Bardill on July 9, 1957. His memorandum report of July 22, 1957, lists the following work completed under Stage II:

Stage II	Authorized	Completed
Rehabilitation	$313.50	$313.50
Drill station	600 cu. ft.	600 cu. ft.
Core drilling	3,000 ft.	none
Drill hole surveys	3	none

The work completed under Stage I of the contract was reported by E. G. Erickson in his memorandum dated September 21, 1956. The units were:

Stage I	Authorized	Completed
Rehabilitation	310 ft.	265 ft.
Drill station	1	1
Drill hole surveys	3	2
Assays	30	4
Core drilling	4500 ft.	2795 ft. *

* Although 2795 feet of drilling was completed, only 2792 feet can be approved for payment because the maximum allowable depth of the last hole drilled was 450 feet; its total depth was 453 feet.

The Government has no equity in equipment, materials or supplies used on the project.

A pseudo-certification is included in the Termination Agreement dated June 25, 1958, and Annex II of the contract provides for repayment of the Government's contribution to the costs of work performed under a prior contract, Idm-E102.

J. D. Bardill
E. G. Erickson

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Turner
Docket
Bardill

ACTION ON INF
OR FINAL FIELD TEAM REPORT

Date 11-29-57

Referred to:

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

Note comments in report regarding:

1. Russ requested
2. reply due.
3.
4.

and take approopriate action.

= = = = = = = =

Action taken by Division:

Robert E. Adams RE

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 29 1957

DATE	NOTES	CODE
11/29	gr	
"	Copy	220
12/2	air	100
		500.

November 25, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: R. D. Sample and D. R. MacLaren, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Liberal King (Sunset) Mine, Shoshone County, Idaho, Contract No. Idm-E738.

The Liberal King (Sunset) mine was visited November 19, 1957 by the writers. Mr. Lomas, mine manager, and Mr. Dahlstrom, bookkeeper, were at the mine office.

No DMEA contract work is in progress but leasers are producing a limited amount of ore from below the 600 level in the area excluded from royalty payment to the Government by Amendment No. 1. Mr. Lomas stated that there are about 100 tons of "leasers" ore in the mill bins and that as soon as this ore is milled, the mine will be closed for the winter because of lack of funds necessary to carry on the DMEA project. He hopes that funds will be available by next July. A company request for a recess period from July 1, 1957 to July 1, 1958 and postponement of the termination date from November 22, 1957 to November 22, 1958 has been sent to the Operating Committee and is being considered.

The question of back royalties was discussed with Mr. Lomas. He has referred the Field Team letters of May 28, 1957, October 16, 1957, and November 4, 1957 to his Board of Directors in Seattle but has not yet been able to get a decision regarding their intentions with respect to payment. He was urged to try and get some reply from them and said he expected to call them on the telephone that evening and would again ask for a reply.

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 14 1957

DATE	INITIALS	CODE
11/14	C	220
11/14	Com	100
11/15	Jwa	500

October 15, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: R. D. Sample, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

The above project was visited and inspected October 10-11, 1957 in company with John Papastamatiou, geologist from Athens, Greece and guest of the U. S. Government. Mr. Ray E. Lomas, mine manager, was contacted at the mine and progress of the exploration project was discussed. Mr. Lomas informed the examiners that due to a lack of funds the company has been unable to start the diamond drilling under the DMEA contract as amended on February 6, 1957. However, Mr. Lomas has been advised that the Board of Directors are meeting during the week of October 14-19 to determine whether the necessary funds can be raised to complete the drilling project.

The underground workings of the mine were inspected from the main adit entrance to the 1300 level, the lowest level in the mine. Rehabilitation of approximately 500 feet of the main level has been completed, track laid, water and air lines installed, and a diamond drill station cut at the end of the level according to the terms of the contract.

At the time of the visit 6 or 8 leasers were working on the 1000, 1200 and 1300 levels gophering along the Sunset vein and pulling a few mineralized pillars. The leasers say that the ore they are mining and processing at the Sunset mill will average about 15 percent lead and zinc combined on the 1000 and 1200 levels but only about 10 percent combined lead and zinc on the 1300 level.

The mill at the Sunset mine has a capacity of 125 tons per day but is only running two or three days a week, depending upon the amount of ore produced by the leasers. The zinc concentrates average about 52 percent zinc and 10 percent lead; the lead concentrates average about 60 percent lead, 3.5 percent zinc, and $1\frac{1}{2}$ ounces per ton silver.

The concentrates are shipped by truck to the Bunker Hill smelter at Kellogg, Idaho. Cost of trucking the concentrates to the smelter is $1 per ton.

According to John D. Bardill, Engineer, U. S. Bureau of Mines in his Interim Report of July 22, 1957, the status of the contract is as follows:

Date of contract: November 22, 1954
Termination date: November 22, 1957
Amount of contract: $101,125.00
Amount spent: $ 15,585.00 (through June 1957)

		Authorized	Completed
Stage I	Completed		
Stage II			
	Rehabilitation	$313.50	$313.50
	Drill stations, cu. ft.	600	600
	Core drilling, ft.	3,000	none
	Drill hole surveys	3	none
Stage III			
	Contingent on results of Stage II.		

R. D. Sample

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE
10/7	B	220
4	Cons	100
10/11	Jwa	500

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

September 18, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: John D. Bardill, Bureau of Mines

Subject: Routine inspection report, Docket No. DMEA-3409 (lead-zinc) Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

This project was visited September 13, 1957.

In the absence of Mr. R. E. Lomas, manager, Mr. George Dahlstrom, bookkeeper, informed me that although the company principals had visited the property several days before, apparently no decision had been about future company plans. Lack of funds is still preventing resumption of DMEA contract work.

The status of the contract at the time of the inspection was as follows:

Date of contract: November 22, 1954
Termination date: November 22, 1957
Amount of contract: $101,125.00
Amount spent: 15,585.00

		Authorized	Completed
Stage I			
	Completed		
Stage II			
	Rehabilitation	$313.50	$313.50
	Drill stations, cu. ft.	600	600
	Core drilling, ft.	3,000	none
	Drill hole surveys	3	none
Stage III			
	Contingent on results of Stage II.		

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

John D. Bardill

John D. Bardill

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 19 1957

DATE	NOTES	CODE
19	Com	100
8/21	Jua	500

July 22, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: John D. Bardill, Bureau of Mines

Subject: Interim report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

The project was visited July 9, 1957, and progress of the exploration work was discussed with Mr. R. E. Lomas, manager.

Rehabilitation of approximately 500 feet of the main tunnel level has been completed. A diamond drill station has been cut in the back at the end of the tunnel inclined about 60 degrees. The enlarged cut is about 5 feet wide, 6 feet long and 20 feet high.

Diamond drilling has not been started because of a lack of funds. Mr. Lomas stated that an assessment had recently been levied but he had not been informed at that time regarding the results of the assessment. He hoped to resume work in the near future.

The status of the contract at the time of the inspection was:

Date of contract: November 22, 1954
Termination date: November 22, 1957
Amount of contract: $101,125.00
Amount spent: 15,585.00 (thru June 1957)

		Authorized	Completed
Stage I			
	Completed		
Stage II			
	Rehabilitation	$313.50	$313.50
	Drill station, cu. ft.	600	600
	Core drilling, ft.	3,000	none
	Drill hole surveys	3	none
Stage III			
	Contingent on results of Stage II		

John D. Bardill

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

W

Gussard
Kluz

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Amendment No. 4

June 7, 1989

OPERATOR'S UNIT COST AND PROGRESS REPORT

Idm-E738
Lead-Zinc

Sunset Mines, Inc.,
P. O. Box 869 , Kellogg, Idaho

Month of ..... 195..... Docket No. DMEA ..... Contract No. 3409

Operator's Name ..... Minerals .....

Address .....

Operation	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Rate	Units	Authorized by Contract
XXXXXX Diamond Drilling Amendment #3 Completed (stage I Amendment No. 4)								$114,971.50
XXXXXXXXX Diamond drilling Amendment No.4				613.50	(stage No.2)	613.50	Units	15,173.50
~~xxxxxx~~ Drifting ,Raising & Timbering Amendment No.4 Stage III						none		70,980.00
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Initial Rehab. & Repairs								
~~Total Development Costs~~		313.50		313.50				Total Costs Authorized by Contract
Operating Equipment Purchased Excavating Dia.Drill Sta.		300.00		300.00				
~~Initial Rehab. and Repairs~~		$613.50		$613.50				$101,125.00
New Buildings, Improvements, etc.								
Total Costs								

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

July 9th 1957

Sunset Mines, Inc.,

Manager

Date ..... Operator .....

Per P. E. Lines Title .....

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)

Additional copy of Form 104A, 2 copies Form 104, with narratives, are being retained pending royalty settlement and final audit.

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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

July 9th 1957

United States, Department of the Interior,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

Amendment No. 4,
Docket No. DMEA 3409
Contract No. Idm -E738
Sunset Mines, Inc.,
Shoshone County, Idaho.

Gentlemen:

Enclosed are five copies of form MF-104 also five copies of form MF -104 A.

The rehabilitation of approximately 500 feet of the main tunnel east of the main shaft and the 600 cu.ft. excavation for a diamond drill station was completed in June 1957.

No other progress has been made on the project since September 1956. All work on the project was suspended at that time pending approval of Amendment No. 4.

Yours truly,

SUNSET MINES, INC.,

By R. E. Lomas
R.E.Lomas, Manager

ged

RECEIVED

holding payment
pending action
on a request for
additional work by
Washington

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1957

DATE	INITIALS	CODE
4/1	Com	100
4/3	alt	500

4/10/57

March 27, 1957

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

The property was visited March 19, 1957, and progress of the exploration project was discussed with Mr. R. E. Lomas, manager.

Mr. Lomas reported operations at the mine have declined and he has only a few men working. He has started retracking the crosscut to the drilling site and putting in air line. He has the motorman, compressorman, mechanic and any other men on the job whenever they have spare time. The company is short of funds and he stated that the value of the stock is so low that it is next to impossible to raise more money by assessments. He believes he will be able to start drilling next month.

The status of the contract is:

Date of contract: November 22, 1954
Termination date: November 22, 1957
Amount of contract: $101,125.00
Amount spent: 14,971.50 (thru Sept. 1956)

	Authorized	Completed
Stage I		
All authorized work completed		
Stage II		
Rehabilitation	$313.50	none
Drill station	600 cu. ft.	"
Core drilling	3000 ft.	"
Assays	20	"
Drill hole surveys	3	"
Stage III		
Contingent on results of Stage II		

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

E. G. Erickson

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

ae
Kluz

September 1956 — Amendment No. 3

Month of September 195 — Docket No. DMEA 3[illegible] — Contract No. [illegible]
Operator's Name Sunset Mines, Inc. — Minerals Lead - Zinc
Address P. O. Box 602, Kellogg, 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				8/26/57 WPK		0	1633	$50,675.00
Crosscutting Timber						8	1000	8,000.00
Raising						0	100	10,100.00
Shaft Assaying						0	120	1,20.00
Winzes								
Drilling: Core	25	100.00	25	$12,099.00	2207	$12,099.00	1500	23,375.00
Services Diamond Drill Assay	25	12.50	25	1,392.00	2207	1,392.00	1500	8,250.00
Stripping				34.00	4	34.00	30	195.00
Surveying, Mines				160.00	2	160.00	3	210.00
Trenching								
Test Pits								
Roads and Trails								1/30/57 J.W.A.
Total Distributed Costs		$112.50		$13,669.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				927.50	268			$1,085.00
New Buildings, Improvements, etc.								
Excavating drill station				375.00				375.00
Total Costs				$14,971.50				$101,125.00

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 October 3rd 1956 Operator Sunset Mines, Inc.,

Per P. E. Lomas Title Manager

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)

RECEIVED JAN 24 1957 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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

Defense Minerals Exploration Administration,
1201 W. Division Street,
Spokane 2, Washington

Re: Docket No. DMEA 3409
Contract No. Idm - E 738
Sunset Mines, Inc.,
Shoshone County, Idaho.

Gentlemen:

Enclosed are five copies of Form MF -104 also five copies of Form MD - 104 A.

During the month of September 1956 Diamond Drill Hole No. 303 bearing N 25 degrees flat was extended from 425 feet to 450 feet and stopped. No mineralization was encountered in that area.

This completes the footage authorized in your letter dated August 14th 1956.

Yours truly,

SUNSET MINES, INC.,

R. E. Lomas

By
R.E. Lomas,
Manager

gcc

RECEIVED
JAN 24 1957
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
September 21, 1956

RECEIVED
OCT - 8 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

Mr. R. E. Lomas was contacted at the mine September 11. Drill hole No. 303 had been stopped at a total depth of 453 feet. This is all the drilling that is presently authorized by the Government.

The drilling to date has failed to disclose a target that would justify crosscutting to and subsequent drifting.

Mr. Lomas stated he was going to confer with a geologist familiar with the property in an effort to determine further exploration possibilities. He was informed that the Government would give due consideration to any worthwhile proposal presented.

A summary of project work is:

	Authorized	Completed
Rehabilitation	310 feet	265 feet
Drill station	1	1
Drill hole surveys	3	2
Assays	30	4
Core drilling	4500 feet	2795 feet

Date of contract: November 22, 1954
Expiration date: November 22, 1956
Amount of contract: $101,125.00
Amount spent: 14,859.00

E. G. Erickson

E. G. Erickson

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

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

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 24 1956

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

Amendment No. 3

Month of August 1956, 195 Docket No. DMEA 3b09 Contract No. Ide- 738
Operator's Name Sunset Mines, Inc., Minerals Lead - Zinc
Address P. O. Box 669, Kellogg, Idaho
Contract Amount, $101,125.00 Government Participation: 50 % Amount $50,562.50

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:				10/11/56 RK		10/8/56 J.W.W.
Drilling Core	$1,959.00	10,040.00	11,999.00	1959.00	10040.00	11999.00
Bulldozing						
Crosscutting						
Drifting						
Survey of Holes 301 & 302		160.00	160.00		160.00	160.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Services & Supplies	244.50	1,139.00	1,383.50	244.50	1139.00	1383.50
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		927.50	927.50		927.50	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		14.00	14.00		14.00	14.00
Payroll Taxes						
Liability Insurance						
Excavating Dia.Drill Station		375.00	375.00		375.00	375.00
(8) Contingencies (specify):						
TOTALS	$2,203.50	12,655.50	$14,859.00	2203.50	12655.50	14859.00

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

Date Sept.5th 1956 *Payee Sunset Mines, Inc.

Per R. E. Lomas Title Manager

*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:

$ 901.75

Signature M.D.P.
(Authorized Certifying Officer)

Date 9-21-56 Vou. No. 1876
(See other side)

1101.75
200.00
901.75

(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. 6738 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Eng. Date 9-19-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Wesenborn Title Exec Officer Date 9-20-56

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.

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
SEP 24 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Amendment No. 3

Month of August 1956 195____ Docket No. DMEA 3409 Contract No. Ida-E-738
Operator's Name Sunset Mines, Inc. Minerals Lead Zinc
Address P. O. Box 869, Kellogg, 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						0	1633	$53,875.00
~~Crosscutting~~ Timber						0	1000	5,000.00
Raising						0	400	16,400.00
~~Shafts~~ Assaying						0	120	420.00
Winzes								
Drilling: Core	489	1959.00	489	11,999.00	2767	11,999.00	4500	~~21,375.00~~
Service Supplies	489	244.50	489	1,383.50	2767	1,383.50	4500	2,250.00
Dia. Drill Assay				14.00	4	14.00	30	105.00
~~Shafts~~ Surveying Holes				160.00	2	160.00	3	240.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2,203.50		$13,556.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				927.50		265		$1,085.00
New Buildings, Improvements, etc.								
Excavating drill station				375.00				375.00
TOTAL COSTS				$14,859.00				$101,125.00

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 September 5th 1956 Operator Sunset Mines, Inc.,

Per P. E. Lomas Title Manager

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)

151 Eric G Erickson

Hole 302
64 ft at 6.00 ft 384.00

Hole 303
250 ft at 3.50 ft 875.00
175 ft at 4.00 700.00
1,959.00

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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

RECEIVED
SEP 24 1956

September 5th 1956.

Defense Minerals Exploration Administration,
1201 N. Division Street,
Spokane, Washington.

Re: Docket No. DMEA 3409
Contract No. Idm-E 738
Sunset Mines, Inc.,
Shoshone County, Idaho

Gentlemen:

Enclosed are five copies of Form MF -104 also five copies of Form MF - 104 A.

During the month of August Diamond drill Hole No. 302, bearing N. 80 E - 25 degrees was extended from 1275 feet to 1339 ft. and stopped. No mineralization and no change in bedding was noted in that area.

Diamond Drill Hole No. 303 bearing N. 25 E flat, was started and drilled to 425 ft. No mineralization and no change in bedding noted.

Yours truly,

SUNSET MINES, INC.

By R.E. Lomas
R.E.Lomas,
Manager

ged.

DMEA Field Team, Region I, NW Dist. September 21, 1956

Certifying Officer, Region I

Contract No. Idm-8738, Sunset Mines, Inc. Monthly operating report for August 1956

The last authorized drill hole was completed early in September 1956, according to the examining engineer. As the amount to be claimed on the Sept. 1956 voucher will undoubtedly be small and it is possible this may be the last work authorized, we are withholding $200.00 pending developments. As you know, this is customary procedure when there is a possibility project work may be discontinued.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
WASH. (2) ✓
AD
EGE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
SEP 12 1956

August 29, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Fryklund, Jr., Geologist, U. S. Geological Survey

Subject: Interim inspection report, Docket No. DMEA-3409 (Lead-Zinc), Sunset Mines, Inc., Sunset Mine, Shoshone County, Idaho, Contract No. Idm-E738

I visited the property August 29, 1956. DDH 303 has been extended to 316 feet. The hole is being drilled AX size. The only interesting structure known in the area will be cut around 400 feet.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Amendment No. 3
Contract No. 1DMI-738

Month of July 1956
Operator's Name Sunset Mines, Inc.
Address P. O. Box 869, Kellogg, Idaho
Contract Amount, $ 0101,125.00
Docket No. DMEA 3407 195 50
Government Participation: ____%
Minerals Lead - Zinc
Amount, $ 050,562.50

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:	1,623.00	8,417.50	10,040.50	10/11/56	8417.50	9/5/56 J.W.G.
Drilling	1622.50			1622.50		10040.00
Bulldozing						
Crosscutting						
Survey of Hole 303 & 302		160.00	160.00			
Drifting					160.00	160.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Services & Supplies	147.25	991.75	1,139.00			
Track				147.25	991.75	1139.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		927.50	927.50			
(5) Initial Rehabilitation and Repairs					927.50	927.50
(6) New Bldgs., Improvements, etc.		14.00	14.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis					14.00	14.00
Payroll Taxes						
Excavating Dia. Drill Station		375.00	375.00		375.00	375.00
Liability Insurance						
(8) Contingencies (specify):						
	01,770.25	10,885.75	12,656.00			
TOTALS				1769.75	10885.75	12655.50

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

August 14th 1956

Date _____ *Payee Sunset Mines, Inc.,

Per R. E. Lomas Title Manager

*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)

RECEIVED AUG 27 1956

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

$ 884.88

Signature M. G. P.
(Authorized Certifying Officer)

Date 8-20-56 Vou. No. 1844

(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 738 in accordance with the terms of the contract.

Signature 151 Eric G. Erickson Title Mining Eng. Date 8-16-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Wm G. Agnew Title Acting Exec Date 8-20-56

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.

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 Amendment No. 3

Month of July 1956 Docket No. DMEA 3409 Contract Idm-E-738

Operator's Name Sunset Mines, Inc., Lead-Zinc

Address P. O. Box 869, Kellogg, Idaho Minerals

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						0	1633	$53,075.00
~~Crosscutting~~ Timber						0	1000	5,000.00
Raising						0	400	16,400.00
~~Sonic~~ Assaying						0	120	420.00
Winzes								
Drilling: Core	294½	1,623.00	294½	10,040.50	2,278	10,040.50	4500	21,375.00
Service Churn Supplies	294½	147.25	294½	1,139.00	2,278	1,139.00	4500	2,250.00
Dia. Drill Assay				14.00	4	14.00	30	105.00
~~Surveying Holes~~				160.00	2	160.00	3	240.00
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$1,770.25		11,353.50				Total Costs Authorized by Contract
Operating Equipment Purchased				927.50	265			1,085.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Excavating drill station				375.00				375.00
Total Costs				12,656.00				$101,125.00

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. 14th 1956 Operator Sunset Mines, Inc.,

Per P. E. Lamar Title Manager

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) Hole 302

151 Eric G Erickson

19.5 ft at 5.00 97.50
250.0 ft at 5.50 1375.00
25 ft at 6.00 150.00
1622.50

RECEIVED
AUG 27 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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

August 14th 1956

Defense Minerals Exploration Administration,
1201 N. Division Street,
Spokane, Washington.

Re: Docket No. DMEA 3409 Lead-Zinc
Sunset Mines, Inc.,
Shoshone County, Idaho
Contract No. Idm-E-738.

Gentlemen:

Enclosed are five copies of Form MF-104 also five copies of Form MF - 104A.

There was no progress made during the month of June due to the fact that we were unable to employ a diamond drill operator.

During the month of July Diamond Drill Hole No. 302, bearing N. 80 E - 25 degrees was extended from 980.5 ft. to 1275 ft. The core showed some mineralization and a change in bedding between 1100 ft. and 1120 ft. The mineralization consists of several small Pb and Zn stringers and some quartze. There has been no change beyond 1120 ft.

Yours truly,

SUNSET MINES, INC.,

By R.E. Lomas
R.E.Lomas,
Manager

ged

DMEA Field Team, Region I, NW

August 21, 1956

DMEA Certifying Officer, Region I

Contract Idm-3738, Sunset Mines, Inc. Monthly operating report for July 1956

The subject MF-104 has been received and processed for payment.

A disallowance of $0.50 has been made from the costs claimed because of what appears to be a mathematical error in figuring the diamond drilling charges.

Myrtle Purdy

cc: DMEA (2)
UMUS (2)
Operator
Wash. - 2
EGE
AD

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

July 10, 1956

Memorandum

To: Administrator

From: George C. Selfridge, Special Assistant

Subject: Examination Trip
Docket No. DMEA-3409 (Lead-Zinc)
Sunset Mines, Inc.
Liberal King Mine
Shoshone County, Idaho
Contract No. Idm-E738

A short stop was made at the office of the subject property on June 20, 1956, after the engineering staff had left for the day.

The mine maps were examined and the matter of amending the contract for additional diamond drill footage was discussed. Apparently, the Sunset vein had not been cut in either of two holes drilled approximately to a depth of 1000 feet each. It was planned to lengthen the holes to a point where the vein would be intersected.

An amendment to the contract allowing for 4500 feet of diamond drilling has been sent to the Field for execution.

George C. Selfridge

George C. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 2 - 1956

June 14, 1956

Betty

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Frykland, Jr., Geologist, U. S. Geological Survey

Subject: Inspection Report, Docket No. DMEA-3409 (Lead-Zinc), Sunset Mines, Inc., Sunset Mine, Shoshone County, Idaho, Contract No. Idm-E738.

I visited the property the afternoons of June 6 and 7, 1956.

DDH 302 had been completed to 980.5 feet and the hole surveyed. Present contract provisions do not permit Government participation beyond 1,000 feet in drill holes; this, combined with the annoyance of the driller who was apparently losing considerable money, resulted in the driller removing his equipment.

The hole has not intersected the Sunset structure. Core recovery has been good and there is no possibility that the structure was cut but not recognized. The best assumption is that the dip of the Sunset structure has flattened above the 600 level to less than 20° (see attached cross section).

I think the Operator, with or without Government assistance, should extend the drill hole about 300 feet. An amendment has been requested that will permit drill holes longer than 1,000 feet.

Attachment 1

Distribution:
DMEA (Orig. and 3)
USBM (2)
USGS (AD)
Docket
Frykland

Form MF-704 (Rev.) (April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 47-R1036.5

RECEIVED
JUL 30 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1956, 195 Docket No. DMEA 3109 Contract No. Ida-L-730
Operator's Name Sunset Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 869, Kellogg, Idaho
Contract Amount, $$101,125.00 Government Participation: 50% Amount, $$50,562.50

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:				8/2/56 8/1/56		
Drilling Core	1,796.00	$6,591.50	$8,387.50	1826.40	6591.50	8417.50
Bulldozing						
Crosscutting						
Drifting						
Survey of Hole 301 & 302	120.00	40.00	160.00	120.00	40.00	160.00
(2) Labor and Supervision						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Services & Supplies	186.75	805.00	991.75	186.75	805.00	991.75
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		927.50	927.50		927.50	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		14.00	14.00		14.00	14.00
Payroll Taxes						
Liability Insurance						
Excavating Dia.Drill Station		375.00	375.00		375.00	375.00
(8) Contingencies (specify):						
TOTALS	$2,102.75	$8,753.00	$10,855.75	2132.75	8753.00	10885.75 OK

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

Date June 4th 1956 *Payee Sunset Mines, Inc.,

Per R. E. Lomas Title Manager

*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:

$ 1066 38

Signature MGP
(Authorized Certifying Officer)

Date 7-26-56 Vou. No. 1832
(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 738 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 6-25-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec Officer Date 6-25-56

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 30 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 195..... Docket No. DMEA 3409 Contract No. Idn-E-738
Operator's Name Sunset Mines, Inc., Minerals Lead-Zinc
Address P. O. Box 869, Kellogg, 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						0	2000	$66,000.00
~~Crosscutting~~ Timber						0	1000	5,000.00
Raising						0	400	16,400.00
~~Shafts~~ Assaying						0	120	420.00
Winzes								
Drilling: Core	373.5	1,790.00	373.5	$8,387.50	1983.5	$8,387.50	2500	10,250.00
Service & Supplies	373.5	186.75	373.5	991.75	1983.5	991.75	2500	1,250.00
Dia. Drill Assay				14.00	4	14.00	30	105.00
Surveying Holes	1.5	120.00	1.5	160.00	2	160.00	3	240.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2,102.75		~~$10,9~~ $9,553.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				927.50	265'			1,085.00
New Buildings, Improvements, etc.								
Excavating drill station				375.00				375.00
TOTAL COSTS				$10,855.75				$101,125.00

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 4th 1956 Operator Sunset Mines, Inc.,

Per R. E. Lemas Title Manager

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)

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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

June 4th 1956.

RECEIVED
JUL 30 1956

Defense Minerals Exploration Administration,
1201 N. Division Street,
Spokane, Washington.

Re: Docket No. DMEA 3409 Lead Zinc
Sunset Mines, Inc.,
Sheshone County, Idaho
Contract No. Ida-E-738.

Gentlemen:

Enclosed are five copies of From MF-104 also five copies of Form MF - 104 A.

Diamond Drill Hole No. 302, bearing N. 80E - 25 degrees was extended from 607 ft. to 980.5 ft.

Hole No. 302 was surveyed by John Simes of Hecla Mining Company with a Tropari instrument.

The result of the survey are as follows:

Depth	Bearing	Dip	Survey
Collar	N 80 degree E	- 25 degrees	Brunton
140 ft	N 72 degree E	- 22 degrees	Tropari
270 ft.	N 75 degree E	- 23 degrees	Tropari
500 ft.	N 60 degree E	- 22 degrees	Tropari
750 ft.	N 62 degree E	- 25 degrees	Tropari
950 ft.	N 58 degree E	- 23 degrees	Tropari

Very little change was noted in the last two hundred feet of core.

After checking the results of the survey the drilling was stopped at 980.5 feet.

Yours truly,

SUNSET MINES, INC.,

By R.E. Lomas
R.E.Lomas,
Manager

ged

DMEA Field Team, Region I, NW Dist. July 26, 1956

DMEA Certifying Officer, Region I

Docket No. DMEA 3409, Contract Idm-8738, Sunset Mines, Inc.
Monthly operating report for May 1956.

JUL 3

The subject voucher has been processed and forwarded to the Disbursing Officer for payment.

Your attention is called to an increase in the amount approved for drilling over that claimed by the operator. This has been done to correct what appears to be either a typographical or mathematical error in the Operator's claim for April 1956, as follows:

The operator claimed a total of 607 feet of drilling at a total cost of $2,326.50. The correct charge for this footage would be

250 ft.	at $3.50	$ 875.00
250 ft.	at 4.00	1,000.00
107 ft.	at 4.50	481.50
Total		$2,356.50

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. (2) ✓
AD
EGE

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

RECEIVED
MAY 21 1956

1201 N. Division St.
Spokane 2, Washington
May 15, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract Idm-E738

The project was visited May 10, 1956. Mr. R. E. Lomas, mine manager, was contacted regarding the contract.

The first hole was stopped at 1,003 feet and the Sunset vein had not been cut, or at least no structure recognized as the Sunset had been cut. A small lead-zinc showing had been cut at about 307 feet in the first hole. A second hole had cut the lead-zinc vein found in the first hole. The vein had not improved and it is doubtful if the known data on this vein will warrant probing it by crosscutting and drifting; however, if the Sunset vein is cut in the second hole and it is strong enough to warrant exploration by crosscutting and drifting, the first structure will also be exposed in the crosscut.

The second hole will be continued until it cuts the Sunset vein or the maximum footage for Stage I core drilling is reached.

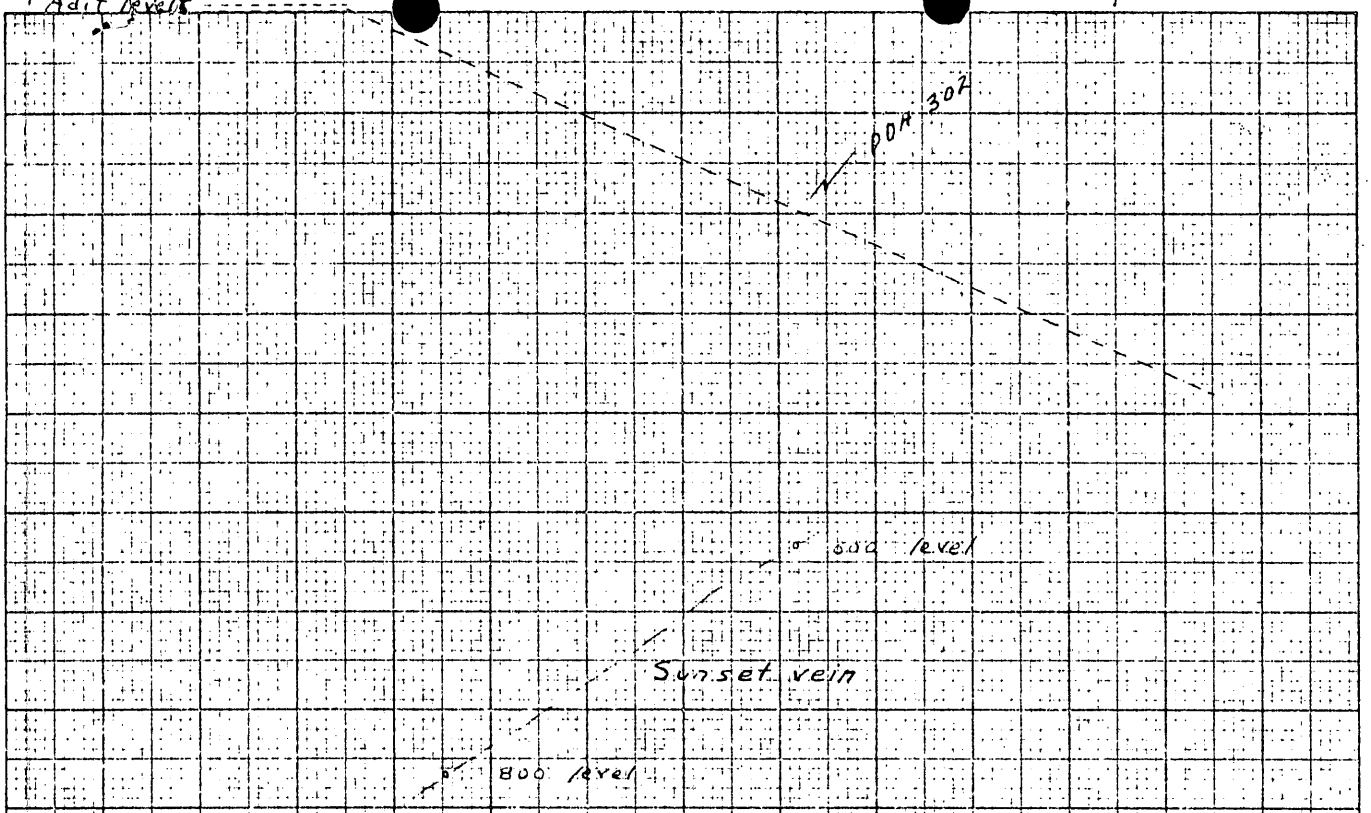
The status of the project work is:

	Authorized *	Completed
Rehabilitation	310 feet	265 feet
Drill station	1	1
Survey drill hole	3	1
Assays	30	4
Core drilling	2,500 feet	1,610 feet **

*All work items require Field Team approval.
**As of May 1, 1956.

E. G. Erickson
E. G. Erickson

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



Cross section along collar-bottom line of DDH 302. Scale 1" = 200'

SUNSET MINE, SHOSHONE COUNTY, IDAHO

359-11 KEUFFEL & ESSER CO.
10 X 10 to the ½ inch, 5th lines accented.
MADE IN U.S.A.

RECEIVED
JUL 2 - 1959

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

Budget Bureau No. 42-R1036.5

RECEIVED
MAY 14 1956

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

Month of April 1956 195 Docket No. DMEA 3409 Contract No. Ida-E-738
Operator's Name Sunset Mines, Inc. Minerals Lead-zinc
Address P.O.Box 869, Kellogg, Idaho
Contract Amount, $ $101,125.00 Government Participation: 50 % Amount, $ $50,562.50

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: Core	$2,326.50	$4,265.00	$6,591.50	2326.50	4265.00	6591.50
Drilling						
Bulldozing						
Crosscutting						
Survey of Hole 301		80.00	80.00 *		40.00	40.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Services & Supplies	303.50	501.50	805.00	303.50	501.50	805.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		927.50	927.50		927.50	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	3.50	10.50	14.00	3.50	10.50	14.00
Payroll Taxes						
Liability Insurance						
Excavating Dia.Drill Station		375.00	375.00		375.00	375.00
(8) Contingencies (specify):						
TOTALS	$2,633.50	$6,159.50	$8,793.00	2633.50	6119.50	8753.00

5/14/56 J.W.L.

7/20/56 OK

* Cancel check this amount for correction - Sorry we had made this deletion J.W.L.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 2nd 1956 *Payee Sunset Mines, Inc.,
Per R. E. Lomas Title Manager

*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.

(See other side)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1316 75
Signature M.A.P.
(Authorized Certifying Officer)
Date 5/10/56 Vou. No. 1772
(See other side)

* You delated $40.00 from our March billing Hole Survey. We think this deletion wrong.

(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. E738 in accordance with the terms of the contract.

Signature 151 Eric G Erickson Title Mining Engr Date 5/4/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 A. E. Weissenborn Title Executive Officer Date 5/7/56

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
MAY 14 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

3409

Month of April 6 Docket No. DMEA Contract No. Ida-E-738

Operator's Name Sunset Mines, Inc., Minerals Lead- zinc

Address P.O.Box 869, Kellogg, 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
& Crosscutting						0	2000	$66,000.00
Drifting						0	1000	5,000.00
XXXXXXX Timber						0	400	16,400.00
Crosscutting						0	120	420.00
Raising								
XXXXXX Assaying								
Shafts								
Winzes	607	2,326.50	607	6,591.50	1610	6,591.50	2500	10,250.00
Drilling: Core	607	303.50	607	805.00	1610	805.00	2500	1,250.00
Service & Supplies	1	3.50	1	14.00	4	14.00	30	105.00
Dia.Drill Assaying				80.00	1	80.00	3	240.00
XXXXXXXX Surveying Holes								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		$2,633.50		7,490.50				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased				927.50	265'			$1,085.00
Initial Rehabilitation and Repairs								
Excavating drill station, Improvements, etc.				375.00				375.00
				$8,793.00				$101,125.00
Total Costs								

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

Date May 2nd 1956 Operator Sunset Mines, Inc.,

Per R. E. Lomas Title Manager

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/ 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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

May 2nd 1956.

RECEIVED
MAY 1 4 1956

Defense Minerals Exploration Administration,
1201 N. Division Street,
Spokane, Washington

Re: Docket No. DMEA 3409 Lead Zinc
Sunset Mines, Inc.,
Shoshone County, Idaho
Contract No. Ida-E-738

Gentlemen:

Enclosed are five copies of Form MF-104 also five copies of Form MF - 104 A.

Diamond drill hole No. 302, bearing N. 80E - 25 degrees was started and drilled to a depth of 607 feet. Mineralized stringers were cut from 250 ft to 280 ft.; 378 ft to 392 ft; 420 ft. to 421 ft and 446 ft to 447 ft. Following we give you the assay results of sludge samples taken from 250 ft to 280 ft at 10 ft. intervals:

	Gold	Silver	Lead	Zinc
Hole 302 - Sludge Samples:				
250 to 260'	Tr	Tr	Tr	0.0
260 to 270'	Tr	Tr	0.1	0.1
270 to 280'	Tr	Tr	0.45	0.1

Yours truly,

SUNSET MINES, INC.,

R. E. Lomas

By
R.E.Lomas,
Manager

ged

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
APR 23 1956

April 16, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Fryklund, Jr., Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-3409, Sunset Mines, Inc., Sunset Mine, Shoshone County, Idaho, Contract No. Idm-E738

On April 11, 1956, I logged the core of DDH 301, first drill hole under the new Amended Contract. This drill hole was to have had a length of 1,000 feet, a bearing of N. 50° E. and to be horizontal. The hole as drilled was 1,003 feet long; it probably had a bearing as planned, but the Tropari instrument was out of adjustment; the hole turned downward so that at 900 feet the hole had a dip of -17°. Such a change in dip was quite desirable and would have given a much better vein intersection. Unfortunately the Sunset vein was not reached.

Core recovery was good and there is no chance that the structure was cut but not recognized. DDH 302 has been started at a -20° dip. Even if the Sunset structure has flattened much more than expected we should have an intersection. If DDH 302 cuts the vein we can extend DDH 301 if it seems desirable.

A minor vein was cut in DDH 301 at 307 feet. The structure has a width of 0.7 foot, most of which appears to be sphalerite. The core has not been split; sludge samples from 305 to 310 feet assayed 1.8 ounces of silver per ton, 5.3 percent lead, and 5.5 percent zinc. The high lead does not show up in the core.

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

Form MF-10 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
APR 16 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1956, 195 Docket No. DMEA 3409 Contract No. Ida-1-730
Operator's Name Sunset Mines, Inc., Minerals Lead-zinc
Address P.O. Box 809, Kellogg, Idaho
Contract Amount, $101,125.00 Government Participation: 50% Amount, $50,562.50

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:				4/20/56	OPK.	4/18/56 J.W.A.
Drilling Core	1,359.50	2,905.50	4,265.00	1359.50	2905.50	4265.00
Bulldozing						
Crosscutting						
Drifting						
Survey of Hole 301	80.00	none	80.00	40.00	-0-	40.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Services & Supplies	137.00	364.50	501.50	137.00	364.50	501.50
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		927.50	927.50		927.50	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		10.50	10.50		10.50	10.50
Payroll Taxes						
Liability Insurance						
Excavating Rig & Drill Station		375.00	375.00		375.00	375.00
(8) Contingencies (specify):						
				✓		
TOTALS	1,576.50	4,583.00	6,159.50	1536.50	4583.00	6119.50

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

Date April 3rd 1956 *Payee Sunset Mines, Inc.,

Per R. E. Lomas Title Manager

*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:

$ 768 25

Signature MLP
(Authorized Certifying Officer)

Date 4/11/56 Vou. No. 1750
(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. E738 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 4/6/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. officer Date 4/9/56

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.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED

OPERATOR'S UNIT COST AND PROGRESS REPORT

APR 16 1956

Month of March 6 1956 Docket No. DMEA 3409 Contract No. Ida-E-738
Operator's Name Sunset Mines, Inc., Minerals Lead-Zinc
Address P.O. Box 869, Kellogg, 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
Crosscutting						0	2000	$66,000.00
Drifting Timber						0	1000	5,000.00
Crosscutting						0	400	16,400.00
Raising Assaying						0	120	120.00
Shafts								
Winzes	274	1,359.50	274'	4,265.00	1003	4,265.00	2500	10,250.00
Drilling: Core Services & Supplies	274	137.00	274'	501.50	1003	501.50	2500	1,250.00
Churn D.D. Assaying				10.50	3	10.50	30	105.00
Auger Surveying Holes	1	80.00	1	~~80.00~~	1	80.00	3	240.00
Stripping		40.00		40.00				
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		~~$1,576.50~~ 1536.50		$4,857.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				927.50	265'			$1,085.00
New Buildings, Improvements, etc. Excavating Drill Station				375.00				375.00
Total Costs		1536.50		~~$6,159.50~~ 6119.50				$101,125.00

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 3rd 1956 Operator Sunset Mines, Inc.,

Per R. E. Lomas Title Manager

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)

E. G. Erickson

Hole 301
21 ft at 4.50 94.50
253 ft at 5.00 1265.00
1359.50

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

SUNSET MINES, INC.

P. O. BOX 869

RECEIVED

APR 16 1956

April 3rd. 1956

Defense Minerals Exploration Administration,
1201 N. Division Street,
Spokane, Washington

Re: Docket No.DMEA 3409 Lead-zinc
Sunset Mines, Inc.,
Shoshone County, Idaho
Contract No. Ida-E-738

Gentlemen:

Enclosed are five copies of Form MF-104 also five copies of Form MF - 104 A.

Rehabilitation of 265 feet of No. 3 crosscut was completed in July 1955. Excavation of Diamond Drill Station was completed in July 1955.

Sunset Mines, Inc. was idled by a district labor strike from August 24th, 1955 to February 1st., 1956. Therefore, no progress was made during that period.

During the month of February 1956 Diamond Drill Hole No. 301 bearing N. 49E degrees flat was started and drilled to a depth of 729 feet.

During the month of March 1956 Diamond Drill Hole No. 301 was extended from 729 feet to 1003 feet.

After completing Hole #301 a survey was made by Murl W. Hutchinson, Hecla Mining Company geologist, with a Tropari Instrument. The results were as follows:

Depth	Dip
Collar	Flat
300'	- 5 degrees
500'	- 9½ degrees
700'	-14 degrees
900'	-17 degrees

The strike readings were not to be relied upon, as the compass plate was not locking securely.

Yours truly,

SUNSET MINES, INC.,

ged

By R. E. Lomas.
R.E.Lomas,
Manager

RECEIVED
APR 16 1956

DMEA Field Team, Region I, NW District April 11, 1956

DMEA Certifying Officer, Region I

Contract Idm-E738, Sunset Mines, Inc., Docket No. DMEA 3409
Monthly operating report for March 1956.

The subject monthly operating report has been received and processed for payment.

An amount of $40.00 has been withheld from the amount claimed for the survey of diamond drill hole No. 301 as the survey is incomplete. No horizontal readings were recorded.

The operator may reclaim this cost when the survey data on Hole No. 301 is completed.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. 2 ✓
AD
Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
March 15, 1956

RECEIVED
MAR 19 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

Mr. R. E. Lomas, mine manager, was contacted the mine office on March 8, and the core from the first drill hole was inspected. Mr. A. F. Robertson, Bureau of Mines engineer, accompanied me.

A high grade lead-zinc section of core about 10" in length was cut at about 307 feet. The vein was cored at an oblique angle and the true thickness appeared to be about 6 inches. The sludge from a 5-foot section (305'-310') assayed 5.3 percent lead, 5.5 percent zinc, and 1.8 oz. silver per ton. The 10" core through the vein had not been split for assay, but it looked like it would assay 40 to 50 percent combined lead and zinc. The hole had reached a depth of 792 feet, and the drilling was becoming slow because of broken or sheared ground. There has been no definite indication that the Sunset vein has been reached. The hole is being continued but if the target structure is not located when the hole has reached a total depth of 1,000 feet, the present plan is to stop the hole. Although the sludge has not been recovered in the last part of the hole, the core recovery has been fair. Over-all core recovery has been good.

If the Sunset vein is not recognized in the long drill hole the best approach may be to test the narrow high-grade vein cut at about 307 feet with another hole. Should the results show it has extent and continuity worthy of exploration, it could be cut with a crosscut and drifted on and the drilling for the projection of the Sunset vein could be continued from a position in the drift or from the end of the crosscut. The drilling distance would be less, and there would be more latitude in the location of the hole. It would also be possible to direct the second hole so that it may be continued to probe for the Sunset vein should it be indicated that the narrow vein cut in the first hole is only an erratic stringer.

It was recommended that the first hole be surveyed and logged before the second hole is started.

Following is a tabulation of the authorized work items and the units completed:

	Authorized	Completed
Crosscut rehabilitation	310 feet	265 feet
Core drilling	2500 "	792 "
Assays (drill samples)	30	3
Drill hole surveys	3	none
Drill station	1	1
Crosscutting and/or drifting	2000 feet	none
Timbering drifts or crosscuts	1000 "	none
Raising	400 "	none
Assaying (drift or crosscut samples)	120 "	none

E. G. Erickson

E. G. Erickson

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

Form MF-104A
(April 1952)

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

RECEIVED
MAR 12 1956

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

Month of February 1956 Docket No. DMEA 3409 Contract No. Ida-5-735
Operator's Name Sunset Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 869, Kellogg, 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					0		2000	$60,000.00
Crosscutting Timber					0		1000	5,000.00
Raising					0		400	16,400.00
Shaft Assaying					0		120	420.00
Winzes								
Drilling: Core	729	2,905.50	729		729	2,905.50	2500	10,250.00
Service Fur Supplies	729	364.50	729		729	364.50	2500	1,250.00
D.D. Assay Assaying	3	10.50	3		3	10.50	30	105.00
Mining Surveying Helen					0		3	210.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$3,280.50		$3,280.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				927.50	265'			$1,085.00
New Buildings, Improvements, etc.								
Excavating Drill Station				375.00				375.00
TOTAL COSTS		$3,280.50		$4,583.00				$103,125.00

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 March 2nd 1956 Operator Sunset Mines, Inc.,

Per R. E. Gomes Title Manager

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)

151 Eric G Erickson

Drilling
250 ft at 3.50 - 875.00
250 ft at 4.00 - 1000.00
229 ft at 4.50 - 1030.50
2905.50

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

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

Budget Bureau No. 68-R1036.5

RECEIVED
MAR 12 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February 1956 Docket No. DMEA 3100 Contract No. Ida-R-730
Operator's Name Sunset Mines, Inc., Minerals Lookout Mtn
Address P.O. Box 369, Kellogg, Idaho
Contract Amount, $101,125.00 Government Participation: 50% Amount, $50,562.50

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
				3/15/56	[illegible]	3/14/56 J.W.A.
(1) Independent Short Form Contracts: Core	$2,905.50	none	$2,905.50	2905.50	—0—	2905.50
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Service & Supplies	364.50	none	364.50	364.50	—0—	364.50
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		927.50	927.50		927.50	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	10.50	none	10.50	10.50	—0—	10.50
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Excavating Dia.Drill Station		375.00	375.00		375.00	375.00
(8) Contingencies (specify):						
TOTALS	$3,280.50	$1,302.50	$4,583.00	3280.50	1302.50	4583.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date March 2nd 1956 *Payee Sunset Mines, Inc.
Per R. E. Lamo Title Manager

*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:

$ 1640 25

Signature MJP
(Authorized Certifying Officer)

Date 3/8/56 Vou. No. 1731
(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. E738 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 3/6/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. officer Date 3/8/56

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.

SUNSET MINES, INC.

P. O. BOX 869

KELLOGG, IDAHO

March 2nd 1956.

RECEIVED MAR 12 1956

Defense Minerals Exploration Administration,
1201 N. Division Street,
Spokane, Washington.

Re: Docket No. DMEA-3409 (Lead-zinc)
Sunset Mines, Inc.,
Shoshone County, Idaho
Contract No. Ida-E-738

Gentlemen:

Enclosed are five copies of Form MF-104 also five copies of Form MF - 104 A.

There was no progress made during the months of August, September, October, November and December 1955 or during January 1956. Sunset Mines, Inc. was idled by a district labor strike that started August 24th and ended February 1st 1956.

Rehabilitation of 265 ft. of No. 3 crosscut was completed in July 1955.

Excavation of diamond drill station was completed in July 1955.

During the month of February 1956; diamond drill hole No. 301, bearing N. 49 degrees flat, was started and drilled to a depth of 729 feet.

Strong mineralization was encountered at 307.5 ft. The drill core showed about 10 inches of high grade lead-zinc ore. Sludge samples of the hole from 305 to 310 feet were as follows: 1.8 oz silver, 5.3% Lead and 5.5% zinc.

Yours truly,

SUNSET MINES, INC.

By R.E. Lomas.
R.E.Lomas,
Manager

ged

RECEIVED
MAR 1 3 1978

3409

ACTION ON [illegible]
[illegible]

Date 2-21

Referred to:

1. ~~Mr. Hattendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Strike settled — note cost!
2.
3.
4.

and take appropriate action.

- - - - - -

Action taken by Division:

ROBERT E. ADAMS
Initials

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
February 10, 1956

RECEIVED
FEB 2 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA 3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

Mr. R. E. Lomas was contacted at the mine office on February 6, in connection with resumption of work following settlement of the labor strike in the district.

The drill contractor had informed Mr. Lomas that he expected to have drillers available to start drilling about February 9 or 10.

There has been no change in the drilling plans set forth in the memorandum to the Field Team, dated July 7, 1955, from Mr. Verne Fryklund, Jr., Geologist, U. S. Geological Survey. There has been no project contract work performed since that listed in my memorandum of September 8, 1955.

Mr. Lomas plans to have a small mining operation consisting of a couple of leases on the 800 and 1200 levels and will do some exploring for the Look-Out Mountain Company from the 1200 level of the Sunset mine.

The strike was very costly to the Operator. Although firm figures were not available, Mr. Lomas estimated the cost would be about $30,000.

E. G. Erickson
E. G. Erickson

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

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

1201 N. Division St.
Spokane 2, Washington
September 8, 1955

RECEIVED
OCT 10 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA 3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

Mr. R. E. Lomas was contacted September 1 at the mine office. The property has been idle since August 24, 1955 when the labor strike started.

The No. 3 crosscut rehabilitation (265 feet) had been completed and the diamond drill station had been excavated.

Mr. Lomas plans on starting the drilling as soon as the strike is ended.

The following tabulation shows the work items included in Stage I and the number of units authorized and approved:

Item	Authorized	Approved
Rehabilitate crosscut	310 feet	265 feet
Diamond drill station	1	1
Core drilling	2500 "	none

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
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E. G. Erickson

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

RECEIVED
SEP - 1 1955

August 19, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Fryklund, Jr., Geologist, U. S. Geological Survey

Subject: Inspection Report, Docket No. DMEA-3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

I visited the mine August 4, 1955. Rehabilitation has finally been completed, and diamond drilling will start shortly.

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

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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AUG 11 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA 3409 Contract No. Idm-E-738
Operator's Name Sunset Mines, Inc. Minerals Lead-zinc
Address P.O.Box 869, Kellogg, Idaho
Contract Amount, $101,125.00 Government Participation: 50 % Amount, $50,562.50

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:						8/23/55
Drilling				9/13/55		
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	$927.50	0	$927.50	927.50	-0-	927.50
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Excavating Dia.Drill Station	$375.00	0	$375.00	375.00	-0-	375.00
(8) Contingencies (specify):						
TOTALS	$1,302.50	0	$1,302.50	1302.50	-0-	1302.50

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

Date Aug. 3rd 1955 *Payee Sunset Mines, Inc.

Per R. E. Lomas Title Manager

*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:

$ 651 25

Signature M. OP
(Authorized Certifying Officer)

Date 8-8-55 Vou. No. 1577
(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 738 in accordance with the terms of the contract.

Signature /S/ Stephen W Zoldok Title Mining Engr Date 8-5-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 8-5-55

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 July, 1955 Docket No. DMEA 3409 Contract No. 16m-E-738
Operator's Name Sunset Mines, Inc., Minerals Lead-zinc
Address P. O. Box 869, Kellogg, 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					0		2000	$66,000.00
~~Crosscutting~~ Timber					0		1000	5,000.00
Raising					0		400	16,400.00
~~Shaft~~ Assaying					0		120	4200
Winzes								
Drilling: Core					0		2500	10,250.00
Service Churn & Supplies					0		2500	1,250.00
D.D. ~~Assay~~ Assaying					0		30	105.00
~~Stations~~ Surveying Holes					0		3	240.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		$927.50	265'	$927.50				$1,085.00
New Buildings, Improvements, etc.								
~~Excavating Drill Station~~		375.00		$375.00				375.00
TOTAL COSTS		$1,302.50		$1,302.50				$101,125.00

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 August 3rd 1955 Operator Sunset Mines, Inc.,

Per R. F. Lewis Title Manager

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/ Stephen W Zoldok

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

SUNSET MINES, INC.
P. O. BOX 869
KELLOGG, IDAHO

August 3rd 1955.

Defense Minerals Exploration Administration,
1201 W. Division Street,
Spokane, Washington.

Re: Docket No. DMEA-3409 (lead-zinc)
Sunset Mines, Inc.,
Shoshone County, Idaho
Contract No. Idm-E738.

Gentlemen:

Enclosed are five copies of Form MF-104 also five copies of form MF -104 A.

The rehabilitation of the 265 feet No. 3 crosscut was completed during the month of July and a diamond drill station was excavated of sufficient size and length to allow changing of 20 foot drill rods and one level drill hole and two minus 25 degree drill holes.

Preprations are now being made to start diamond drilling immediately.

Yours truly,

SUNSET MINES, INC.,

R.E. Lomas

R.E.Lomas
Manager

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

RECEIVED
JUL 15 1955

July 7, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Fryklund, Jr., Geologist, U. S. Geological Survey

Subject: Inspection report, Docket No. DMEA 3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

I visited the property the morning of June 29. Work has just started on rehabilitating the crosscut, but R. E. Lomas, manager of the company, assured me all would be ready to go by July 5 or 6.

I also suggested that they sign and return immediately Amendment No. 1 to the contract. Amendment No. 2 has already been written and put into effect.

We decided at this time, too, that DDH No. 1 would have a bearing N. 49° E., and be flat. DDH No. 2 would have a bearing of N. 80° E., and an inclination of -25°. The attitude of the third hole will be determined at a later date.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
July 1, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA 3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

The project site was visited June 21, 1955, and the contract was discussed with Mr. R. E. Lomas, manager.

The rehabilitation of the No. 3 north crosscut was in progress and Mr. Lomas believed they would be ready to drill soon after the 4th of July holidays. He is negotiating for a contract for the drilling with Vivian Bros., contractors.

Location, direction and attitude of the drill holes was discussed. Mr. Fryklund, USGS, had given his approval of a drilling program during his recent visit to the property.

E. G. Erickson

E. G. Erickson

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
May 27, 1955

RECEIVED
JUN 1 0 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim report, Docket No. DMEA 3409 (lead-zinc), Sunset Mines, Inc., Shoshone County, Idaho, Contract No. Idm-E738

Mr. R. E. Lomas, manager for the company, was contacted May 24 regarding the contract.

Provisions of Amendment No. 1 were discussed with Mr. Lomas and they are acceptable to him. He will forward the copies to the officials of the company for signature as soon as he receives them.

Mr. Lomas in his letter of April 12, 1955 to Mr. Weissenborn requested that the rehabilitation item set forth in Stage II of the contract be allowed in Stage I. This is a reasonable request, and it is recommended that the contract be amended to allow the transfer. It was originally intended to skid the drill and slusher to the face and slush rock excavated for the diamond drill station back along the crosscut. After discussing the rehabilitation item it was decided that the only practical solution is to rehabilitate the crosscut before cutting the diamond drill station.

The rehabilitation is expected to take up most of June because men have to be hired and most of the available men have hired out to logging operations. A main line switch must be installed and the mine receiver presently located in the crosscut to be rehabilitated must be moved to a new site before track, water, air and vent lines are installed. Drilling is expected to start about July 1, 1955.

The Liberal King Fraction claim added to the contract was first recorded in Book No. 18, page 271; the claim location was amended and recorded in Book No. 23, page 271.

E. G. Erickson

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