J. R. SIMPLOT COMPANY
GENERAL OFFICES
CONTENINENTAL BANK BUILDING
BOISE, IDAHO

(RECEIVED AUG-5 1955)

August 1, 1955

File - Idaho Fluorspar

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Admin.
Washington 25, D.C.

SUBJECT: Docket No. DMEA-3661-Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho
Contract No. Idm-E822

Dear Mr. Mittendorf:

This will acknowledge and thank you for your letter dated July 28 with reference to our letter to the Executive Officer, DMEA Field Team, Region I, dated July 14, with reference to the above captioned subject.

We want you to know that we appreciate your action in this matter, and it is hoped that the subject may be opened again during our 1956 exploration program.

We are marking our files to take this matter up with you again in February of 1956.

Cordially,

/s/ George A. McHugh
Manager of Mines

GAM:je
cc: A. E. Weissenborn
J. R. Simplot
L. E. Haight
Keith Madrill

July 27, 1955

Memorandum

To: R. E. Adams, Chief, Operations Control and Statistics Division

From: Nonmetallic Minerals Division

Subject: Withdrawal of Application - Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho
Contract No. Idm-E822

The subject application is being withdrawn by the applicant because it does not have the personnel to properly direct the work specified.

The application will be considered in inactive status but may be reopened upon request within a reasonable period if the applicant finds that its technical staff can devote sufficient time to properly supervise the work.

James Hopkins
Nonmetallic Minerals Division

JHopkins:gad 7/27/55
Copy to: Admr. R. File
Mr. Houk
Mr. Hopkins

630

JUL 28 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho
Contract No. Ida-8822

Gentlemen:

Reference is made to your letter to the Executive Officer, DMEA Field Team, Region I, dated July 14, 1955, returning copies of the unexecuted contract.

The subject application is being closed and placed in our inactive file. We regret your inability to carry on the project work at this time due to prior commitments. We wish to assure you of our willingness to give the matter further consideration if, in the near future, you should find that your technical staff can devote sufficient time to properly supervise the work. We are unable to comply with your request for a copy of the unexecuted contract.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:gad 7/27/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region I
Mr. Hillsgaard, 5222
Mr. Arundale, 3516
Mr. Houk
Mr. Hopkins

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

RECEIVED
JUL 25 1955

July 21, 1955

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

Re: Docket No. DME-3661 (fluorspar)
J. R. Simplot Company
Challenger No. 2
Custer County, Idaho

Dear Mr. Selfridge:

Enclosed are all of the copies of Contract Idm-2822 returned by J. R. Simplot Company unsigned. Also attached are copies of a letter from Mr. George A. McHugh, Manager of Mines, giving the reasons why the company does not feel able to undertake the project at this time.

Please note that the company is in no way dissatisfied with the terms and conditions of the contract; they simply feel that they do not at this time have the personnel to direct properly the work specified.

We regret the return of this contract as we still believe that this is an excellent fluorspar prospect, but we would, of course, prefer to see the company defer the project than attempt to do the work without proper technical supervision. We suggest that Mr. McHugh be informed that the contract can not be held open indefinitely but could be reinstated easily at some future time, provided, of course, that fluorspar is still eligible for DMEA assistance.

By Field Team, Region I, NW District

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

Thomas L. Howard
for King G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
Nicholson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 11 1955

July 5, 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Gentlemen:

Enclosed are the original and 5 copies of a proposed contract to explore for fluorspar at your Chalspar No. 2 property. If it meets with your approval, please sign all copies, retain that copy marked for the Operator, and return the rest to this office. If it does not meet with your approval, please return all copies with your comments.

An owner's Consent to Lien, covering the half interest of Richard C. West and Shelda West, has been attached to each copy of the contract. Because of the death of Bert C. Buchanan, the requirement for an owner's Consent to Lien covering his half interest in the Florspar Claim has been waived by the Administrator. Please refer to our letter of June 24, 1955, for other instructions concerning this contract.

It would be appreciated if you would return the copy of the contract that we previously sent you for your reference.

Sincerely yours,

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

Enclosures(6)

cc: DMEA (2) ✓
USBM (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 11 1955

July 5, 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Gentlemen:

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It would be appreciated if you would return the copy of the contract that we previously sent you for your reference.

Sincerely yours,

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

Enclosures(6)

cc: DMEA (2)
BEM (2)
Nickelson

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

RECEIVED
JUL - 6 1955

June 24, 1955
JUL 1 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Gentlemen:

We have received in this office the contract for the exploration at the Chalspar No. 2 property, but before we can forward it to you, the Legal Division has stated that it will be necessary for us to either obtain a Consent to Lien with respect to the ownership of part of the Florspar claim or to have a statement from you that you have purchased Mr. Buchanan's interest in the claim.

I was informed the other day by Mr. Madill of the unfortunate death of Mr. Buchanan which might make it difficult for you either to complete the purchase of his interest in the claim or to obtain Consent to Lien from the heirs. In lieu of the Consent to Lien, a bond on Standard Form 25 has been accepted, particularly in the Colorado Plateau, and you might discuss this matter with a bonding company to determine whether or not they will give a bond. If this cannot be arranged, please let us know immediately and we will see if some other arrangement can be made.

We are sending you a copy of the contract for your ready reference as you will not only want to see it yourself but may wish to discuss this with the bonding company. Please return it to us when you are finished with it. Please note that this is an actual cost contract and that the original of the monthly forms MF-104 must be supported by appropriate documentary evidence of the cost claimed. Please note also that the totals of all categories as shown in the contract are allowable maximums which cannot be exceeded except sub-category 2(c) and categories 3 and 7. If you have any questions on the contract, we will be glad to discuss them with you further either by letter or by telephone.

By Field Team, Reg. I, NW District

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

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

cc: DMEA(2)
USBM(2)
Nickelson

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

RECEIVED
JUL - 6 1955

June 24, 1955
JUL 1 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Gentlemen:

We have received in this office the contract for the exploration at the Chalspar No. 2 property, but before we can forward it to you, the Legal Division has stated that it will be necessary for us to either obtain a Consent to Lien with respect to the ownership of part of the Florspar claim or to have a statement from you that you have purchased Mr. Buchanan's interest in the claim.

I was informed the other day by Mr. Madill of the unfortunate death of Mr. Buchanan which might make it difficult for you either to complete the purchase of his interest in the claim or to obtain Consent to Lien from the heirs. In lieu of the Consent to Lien, a bond on Standard Form 25 has been accepted, particularly in the Colorado Plateau, and you might discuss this matter with a bonding company to determine whether or not they will give a bond. If this cannot be arranged, please let us know immediately and we will see if some other arrangement can be made.

We are sending you a copy of the contract for your ready reference as you will not only want to see it yourself but may wish to discuss this with the bonding company. Please return it to us when you are finished with it. Please note that this is an actual cost contract and that the original of the monthly forms MF-104 must be supported by appropriate documentary evidence of the cost claimed. Please note also that the totals of all categories as shown in the contract are allowable maximums which cannot be exceeded except sub-category 2(c) and categories 3 and 7. If you have any questions on the contract, we will be glad to discuss them with you further either by letter or by telephone.

By Field Team, Reg. I, Mt District

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

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

cc: DMEA(2)
USBM(2)
Nickelson

June 28, 1955

Memorandum

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho
Contract No. Idm-E822

Subject: Waiving Owner's Consent to Lien on the subject contract.

The J. R. Simplot Company has been unable to obtain a Consent to Lien on one-half interest on the Florspar Claim on which all the DMEA work will be performed with the exception of the access road. The owner who refused to sign the Consent to Lien forms, Bert G. Buchanan, died intestate and it appears it will be some time before the estate is settled. The project appears a most promising one and the altitude in this area makes time of the essence. There are three courses of action open:

1. Waive the Owner's Consent to Lien on the one-half portion.

2. Require a bond which does take time and will delay the starting date.

3. Endeavor to obtain a Consent to Lien from the executor of the Buchanan estate.

Inasmuch as the J. R. Simplot Company is an established mining company and we have an Owner's Consent to Lien executed on the July 1, 1954, form for one-half interest, I recommend we waive the Consent to Lien on the Buchanan estate interest. I suggest that the attached letter together with a new Annex I be sent to Mr. Weissenborn for execution.

LGHouk:gad 6/28/55
Copy to: Admr. R. File
Docket
Mr. Houk

JUN 30 1955

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

Subject: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho
Contract No. Idm-5822

Dear Mr. Weissenborn:

Reference is made to your teletype of June 27, 1955, stating that Burt G. Buchanan, owner of one-half interest in the Florspar Claim has died intestate.

The Administrator waives the Owner's Consent to Lien on the one-half portion covered by the Buchanan estate.

You will find enclosed the original and five copies of Annex I, rewritten for attachment to the contract. Please have new Consent to Lien executed by Richard C. West and Sheila West on the March 24, 1955, form and attached to each copy of the contract.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 6

LGHouk:gad 6/28/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

AXXXXXXX-039K

AXXXXXXX-040K

AXXXXXXX-041K

XDXXXXXX-042K

YWA060 WAF SP 9 I-GS-G

SPOKANE WASH 6-27-55 920A

GEORGE C. SELFRIDGE

CHAIRMAN, OPERATING COMMITTEE,

DMEA DEPARTMENT OF INTERIOR WA DC

RE J. R. SIMPLOT APPLICATION DOCKET NO. DMEA 3661.

BERT G. BUCHANAN, OWNER OF PART INTEREST IN FLORSPAR CLAIM HAS DIED INTESTATE AND IT WILL BE SOMETIME BEFORE ESTATE SETTLED.

SIMPLOT HAD EXPECTED TO PURCHASE HIS PART OWNERSHIP OF CLAIM OR GET HIS CONSENT TO LIEN. WE RE REQUESTING SIMPLOT TO OBTAIN BOND OR STANDARD FORM 25, BUT BONDING COMPANIES IN GENERAL HAVE BEEN UNWILLING BECAUSE OF TEN YEAR PROVISION. IF SIMPLOT CAN NOT GET BOND, MAY WE HAVE AUTHORIZATION TO ACCEPT COMPANY'S GUARANTY IN ITS PLACE.

JOHN S. VHAY

FOR: A. E. WEISSENBORN, EXECUTIVE OFFICER, USGS, SP

3661 25

VA

600

JUN 21 1955

Subject: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

E. Weissenborn
ive Officer, DMEA
l Team, Region I
rthwest District
Ward Street
outh 15th Washington
Spokane

Mr. Weissenborn:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operator for its approval and signature. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Please bring to the attention of the Operator that this is an actual cost contract and it must keep copies of its payrolls and vouchers of purchases and get receipts for all cash payments not made by check. The original of the monthly Forms MF-104 must be supported by appropriate documentary evidence of the costs claimed.

This contract automatically makes maximums of the totals shown in all categories except sub-category 2 (e) and categories 3 and 7.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of a memorandum from the Acting Assistant Solicitor to the Administrator, dated June 14, 1955, are enclosed for your information and guidance. Copies of a memorandum from T. H. Kiilsgaard of the Geological Survey, dated May 31, 1955, are also enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 10

JHopkins:gad 6/20/55

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5222
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

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

Re: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operator for its approval and signature. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Please bring to the attention of the Operator that this is an actual cost contract and it must keep copies of its payrolls and vouchers of purchases and get receipts for all cash payments not made by check. The original of the monthly Forms MF-104 must be supported by appropriate documentary evidence of the costs claimed.

This contract automatically makes maximums of the totals shown in all categories except sub-category 2 (c) and categories 3 and 7. ~~No other maximums are indicated.~~

After execution of the contract, the copies are to be distributed in the usual manner, Copies of a memorandum from the Acting Assistant Solicitor to the Administrator, dated June 14, 1955, are enclosed for your information and guidance. Copies of a memorandum from T. H. Kiilsgaard of the Geological Survey, dated May 31, 1955 are also enclosed.

Approved:

Member, Bureau of Mines

Member, Geological Survey

Sincerely yours,

Chairman, Operating Committee

Enclosures 10

Extra copy

MF-200
(Revised June 1954)

Docket No. DMEA - 3661

Commodity Fluorspar

Contract No. Idm-E 822

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 21st day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] J. R. Simplot Company, an Idaho corporation,

whose mailing address is Continental Bank Building
Boise, Idaho,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Idaho, County of Custer, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] --, [7] un recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: See Annex I

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: See Annex I

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before May 31, 1956 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $39,752.00 The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $19,876.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

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

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

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense Minerals Exploration Administration

J. E. SIMPLOT COMPANY
(Operator)

By

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

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
J. R. SIMPLOT COMPANY
DOCKET NO. DMRA-3661

ANNEX I

The land referred to in Article 2 of the contract form is as follows:

Claim

Florspar
Florspar No. 2
Florspar No. 4
Florspar No. 6
Florspar No. 11
Florspar No. 12
Florspar No. 13
Florspar Fraction

The above claims are recorded in Book 14 at pages 82, 111, 114, 115, 132, 139, 140, and 133, respectively, official records of Custer County, Idaho.

EXPLORATION PROJECT CONTRACT
J. R. SIMPLOT COMPANY
DOCKET NO. DMEA-3661

EXHIBIT "A"

Description of the Work

The exploration project is divided into three stages, and is shown, in part, on the attached map entitled "J. R. Simplot Company, Fluorspar Division, Challis Idaho Chalspar Area No. 2." The Operator shall perform Stage I and so much of the work under Stages II and III as is approved in advance by the Government, based upon results of the previous stage. The work is as follows:

Stage I

1. Construct 3 miles of access road with a D-8 or equivalent bulldozer.

2. Prepare a satisfactory portal site on the Chalspar No. 2 vein, with a D-8 or equivalent bulldozer.

3. Construct a rough frame compressor house and shop, approximately 16 feet by 32 feet.

4. Drift on the Chalspar No. 2 vein a distance of approximately 450 feet. Drive crosscuts to the walls of the vein at intervals where the width of the vein exceeds the width of the drift. The aggregate drifting and crosscutting under this stage shall not exceed 500 feet.

Stage II

1. Extend the drift adit approximately an additional 430 feet on the Chalspar vein. Drive crosscuts to the walls of the vein at intervals where the width of the vein exceeds the width of the drift.

The aggregate drifting and crosscutting under this stage shall not exceed 480 feet.

Stage III

1. Drive 120 feet of 2-compartment raises at points approved in advance by the Government.

General Provisions

The location, direction, inclination, and extent of all work and the method of sampling are subject to the approval of the Government.

All workings shall be timbered as necessary.

Drifts, crosscuts, and raises shall have cross-sectional dimensions of approximately 5 feet by 7 feet in the clear of timber. Each sample taken shall be divided into at least two parts one of which shall be furnished to the Government, and each sample shall be analyzed for CaF_2 and SiO_2.

Estimated Costs of the Project

Stage I

Category (1) Independent Contracts

Bulldozing 112 hours @ $12.50/hr.	$ 1,400.00

Category (2) Personal Services

(a) Supervision

1 - Supervisor:		
During preparatory work, 1/4 mo. @ $600.00/mo.	$ 150.00	
During underground work, Half time for 5 mos. @ rate of $600.00/mo. for full time ($300.00)	1,500.00	
	$1,650.00	

(b) Technical Services

None

(c) Labor

2 miners and 1 helper @ $14.50/day each

	2 laborers @ $14.50/day each		
	1 truckdriver half time @ $13.00/full day		
		$ 7,045.00	$ 8,695.00
Category (3)	Operating Materials and Supplies		
	Miscellaneous	4,358.00	
	390 feet (Lineal) Square set timbering $5.00/ft.	1,950.00	6,308.00
Category (4)	Operating Equipment		
	(a) Rental		
	1 - Compressor (Road - Portal), 17 days @ $10.00/day	170.00	
	(b) Purchase		
	None		
	(c) Depreciation		

Item	Cost	Depreciation @ 1/60 per mo.
Compressor-315 cfm	$6,500.00	$108.33
1½ ton pickup	3,000.00	50.00
Receiver tank	275.00	4.50
Water tank	60.00	1.00
Drill	480.00	8.00
Jackleg	120.00	2.00
Mucker, 12-B	2,812.00	46.86
Trammer	1,745.00	29.08
Blower	286.00	4.77
Total	$15,278.00 or 254.00 per mo.	

	5 months @ $254.00/mo.	1,270.00	1,440.00

Category (5) Initial Rehabilitation and Repairs

None

Category (6) New Buildings, Fixtures, and Installations

1 - Compressor house and shop		$ 485.00

Upon completion of the project the Government will have no interest in the building.

Category (7) Miscellaneous

75 sample analyses (CaF_2 and SiO_2) @ $5.00/sample	$ 375.00	
Social Security and liability insurance	957.00	1,332.00
Estimated Total Cost of Stage I		$19,600.00

Stage II

Category (1) Independent Contracts

None

Category (2) Personal Services

(a) Supervision

1 - Supervisor, half time for 4-4/5 mos. @ rate of $600.00/mo. for full time ($300.00)	1,440.00	

(b) Technical Services

None

(c) Labor

2 miners and 1 helper @ $14.50/day each		
1 truck driver half time @ $13.00/full day	6,374.00	$ 7,814.00

Category (3) Operating Materials and Supplies

Miscellaneous	$ 3,725.00	
390 feet (Lineal) Square set timbering @ $5.00/ft.	1,950.00	$ 5,675.00

Category (4) Operating Equipment

(a) Rental

None

(b) Purchase

None

(c) Depreciation

Same items and rates as under Stage I for 4-4/5 months @ $254.00/mo. (rounded)	1,219.00

Category (5) Initial Rehabilition and Repairs

None

Category (6) New Buildings, Fixtures, and Installations

None

Category (7) Miscellaneous

[illegible] sample analyses (CaF_2 and SiO_2) @ $5.00/sample	375.00	
Social Security and liability insurance	859.00	1,234.00
Estimated Total Cost of Stage II		$15,942.00

Stage III

Category (1) Independent Contracts

None

Category (2) Personal Services

(a) Supervision

1 - Supervisor, half time for 1-1/3 months @ rate of $600.00/mo. for full time ($300.00)	$ 360.00	

(b) Technical Services

None

(c) Labor

2 miners and 1 helper @ $14.50/day each		
1 truck driver half time @ $13.00/full day	1,594.00	$ 1,954.00

Category (3) Operating Materials and Supplies

Miscellaneous	886.00	
120 feet (Lineal) raise timbering @ $5.00/ft.	600.00	1,486.00

Category (4) Operating Equipment

(a) Rental

None

(b) Purchase

None

(c) Depreciation

Same items and rates as under Stage I for 1-1/3 months @ $254.00/mo. (rounded)	305.00

Category (5) Initial Rehabilitation and Repairs

None

Category (6)	New Buildings, Fixtures, and Installations		
	None		
Category (7)	Miscellaneous		
	50 sample analyses (CaF_2 and SiO_2) @ $5.00/sample	$ 250.00	
	Social Security and liability insurance	215.00	$ 465.00
	Estimated Total Cost of Stage III		$ 4,210.00

S U M M A R Y

Estimated Total Cost of Stage I	$19,600.00	
Estimated Total Cost of Stage II	15,942.00	
Estimated Total Cost of Stage III	4,210.00	
Estimated Total cost of Project		$39,752.00
Government Participation @ 50%		$19,876.00

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

JUN 14 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3961, J. R. Simplot Company
Fluorspar

As requested in reference slip dated June 7 from Mr. Houk, we have prepared the attached contract.

1. In Annex I, 8 claims are listed. The Operator owns all but the Fluorspar claim, which at present is leased, and a Consent to Lien covering a one-half interest has been submitted. We are informed that the Operator is negotiating to purchase the Fluorspar claim. Therefore, room has been left in Annex I to add thereto a statement concerning the claims. Thus, if at the time the contract is executed the Operator has completed purchase of the claim, a simple recital may be made at the end of Annex I to the effect that "All claims listed above are owned by the Operator." If the claim has not been purchased, Annex I should recite that the 7 claims are owned, that the one claim (Fluorspar) is leased, and also the situation existing with respect to the Consent to Lien should be recited. In either event, the recitals in Article 2 of the contract form need not be changed.

2. The map referred to in the contract should be attached prior to execution.

/s/ Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

H. C. Rubin/emd
Copy to: DMEA Docket
Solicitor's docket
L. G. Houk (2)
J. L. Hofflund H. C. Rubin chron.

600

JUN - 9 1955

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

Subject: Docket No. DMEA-3661
Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Dear Mr. Weissenborn:

Reference is made to your letter of May 17, 1955, restating your opinion as to the best method of exploring the subject property.

We too regret the delay and expense in processing this application. Since the property has not been accessible for a formal field team examination, the delay has been unavoidable. We are in agreement that the potentialities here are most promising, and the property should be explored. The Nonmetallic Minerals Division is not in complete agreement with the exploration approach and has questioned the need for raising if the ore is encountered on the adit level. However, because of your strong recommendations and the short working season they are writing a contract. You should, therefore, watch the project closely so that recommendations can be made for changing the work program if the results are not encouraging.

A blank copy of the performance bond is enclosed for your guidance. The Operator was sent a performance bond on May 27, 1955.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosure

LGHouk:gad 6/1/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Brundale, 3516
Mr. Houk

Memorandum

To: Files DMEA 3661

From James Hopkins

Subject: Proposed Contract for exploration project under Docket No DMEA 3661 Simplot Company.

1. This contract as drawn embodies all of the proposed work of the applicant and as recommended by the Field Team with the following modifications:

a. Contract proposes 3 stages for the work rather than 2 – the last two dependent upon results obtained in a preceding stage. Better control is possible with 3 stages.

b. The long form or actual cost basis contract is preferable to the short form or unit cost

c. Depreciation on equipment is calculated on a straight 20% yearly basis

d. Allowance of 5% for contingencies instead of 15%

e. Government will participate in one-half of cost of compressor house and shop building with no claim to be made to participate in salvage of building at completion of project.

f. All timber and surface proposals by applicant have been allowed.

2. The contract is based on good sound mining practice. Costs are not excessive. All work is strictly exploration and cannot be construed to be development in any sense.

3. If it is true that the Bayhorse anticline plunges northward, a mine at the end of the adit (if in ore) to explore for the dolomite-phyllite contact would certainly be worthwhile exploration. (Over)

Exploration Project Contract
J. R. Simplot Company
Docket No DMEA 3661
Exhibit "A"
Description of the Work

The exploration is to be performed in three stages and is shown on the attached map entitled "J R Simplot Company, Fluorspar Division, Challis, Idaho, Chalspar Area No 2." The work consists of the following

Stage I

1. Construct 3 miles of access road with a D-8 or equivalent Bulldozer

2. Prepare Portal Site with a D-8 or equivalent Bulldozer

3 Construct Rough frame 16' x 32' Compressor house and shop.

4 Drift on the Chalspar No 2 vein a distance of 500 feet. Drive crosscuts to walls of vein at intervals where width of vein exceeds width of drift. 50 feet of the authorized drifting footage may be allocated to cross cutting

5 Sample all working faces when advances are being made in ore

Stage II

1. Extend drift adit an additional 480 feet on the Chalspar No 2 vein

(Over)

2. Drive crosscuts at intervals to walls of vein where width of vein exceeds width of drift.

3. Sample all working faces when advances are being made in ore.

Stage III

1. Drive 120 feet of 2-compartment raises at points agreed upon in advance by the Government.

2. Sample working faces of raises when advances are being made in ore.

The work under stage II shall be performed only if, in the opinion of the Government, the results under stage I warrant it.

The work under stage III shall be performed only if, in the opinion of the Government, the results under Stage II warrant it.

The location, direction, inclination and extent of all work are subject to the approval of the Government.

Drifts, Crosscuts and raises shall have minimum cross sectional dimensions of 8 feet by seven feet in the clear of timber.

All workings shall be timbered as necessary.

Sampling required under the contract shall be carried out in a manner approved by the Government. Each sample shall be divided into at least two parts one of which shall be furnished to the Government.

Over

Estimated Cost of the Project

Stage I.

Category I Independent Contracts

Bulldozing 112 hrs @ $12.50 — 1400.00 *

Category II Personal Services — 9652.00 *

(a) Supervision 1 - Supervisor 1/2 time 24.00/day

(b) Technical Services — None

(c) Labor

2 Miners and 1 Helper — 14.50

2 Laborers — 14.50

1 Truckdriver 1/2 Time — 26.00

(includes workmens compensation insurance and Social security)

Category III Operating Material and Supplies — 6308.00 *

Miscellaneous $4358.00

390 Linear feet Square Set Timbering $1950.00

Category IV Operating Equipment — 1510.00 *

(a) Rental $170.00

Compressor for Pneumatic Drill

(b) Purchase — None

(c) Depreciation 500 ft @ ($~~2.55 75%~~) — 1340.00 *

Category V Initial Rehabilitation & Repairs

Category VI New Buildings, Fixtures and Installations — 485.00 *

The Government will contribute to one-half the cost of Compressorhouse and Shop and will waive its right to any 'Share of the Salvage value' *

Category VII Miscellaneous

75 Analyses (CaF_2 and SiO_2) @ 5.00 — 375.00

Total Cost Stage I — 21610.00

Stage II

Category I Independent Contracts None

Category II Personnel Services

$8673.00 *

(a) Supervision 1-Supervisor ½ Time $30.00/day

(b) Technical Services None

(c) Labor:

2 Miners and 1 Helper $45.50/day

1 Truck driver ½ Time $26.00/day

(includes workmens Compensation and Social Security)

Category III Operating Material and Supplies 56,250.00 *

Miscellaneous 3725.00

390 Lineal feet Square Set Timbering 1950.00

Category IV Operating Equipment $1286.00 *

(a) Rental None

(b) Purchase None

(c) Depreciation 1286.00

Category V Initial Rehabilitation & Repairs None

Category VI New Buildings, Fixtures and Installations None

Category VII Miscellaneous

75 ~~Analyses~~ Samples (CaF_2 and SiO_2) @ $5.00 per sample 375.00 *

16009.00

Total Cost Stage II

Stage III

Category I Independent Contracts None

Category II Personal Services 2169.00 *

(a) Supervision 1 Supervisor 1/2 Time @ 24.00/day

(b) Technical Services None

(c) Labor:

2 Miners and 1 Helper $14.50/day

1 Truck driver 1/2 Time $26.00/day

(Includes workmen's compensation insurance and social security)

Category III Operating Material & Supplies 1486.00 *

Miscellaneous $886.80

120 Lineal feet Raise Timbering $16.00.00

Category IV Operating Equipment 322.00 *

(a) Rental None

(b) Purchase None

(c) Depreciation

Category V Initial Rehabilitation & Repairs None

Category VI New Buildings, Fixtures & Installations None

Category VII Miscellaneous

50 ~~Analyses~~ Samples (CaF_2 and SiO_2) @ 5.00 per sample 250.00 *

Total Cost Stage III $4227.00

Estimated total cost of Project $41246.00

Government participation @ 50% $20623.00

Stage I — Work Sheets

Category I Independent Contract

Bulldozing 96 hours @ 12.50	1200.00

Category II Personal Services

500 feet @ $18.07 ($17.205 + 5%)	9035.00
Road Supervision	150.00
Road Labor	348.00
FICA Road	54.78
Portal Labor	58.00
FICA Portal	6.38
	9651.16
Round to	9652.00

Category III Operating Material

500 feet @ $7.76 ($7.39 + 5%)	3880.00
Powder for Road	147.00
Caps for Road	85.00
Powder for Portal	21.00
Miscellaneous for Road	250.00
" for Portal	35.00
	4358.00
Timber Allowed 390 drift sets @ 50.00 feet	19500.00
Total	6308.00 ~~58[illegible]~~

Category IV Operating Equipment

500 feet @ $2.68/ft ($2.55 + 5%) (Depreciation)	1340.00
Compressor Rental Road	150.00
" " Portal	20.00
Total	1510.00

Field Team estimates:

Labor + Supervision $17.205/ft + 5% = $18.07

Op. Mat. + Supplies $7.39 + 5% = $7.76

Dep. on Equipment $3.10 (2.55 + 5%) = 2.68

Timbering 50.00/ft in drifts; $10.00/ft in raises.

Stage: II (Cont'd)

Category V Initial Rehabilitation & Repairs None

Category VI New Buildings, Fixtures & Installations

Compressor house & Shop 16'x32' ~~850.00~~ 425.00

Category VII Miscellaneous

" Analyses

~~200~~ 75 samples @ ~~5.00~~ 375.00 ~~500.00~~

Total Cost ~~14,850.00~~

21,010.00

Stage II

Category I — None

Category II

Drifting 480 feet @ $18.07/ft (17.205 + 5%) — 8673.00

Category III

Miscellaneous Supplies, (Pipe, Track Powder Fuel, Steel + Misc.)

Costs adjusted for salvage

Drifting 480 @ 7.76 ft (7.39 + 5%) — 3725.00

Timbering: Allowing 390 ft @ $5.00 — 1950.00

Total — ~~54,25.00~~ 5675

Category IV Operating Equipment

Cost of Equipment = $15,278.00

Depreciation 1/60 per month for 100 feet of drifting and or raising = (2.55 + 5%) = 2.68/ft

480 feet of Drifting @ $2.68/ft (rounded) 1286.00

Category V

Category VI

Category VII Miscellaneous

Analyses

~~300~~ 75 Samples (Bi_2 + SiO_2) @ $5.00 — ~~1500.00~~ 375

Total — ~~15,984.00~~ ~~15959.00~~ 16009.00

---

200 samples allowed

900 feet of timbering

Hence 485.00 unused of 812.00

Stage: III

Category I Independent Contractor

Category II Personal Services

Raising 120 feet @ 18.07 $2169.00

Category IV Op. Mat. and Supplies

Miscellaneous (Pipe, Track, Conveyor Belt, Steel & Misc.)

Costs adjusted for salvage

Raising 120 feet @ $7.76/ft = 886

Timbering 120 feet, @ $5.00/ft = 600

Total $14 86.00

Category III Operating Equipment 322.00

Depreciation of 1% per month of equipment valued at $45,278.00

120 feet Raise @ 2.68 (2.51 + 5%) (32/60)

Category V

Category VI

Category VII Miscellaneous

Analyses

~~100~~ 50 Samples (Cu, Zn, Pb, Ag) @ $5.00 ~~500~~ 250.00

$4227.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
No. 157 Howard Street
Spokane 1, Washington

RECEIVED
JUN 1 1953

June 3, 1953

Air Mail

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

Re: Docket No. [illegible] (Chalspar)
M. R. Higlot Co.
Chalspar No. 2
Custer County, Idaho

Dear Mr. Selfridge:

Mr. Nicholson has just returned from a trip to central Idaho during which he was able to visit the Chalspar No. 2 locality although with some difficulty. The last 1½ miles he had to traverse the talus on the south slope of the valley as the valley floor itself was filled with snow and the jeep road was inaccessible.

He found that the north slope of the hill on the Chalspar No. 2 locality was still deeply covered with snow and therefore no observations could be taken; however, on the south slope of the hill he was able to take two strikes and dips on dolomite outcrops. One of these was on the ridge N. 75° E. from the top of the hill about 300 feet from the vein. Here the beds are striking about N. 40° E. and are dipping 43° to the northeast. The second outcrop about 215 feet N. 65° W. of the proposed portal site and just above the west end of the first trench strikes N. 10° E. and dips 30° to the northwest. Outcrops, where recognizable dips could be measured, are very scarce but the observations would seem to indicate that the Chalspar No. 2 vein is pretty near the crestline of the anticline and there is not much danger of intersecting the phyllite in the proposed exploration. No information on the thickness of the Yellowhorse dolomite could be obtained.

Nicholson reports that the lowest trench just below the proposed portal site is completely filled with slough material rolled down from the trench above, and the next trench above this is also nearly filled with slough material and also partly covered with

a snow bank. A sample of fluorspar picked up from the caved material in this trench has been sent for assay, and the results will be forwarded to you as soon as available; however, no sample could be taken from the vein nor could the vein be seen.

If a bulldozer were available on the property, the two lower trenches could be cleaned out with very little effort and we are sure that the company would be willing to do this; however, cleaning the trench now would mean that a bulldozer would have to be brought in, probably walking it in from the Chalspar No. 1, a distance of 3 miles; it would then have to be removed as it would be impractical to leave it on the property until a decision was made regarding the contract.

We suggest therefore that the contract be negotiated without requiring the cleaning of these two trenches but that the first stage of the work be the performance of sufficient bulldozing to locate a satisfactory portal site and that drifting be started on the fluorspar vein. If this suggestion is not satisfactory, please let us know at once and we will contact the applicant to find out if he is willing to undertake the expense of bringing in a bulldozer for the purpose of opening up the two lower trenches. If he is not, then our recommendation will have to be to drop the contract.

Incidentally, we have been informed that the J. W. Simplot Company is negotiating to buy out the interest of the partner who did not sign the Owner's Consent to Lien.

By Field Team, Region 1, Wallace District

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

King G. Agnew, Member
(U. S. Bureau of Mines)

cc: GLEW(2)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JUN - 1 1955

May 31, 1955

Memorandum

To: L. C. Kenk, Defense Minerals Exploration Administration

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Comments on Singlet Fluorspar application, DMEA Docket 3561, Custer County, Idaho

In my letter of May 19, to Mr. A. L. Anderson, copy transmitted to you, I raised certain questions regarding proposed exploration at the cited property. Mr. Anderson has now answered my letter and I am attaching a copy of his reply for your information.

You will note that Anderson concurs in the drifting program requested by the applicant and recommended by the Field Team. He believes the window of Garden Creek phyllite exposed on the nose of the anticline to be an erosional feature, and that drifting on the Challenger No. 2 vein from elevation 8300 will not encounter the underlying phyllite.

For my own information I have plotted a longitudinal section of the Challenger No. 2 vein in an attempt to see if the window of phyllite could have been exposed by erosion as suggested by Anderson. To do this I have transposed data from the applicant's map to the topographic and geologic map in U.S.G.S. Bull. 877. The scale of this map is too small to be absolutely accurate; however, plotting the phyllite from the outcrop on the south side of the ridge to the north side window shows the north side outcrop to be about 300 feet lower in elevation, or that the phyllite contact plunges about 5 degrees to the north. If such is the case, the phyllite window would be a topographic feature. Topography would not, however, account for the outcrop of the conglomerate and Kootenai slate about a quarter of a mile north of the window. The outcrop of these younger rocks can be explained only by a sudden steepening of plunge of the anticline or else by faulting. These outcrops are, of course, beyond the area concerned by the proposed work.

The south side of the window of phyllite is about 2300 feet north of the adit portal site and about 300 feet lower in elevation. Allowing for a constant plunge to the north, this would mean the phyllite contact would be approximately 100 feet below the northern face of the proposed adit. Assuming fluorspar does not occur in the phyllite, this would mean that in addition to the reserve data shown

on the applicant's long section there would also be a triangular block below the adit level, which, using the applicant's vein width and tonnage factor, should contain 35,000 tons of ore -- calculated to the end of the proposed adit. This tonnage, added to that shown by the applicant, indicates the deposit could have a potential of 180,000 tons. Personally, I believe the applicant's tonnage figures are overly optimistic; probably a tonnage estimate about one half the applicants' would be more realistic.

We will not have enough data to evaluate this deposit until it is further explored; however, using those available, an optimistic 180,000 tons of 30% CaF_2, a concentration ratio of 2.3 to 1 -- believed to be the 1953 ratio of Simplot's figure for milling operations on ore comparable to that in question --, and an overall market value of $40 per ton of concentrate, I calculate a potential gross value of about $2,000,000. If the Government were to be repaid at 5% of the net returns, this evaluation would repay more than 4 times the exploration amount proposed by the Field Team. This seems to me to be a sufficient safety factor to justify Government participation in the proposed exploration project.

Additional field examinations by the Field Team will undoubtedly turn up new information that can be used in evaluating the prospect; however, from a geological standpoint there seems to me to be ample information on hand to further process this application. Certainly, there is more known about the geologic characteristics and environment of this deposit than about the majority of properties receiving DMEA contracts.

On the basis of information on hand, I recommend approval of the program recommended by the Field Team.

T. H. Hilsgaard

THHilsgaard:hln
G-5/31/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. C. Arundale, 3516 Interior
A. H. Weissenborn
R. H. Van Alstine

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Sim J. Lot

May 19, 1955

Dr. A. L. Anderson
Department of Geology
Cornell University
Ithaca, New York

Dear Andy:

The J. R. Simplot Company has submitted a DMEA application proposing to explore their Chalsper No. 2 property in Dougherty Gulch above Challis. This application has been drafted by Keith Madill. In submitting the application they have used your pamphlet No. 101 as a reference and have shown their proposed work on your topographic map, Figure 6. They propose to drift on the vein from the south side of the hill starting at an elevation of 8310 feet and continuing for a distance of 980 feet, which takes them under the ridge and beneath the north side, the drift stopping more or less under the 8380 contour. As a second stage they propose to raise from the drift.

The application has been approved by the Field Team with little alteration from the plan submitted by Madill; however, it has been a subject of controversy here in Washington. Some reviewers have ruled that since the vein is exposed by several bulldozer trenches on both sides of the ridge it has been partly explored and that the proposed work would be development, which of course is not done by DMEA. Some have also suggested that the vein could be amply tested by a few well placed diamond drill holes or perhaps a short shaft sunk on the vein. My own views are that although it is a strong vein on the outcrop it should be drifted on for further exploration because the nature of fluorspar deposits in that part of Idaho is that they are lenticular both on strike and on dip. I'm afraid that drilling might either intersect the vein in a lean or in a rich spot, either result of which could give an erroneous picture of the ore reserves.

The application has now been sent back to the field for further information. Knowing the area will be overlain with snow until June, and knowing that it will be mid-summer by the time a field report can be returned to Washington and a contract written, if approved, I have decided to write you to see if you might not have some of the information being requested by Washington.

One of the controversial points in question is that there may not be enough thickness of Bayharse dolomite at the vein to warrant such an extensive exploration program. Your map, Figure 2, shows a northwest-trending anticline passing through the area with the Chalspar No. 2 vein cropping out along the west flank. The anticline is presumably plunging 20 degrees to the northwest. Your map shows the contact of the core of Garden Creek phyllite to be some distance to the southeast and lower on the ridge, but with another window of phyllite to the northwest near the nose of the anticline. However, Madill states that in trenching across the outcrop of the vein, on the south side of the ridge near the 8300 contour, he encountered the Garden Creek phyllite with the contact arcing to the southeast, and that no fluorspar was found in the phyllite. This presumably is one of the reasons why he would start the adit as proposed, wishing to stay above the phyllite but to get as low as he could. The $64 question is, where is the upper limit of the phyllite between the proposed mouth of the adit and the outcrop of phyllite on to the northwest at the nose of the anticline? Since the anticline is plunging to the north, it could be assumed that the phyllite will pose no problem but that instead there will be ample ground for exploration even below the adit level near the middle and on the north side of the ridge; however, there remains the question of why is that window of phyllite to the north? This exposure cannot be explained by topography. Is there a synclinal fold athwart the nose of the anticline which brings the phyllite up, or is there a northeast-trending fault such as those you have shown further to the northwest, which might fault the block up? If either is the case, it might well be that the adit will run into phyllite at no great distance and that the work planned would serve no purpose. I might add that one of the reasons why drilling on the north side of the ridge has been proposed is to test the depth of phyllite.

The picture is all the more confusing when your section A-A', Figure 2, is examined. This section shows the vein to be on the flank of the anticline with a thick section below the adit level, and not on a nose as would be suggested by Madill's reported contact near the proposed adit portal.

I would appreciate your advising of the following: 1) Do you believe there is a syncline or a fault across the nose of the anticline, thus accounting for the window of phyllite to the northwest? 2) What is the possibility of the adit starting at elevation 8310 encountering phyllite before 900 feet of drift is completed? 3) Do you have any way of knowing the thickness of the Bayharse dolomite at the Chalspar No. 2 property and can we be reasonably sure of the possibility of the dolomite extending below the adit level as shown in your section A-A'? 4) Do you have any field notes showing more rock attitudes at the mine from which we might more closely interpret the folded nature of the anticline? I mention this as there is a possibility of the anticline being of a wrinkled nature with the phyllite exposed in the trench merely being a transverse fold. 5) Do you have any information on the amount and type of displacement on the mineralized Chalspar No. 2 fault?

I realize that I have presented quite a problem to you, but I would appreciate your help. If we can clear up these difficulties at this time and if BSEA will approve a contract, we should be able to commence work this summer and possibly get much of it done during the coming season. On the other hand if we must wait for field information, it is almost a certainty that little work will be done this season, if at all. As you know, there is always a question as to how long this program will run.

Please give my best regards to the family and thanking you in advance, I remain

Sincerely,

Thor N. Kiilsgaard
Staff Assistant for BSEA

CC: L. G. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~[illegible]~~
So. 157 Howard Street
Spokane 4, Washington

May 17, 1955

Air Mail

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

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Dear Mr. Selfridge:

This is in reply to Mr. Martin's letter of May 3, 1955, which crossed our letter of May 4, 1955, in the mail.

Our letter of May 4, we believe, answered some of the questions which were raised, but it has not answered all of them; we are sorry but we do not have the answers to all of the questions. The deposit was examined by Nickelson and Johnson last fall because they were in the vicinity and because they had reason to believe that there would be a DMEA application forthcoming. They took a few samples and made some pertinent notes but did not have the opportunity at the time to do more than this. They did see enough, however, to convince them thoroughly that this is indeed a likely prospect. The application itself was received in January 1955 and since then the property has been inaccessible, thus providing no opportunity for a further visit to the property to get the additional information that is requested. Some of this information can be obtained fairly easily as soon as the property is opened, but to obtain the answers to some of the questions may require detailed geologic mapping which is far beyond the scope of the mapping that is normally done in a DMEA examination. Some of the answers perhaps may not be forthcoming until the planned exploration itself is performed.

It should be remembered that A. L. Anderson visited the area in 1951, 1952, and in the early summer of 1953. In August of 1953 he spent three weeks mapping the area. In this time Anderson did not come up with the answers to all the questions asked in your letter of May 3. Anderson's map is certainly not above criticism, but the fact that he had so few strikes and dips on it, except the north part of the map area of figure 2, is significant. Much of the mapped area is heavily timbered, exposures are not too good, and even where there are

exposures, dips are not always readily determinable. This is particularly true of the Bayhorse, which is a massive dolomite without very distinct bedding. Careful search very likely would add more strikes and dips to the map, but to find them in the immediate vicinity of the deposit may not be as simple as it seems.

To get these strikes and dips and to take additional samples will mean we must delay until the property becomes accessible, and it may mean bringing in a bulldozer to clean out the trenches. Inasmuch as we are already convinced that the property merits exploration and that the plan for exploring it is sound, we regret the loss of time and the expense. The loss of time is particularly serious due to the abnormally late spring and the shortness of the working season even under normal conditions.

Regarding the thickness of the Bayhorse dolomite the available information is confusing, if not conflicting. The thickness apparently varies from about 1,000 feet on the east flank of the anticline near Garden Creek to as little as 200 feet on the west flank near the Westspar prospect. If we are to believe Anderson's section A-A of plate 2 which passes right through the Chalspar No. 2 property the Bayhorse has a thickness of about 200 feet in this immediate area. There is no readily available exposure where the section could be measured directly and we do not believe that even with more detailed surface mapping we are likely to come out with a better answer than this, although the exploration itself may give additional information.

Concerning whether or not there are any unmapped faults between the Chalspar No. 2 locality and the small patch of Garden Creek phyllite a little to the north, if Anderson had seen any evidence of such faults he would no doubt have drawn them in. Past experience with Anderson's work in other areas suggests that he has a great tendency to put in faults even on extremely slender evidence; he has in fact been much criticized for this. Exposures on the north slope of the hill are poor or absent so we cannot say categorically that there is no fault in this area. We do know, however, that from the portal of the proposed adit just above the phyllite contact to 200 feet north of the top of the hill we have seen no evidence of a fault offsetting the fluorspar vein. The unexpected can always happen, but we can say definitely that throughout most of the length of the proposed adit there is no surface evidence of any fault large enough to interfere with the exploration, regardless of what there may be farther north.

We cannot agree that the exploration we have recommended is development rather than exploration. We would regard anyone as extremely ill-advised to go in and construct a surface plant and mill on the basis of the information now available on the property, and consequently the property clearly needs exploration. If it were necessary to drive a long crosscut to reach the vein, we might agree that some preliminary diamond drilling might be desirable but with the favorable setup that exists on the property for drifting we believe that the best, cheapest, and quickest method of getting the necessary information on the grade and continuity of the ore is to drive an adit on the vein in the manner we have recommended, and we see nothing improper in Government participation in this adit merely because it will be useful later on for mining should the exploration be successful. We do not believe that it would be preferable to come in on the north side of the hill, even though this is easier to reach by road. We know that the vein can be followed up the south slope of the hill to the top and some 200 feet down the north slope where it runs into cover too deep to bulldoze. We do not know the exact position of the vein on the lower north slope of the hill; in fact, we do not even know with certainty that it continues this far. Underground exploration from the north side would require the drilling of a number of diamond drill holes to locate the vein, and if it should prove that the vein should stringer out before it reaches the north flank of the hill, it would require a long drift in barren ground to reach the ore zone. The cost might well exceed the amount that could be saved in road construction from the north side as compared to the south side. Furthermore, we are sure the operator will not consider doing the work from the north side, and cannot argue with him with conviction. We think it far more prudent to stick close to the known ore and start the drift on the south side on the actual outcrop of the vein. We have taken care of the road problem by putting a maximum on the amount that is allowed for road construction.

Regarding the matter of a guarantee for a half of one claim, we have in other DMEA contracts accepted the guarantee of this very company in lieu of Owner's Consent to Lien and, consequently, we believed that this would be adequate in the present case. The J. R. Simplot Company is a well-known and highly respected company with an excellent credit rating and should have no difficulty in securing a bond guaranteeing the payment of royalty, if this is required. We discussed this matter with Mr. Hedges while he was here and asked him exactly what type of bond was required. Mr. Hedges was not sure and therefore we would like you to send us, as early as possible, a sample bond for our guidance in obtaining the proper form of bond. We shall then proceed to request the company to secure a proper bond.

In our judgment this is a very attractive property and is the type of exploration in which the DMEA should participate. We do not have all the geologic details which could perhaps be obtained in the area, but we have more information than is usually available on many exploration projects, both DMEA and non-DMEA, and we would have no misgivings whatsoever in entering into the project as recommended. Since you insist, we will visit the property as soon as it becomes accessible and will obtain as much of the information you request as we can, but we sincerely regret the expense and delay that will result and the diversion of our men from other work.

By Field Team, Region I, NW District

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

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

cc: USGS (2)
Nicholson

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

May 4, 1955

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

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Challenger No. 2
Custer County, Idaho

Dear Mr. Salfridge:

With reference to Mr. Hook's letter of April 29, 1955, to J. R. Simplot Company we are attaching a brief memorandum from Mr. Nicholson regarding the occurrence of fluorspar in the lower trenches of the south slope of the hill. Mr. Nicholson was absent in the field when the Field Team letter of April 22 was prepared; consequently, we hesitated to state too precisely regarding how much fluorspar he had seen in the lower trenches on the south side of the hill, although we were certain he was convinced that fluorspar could be traced clear down to the trench at elevation 5300 feet. We believe that Mr. Nicholson's statement should relieve any doubt that there are considerable amounts of fluorite clear down to the lower trench at the contact with the Garden Creek phyllite.

With regard to the thickness of the Bayhorse dolomite, the J. R. Simplot Company's map shows a difference of elevation of approximately 850 feet between the Garden Creek phyllite and the basal Bannhorn conglomerate which indicates a thickness much less than the 1,000 feet estimated by Ross in Bulletin 877. Ross thinks that there are about 1,000 feet of Bayhorse dolomite on the east flank of the anticline near Garden Creek; however, he very specifically states that local contortion has rendered accurate measurement impossible and therefore it is very possible that the thickness may not be as great as he thinks.

Also, as Ross points out, the conglomerate at the base of the Bannhorn slate is evidence of an erosional unconformity and therefore at any given place part of the Bayhorse dolomite may be missing. Therefore, aside from structural complications which may further compound the problem, we neither know with certainty how thick the Bayhorse was in the first place nor how much may have been stripped off before the Bannhorn was deposited.

We trust that Mr. Hinkelman's memorandum will give sufficient evidence to show that the Flatcopper vein does continue down the south slope to approximate elevation 8,000.

On his recent trip to the Salmon area he attempted to reach the deposit so that he could map and sample it in greater detail but was unable to reach it because of snow.

By Field Team, Region I, NW District

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

King E. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: WSMM (2)
Hinkelman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

May 3, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Howard B. Bielmann, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-3661 (fluorspar), J. R. Simplot Company, Chalspar No. 2, Custer County, Idaho. Lawrence G. Houk's letter of April 29, 1955, to the applicant.

In regard to Mr. Lawrence G. Houk's letter to J. R. Simplot Company of April 29, 1955, the writer may be able to clear up several of the questions asked.

Regarding samples from the lower trenches on the north and south side of the hill, during the field examination in October 1954 evidence of the vein was observed high on the bank of the trench on the south slope of the hill just below the proposed portal site, even though the trench itself was covered with sloughed material so that the trench could not readily be sampled. Considerable fluorspar was observed in the rubble that had sloughed from the overburden and the near-surface exposure of the vein. High-grade pieces of fluorite were observed up to 1 foot in diameter in the rubble. Fluorite could be observed in the dolomite just above the phyllite contact.

The vein in the next trench above the proposed portal site was covered by the bulldozed material from upper trenches but considerable high-grade fluorspar was evident in the dump. It is difficult to determine just where this material originated but there is no question in my mind that the vein is present here and contains fluorspar.

The other trenches to the top of the hill have been sampled by the Operator and check-sampled at the time of the examination, the results of which have been reported.

The surface had been dozed from the top of the hill to the north for approximately 200 feet and the vein was exposed throughout this length. The last exposure of the vein near the end of the trench was approximately 4 feet wide, and several narrow stringers were also evident on each side of the main vein. As stated by the applicant none of the trenches beyond this point reached bedrock,

although fluorspar float was dug up during the excavation and was evident on the dump. The Field Team has not proposed any exploration under these two northern townships.

The principal reason for the examination was to determine if the Operator had represented the property as described in the application and if the proposed work would start on the vein in ore as stated in the application. There is no doubt in my mind that the vein contains fluorspar at the proposed portal site.

Distribution:
DNEA (orig. & 1)
DMRM (2)
DMRM(AD)
Docket
Kinbaloom

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

May 4, 1955

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

Re: Project No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Challenger No. 2
Custer County, Idaho

Dear Mr. Selfridge:

With reference to Mr. Rook's letter of April 29, 1955, to J. R. Simplot Company we are attaching a brief memorandum from Mr. Nicholson regarding the occurrence of fluorspar in the lower trenches of the south slope of the hill. Mr. Nicholson was absent in the field when the Field Team letter of April 22 was prepared; consequently, we hesitated to state too precisely regarding how much fluorspar he had seen in the lower trenches on the south side of the hill, although we were certain he was convinced that fluorspar could be traced clear down to the trench at elevation 8,300 feet. We believe that Mr. Nicholson's statement should relieve any doubt that there are considerable amounts of fluorite clear down to the lower trench at the contact with the Garden Creek phyllite.

With regard to the thickness of the Bayhorse dolomite, the J. R. Simplot Company's map shows a difference of elevation of approximately 250 feet between the Garden Creek phyllite and the basal Bannhorn conglomerate which indicates a thickness much less than the 1,600 feet estimated by Ross in Bulletin 877. Ross thinks that there are about 1,000 feet of Bayhorse dolomite on the east flank of the anticline near Garden Creek; however, he very specifically states that local contortion has rendered accurate measurement impossible and therefore it is very possible that the thickness may not be as great as he thinks.

Also, as Ross points out, the conglomerate at the base of the Bannhorn slate is evidence of an erosional unconformity and therefore at any given place part of the Bayhorse dolomite may be missing. Therefore, aside from structural complications which may further compound the problem, we neither know with certainty how thick the Bayhorse was in the first place nor how much may have been stripped off before the Bannhorn was deposited.

We trust that Mr. Nicholson's memorandum will give sufficient evidence to show that the Finnegan vein does continue down the south slope to approximate elevation 5300.

On his recent trip to the Salem area he attempted to reach the deposit so that he could map and sample it in greater detail but was unable to reach it because of snow.

By Field Team, Region 1, NW District

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

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

Enclosure

cc: WRRM (2)
Nicholson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

May 3, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Howard B. Nicholson, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-3661 (Fluorspar), J. R. Simplot Company, Claim No. 2, Custer County, Idaho. Lawrence G. Houk's letter of April 29, 1955, to the applicant.

In regard to Mr. Lawrence G. Houk's letter to J. R. Simplot Company of April 29, 1955, the writer may be able to clear up several of the questions asked.

Regarding samples from the lower trenches on the north and south side of the hill, during the field examination in October 1954 evidence of the vein was observed high on the bank of the trench on the south slope of the hill just below the proposed portal site, even though the trench itself was covered with sloughed material so that the trench could not readily be sampled. Considerable fluorspar was observed in the rubble that had sloughed from the overburden and the near-surface exposure of the vein. High-grade pieces of fluorite were observed up to 1 foot in diameter in the rubble. Fluorite could be observed in the dolomite just above the phyllite contact.

The vein in the next trench above the proposed portal site was covered by the bulldozed material from upper trenches but considerable high-grade fluorspar was evident in the dump. It is difficult to determine just where this material originated but there is no question in my mind that the vein is present here and contains fluorspar.

The other trenches to the top of the hill have been sampled by the Operator and check-sampled at the time of the examination, the results of which have been reported.

The surface had been dozed from the top of the hill to the north for approximately 200 feet and the vein was exposed throughout this length. The last exposure of the vein near the end of the trench was approximately 4 feet wide, and several narrow stringers were also evident on each side of the main vein. As stated by the applicant none of the trenches beyond this point reached bedrock,

although fluorspar float was dug up during the excavation and was evident on the dumps. The Field Team has not proposed any exploration under these two northern trenches.

The principal reason for the examination was to determine if the Operator had represented the property as described in the application and if the proposed work would start on the vein in ore as stated in the application. There is no doubt in my mind that the vein contains fluorspar at the proposed portal site.

Distribution:
DMEA (orig. & 1)
MMRM (2)
MMRM(AD)
Docket
Nielsen

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1955

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION MMA-3661 (Fluorspar)

To: L. G. Houk, Defense Minerals Exploration Administration

From: R. E. Van Alstine, U. S. Geological Survey

Applicant: J. R. Simplot Co., Boise, Idaho

Name of property: Challenger No. 2

Location of property: T. 13 N., R. 18 E., Bayhorse district, Custer County, Idaho.

Date of Field Team report: March 18, 1955

Authorship of Field Team report: H. B. Nickelson (U.S.G.S.) and A. L. Service (U.S.B.M.)

Field Team's recommendation: Approve 1100 feet of drifting, crosscutting, and raising, access road construction, portal preparation, and construction of compressor house and shop. Service recommends that the 120 feet of raising be made Stage II, contingent upon results of drifting and crosscutting.

Comments: The deposit warrants further exploration. The reasons for underground work rather than drilling are not presented. There is nothing to show that the Field Team has considered drilling (see my memo of March 16, 1955, to you).

Bulldozing already has indicated a continuous ore body of good grade along a steep fault for a strike length of 900 feet and a vertical range of about 260 feet. The applicant has estimated 67,000 tons of indicated ore and 21,000 tons of inferred ore in this body.

The continuity of the ore to the proposed adit level and even deeper could be investigated by drilling instead of underground work. Similarly the depth at which the unfavorable Garden Creek phyllite underlies the Bayhorse dolomite might be determined by drilling.

ACTION RECOMMENDED: Consider a drilling program rather than underground work.

R. E. Van Alstine

REVanAlstine:hlm
G-3/31/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMRA (3)
Docket file
J. C. Arundale, 3516 Interior

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1955

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3[illegible]1 (Fluorspar)

To: L. O. Hook, Defense Minerals Exploration Administration

From: R. E. Van Alstine, U. S. Geological Survey

Applicant: J. R. Simplot Co., Boise, Idaho

Name of property: Challenger No. 2

Location of property: T. 13 N., R. 18 E., Boyhorse district, Custer County, Idaho.

Date of Field Team report: March 18, 1955

Authorship of Field Team report: R. B. Nicholson (U.S.G.S.) and A. L. Service (U.S.B.M.)

Field Team's recommendation: Approve 1100 feet of drifting, cross-cutting, and raising, access road construction, portal preparation, and construction of compressor house and shop. Service recommends that the 180 feet of raising be made Stage II, contingent upon results of drifting and cross-cutting.

Comments: The deposit warrants further exploration. The reasons for underground work rather than drilling are not presented. There is nothing to show that the Field Team has considered drilling (see my memo of March 16, 1955, to you).

Bulldozing already has indicated a continuous ore body of good grade along a steep fault for a strike length of 900 feet and a vertical range of about 260 feet. The applicant has estimated 67,000 tons of indicated ore and 21,000 tons of inferred ore in this body.

The continuity of the ore to the proposed adit level and even deeper could be investigated by drilling instead of underground work. Similarly the depth at which the unfavorable Garden Creek phyllite underlies the Boyhorse dolomite might be determined by drilling.

ACTION RECOMMENDED: Consider a drilling program rather than underground work.

R. E. Van Alstine

REVanAlstine:hlm
G-3/31/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. C. Arundale, 3516 Interior

600

MAY 2 7 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Gentlemen:

Reference is made to your application, dated January 6, 1955, for exploration assistance on the Chalspar No. 2 Mine, Custer County, Idaho.

We are enclosing six copies of Consent to Lien forms to be executed by Richard C. West and Shalda West owners of one-half interest in the fluorspar mining claim and returned to this office. Since you are unable to obtain consent to lien on the other one-half interest in the claim we will require a third party guaranty or surety bond to secure the Government's percentage royalty. A copy of Standard Form 25, Performance Bond, is enclosed for execution by your guarantor.

Upon receipt of these documents we will continue processing your application.

Sincerely yours,

SIGNED
Lawrence C. Houk, Chief
Nonmetallic Minerals Division

Enclosures 7

JHopkins:gad 5/27/55
Copy to: Admr. R. File
Docket
Field Team, Region I, NW District
Mr. Kiilsgaard, 5222
Mr. Arundale 3516
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

May 4, 1955

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

Re: Docket No. DMEA-1661 (fluorspar)
J. R. Simplot Company
Claim No. 2
Custer County, Idaho

Dear Mr. Selfridge:

With reference to Mr. Hook's letter of April 29, 1955, to J. R. Simplot Company we are attaching a brief memorandum from Mr. Nicholson regarding the occurrence of fluorspar in the lower trenches of the south slope of the hill. Mr. Nicholson was absent in the field when the Field Team letter of April 22 was prepared; consequently, we hesitated to state too precisely regarding how much fluorspar he had seen in the lower trenches on the south side of the hill, although we were certain he was convinced that fluorspar could be traced clear down to the trench at elevation 8300 feet. We believe that Mr. Nicholson's statement should relieve any doubt that there are considerable amounts of fluorite clear down to the lower trench at the contact with the Garden Creek phyllite.

With regard to the thickness of the Bayhorse dolomite, the J. R. Simplot Company's map shows a difference of elevation of approximately 250 feet between the Garden Creek phyllite and the basal Kinnikinic conglomerate which indicates a thickness much less than the 1,000 feet estimated by Ross in Bulletin 877. Ross thinks that there are about 1,000 feet of Bayhorse dolomite on the east flank of the anticline near Garden Creek; however, he very specifically states that local contortion has rendered accurate measurement impossible and therefore it is very possible that the thickness may not be as great as he thinks.

Also, as Ross points out, the conglomerate at the base of the Kinnikinic slate is evidence of an erosional unconformity and therefore at any given place part of the Bayhorse dolomite may be missing. Therefore, aside from structural complications which may further compound the problem, we neither know with certainty how thick the Bayhorse was in the first place nor how much may have been stripped off before the Kinnikinic was deposited.

We trust that Mr. Nicholson's memorandum will give sufficient evidence to show that the fluorspar vein does continue down the south slope to approximate elevation 6300.

On his recent trip to the Salmon area he attempted to reach the deposit so that he could map and sample it in greater detail but was unable to reach it because of snow.

By Field Team, Region I, NW District

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

King S. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: WSEM (2)
Nicholson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

May 3, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Howard E. Michelsen, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-3661 (fluorspar), J. R. Simplot Company, Chalspar No. 2, Custer County, Idaho. Lawrence G. Kouk's letter of April 29, 1955, to the applicant.

In regard to Mr. Lawrence G. Kouk's letter to J. R. Simplot Company of April 29, 1955, the writer may be able to clear up several of the questions asked.

Regarding samples from the lower trenches on the north and south side of the hill, during the field examination in October 1954 evidence of the vein was observed high on the bank of the trench on the south slope of the hill just below the proposed portal site, even though the trench itself was covered with sloughed material so that the trench could not readily be sampled. Considerable fluorspar was observed in the rubble that had sloughed from the overburden and the near-surface exposure of the vein. High-grade pieces of fluorite were observed up to 1 foot in diameter in the rubble. Fluorite could be observed in the dolomite just above the phyllite contact.

The vein in the next trench above the proposed portal site was covered by the bulldozed material from upper trenches but considerable high-grade fluorspar was evident in the dump. It is difficult to determine just where this material originated but there is no question in my mind that the vein is present here and contains fluorspar.

The other trenches to the top of the hill have been sampled by the Operator and check-sampled at the time of the examination, the results of which have been reported.

The surface had been dozed from the top of the hill to the north for approximately 200 feet and the vein was exposed throughout this length. The last exposure of the vein near the end of the trench was approximately 4 feet wide, and several narrow stringers were also evident on each side of the main vein. As stated by the applicant none of the trenches beyond this point reached bedrock,

although fluorspar float was dug up during the excavation and was evident on the dumps. The Field Team has not proposed any exploration under these two northern trenches.

The principal reason for the examination was to determine if the Operator had represented the property as described in the application and if the proposed work would start on the vein in ore as stated in the application. There is no doubt in my mind that the vein contains fluorspar at the proposed portal site.

Distribution:
- DMEA (orig. & 3)
- [illegible] (2)
- [illegible](All)
- Docket
- Nicholson

MAY - 3 1955 600

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

Subject: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Dear Mr. Weissenborn:

Reference is made to your air mail letter of April 22, 1955, on the subject application.

The portion of our letter of April 5, 1955, which you misconstrued, contains no inconsistencies, although your omission "50 feet of shaft" would make it appear so. We cannot reconcile your statement on the top of Page 3 with respect to the thickness of the Bayhorse. The Chalspar No. 2 is on the west flank of the anticline. Anderson states on Page 3 only a few hundred feet of dolomite are exposed on the west flank of the anticline in the vicinity of Daugherty's Gulch. The Operator states in its application "locally the dolomite is thin to as little as 150 feet". The plunge of the anticline and the dip of the contact between the Garden Creek phyllite and the bottom of the Bayhorse in the area of the Chalspar No. 2 would provide us with a better picture of the geology.

You apparently did not understand Van Alstine's fourth question. He was trying to account for the presence of the small island of phyllite north and a little west of the Chalspar No. 2. Please comment on and give costs for rehabilitation or use of the present road to the north end, and on the possibilities and a plan of initiating work on the north end of the mineralization. The potential in depth appears more encouraging than on the south end.

It is true that diamond drilling at the Chalspar No. 1 was inconclusive but deepening of the shaft gave conclusive results on character of the ore shoot. Mr. Van Alstine pointed out the error in Anderson's Section A-A' on Figure 2 in the area west of the Chalspar No. 1 (DMEA-2950) in his memorandum of February 28, 1955, a copy of which you, no doubt, received with the closing letter of April 11, 1955. An additional copy is enclosed.

The Operator's offer to sign a guarantee in lieu of an Owner's Consent to Lien covering one-half interest in one claim cannot be accepted inasmuch as the Operator makes this guarantee when the contract is executed. (See lien for payment on contract form). It will be necessary that the Operator obtain a performance bond from an established bonding company or provide a guarantee by a financially responsible third party. (See Circular 20 (Revised) March 24, 1955, Section 3).

We do not feel justified in writing a contract without information on the sampling of the lower trenches and replies to our other questions mentioned above.

Copies of a memorandum from R. E. Van Alstine of the Geological Survey, dated April 28, 1955, are enclosed for your information.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

M. E. Volm

Member, Bureau of Mines

/s/ R. D. Trace

Member, Geological Survey

Enclosures

LGHouk:gad 5/2/55

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

600

APR 2 9 1955

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Re: Docket No. DMEA-3661 - Fluorspar
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Gentlemen:

Reference is made to your application for exploration assistance on the Chalspar No. 2, Bayhorse Mining District, Custer County, Idaho.

The map submitted with your application fails to show assay data on the lower trenches on the north and south slopes. We would appreciate it if you would send any assay data you may have at these locations. If you have not cut samples visual estimates would be appreciated. It is noted in your application under 4 (e) that the dolomite (Bayhorse) is thin to as little as 150 feet in the area around the Chalspar No. 2. We presume this is a measured section.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 4/29/55
Copy to: Admr. R. File
Docket
Field Team, Region I, Northwest District
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

April 28, 1955

Memorandum

REVIEW OF FIELD TEAM LETTER OF APRIL 22, 1955 ON APPLICATION DMEA-3061 (fluorspar)

To: L. G. Monk, Defense Minerals Exploration Administration

From: R. K. Van Alstine, U. S. Geological Survey

Applicant: J. R. Simplot Company

Name of property: Chalagar No. 2

Location of property: Custer County, Idaho

Date of Field Team letter: April 22, 1955

Authorship of Field Team letter: A. E. Weissenborn, U.S.G.S., and W. G. Agnew, U.S.B.M.

Field Team's recommendation: Approve applicant's proposal for 1100 feet of drifting, crosscutting, raising, access road construction, portal preparation, and construction of compressor house and shop.

Comments: The proposed underground work still seems to be development and not exploration. The ore reserves are of the indicated and inferred classes, as defined and used by the Bureau of Mines and Geological Survey. The Field Team report of March 1, 1955, states (p. 3) that trenches on both sides of the crest of a hill "expose fluorspar mineralization for a strike length of 900 feet over a vertical distance of about 200 feet. Vein widths range from 6 feet to more than 10 feet. The applicant's samples are reported to average 51.3 percent CaF_2." Continuity of the vein is indicated again by the applicant's map and by Idaho Bureau Mines and Geology Pamphlet 101, figure 6.

Drilling seems appropriate to investigate the continuity of the ore to the proposed adit level and possibly deeper. Similarly the depth at which the unfavorable Garden Creek phyllite underlies the Bayhorse dolomite might be determined by drilling.

If underground work still seems justifiable, however, consideration should be given to starting the adit at the north end of the area, possibly in the cut at an altitude of 5300 feet, and driving southward in the structure to a point below the exposures on the crest of the hill. Such an adit might qualify more as exploration because evidently less is known about this end of the vein. An adit from this end might have the additional advantage of indicating more ore at depth than an adit at the south end, because the ore proper at the south end would start practically on the dolomite-phyllite contact. Furthermore, access to the north end of the property might be easier and less costly than to the south end.

In any event some geologic factors mentioned in my memorandum of March 16, 1955, are still not known. These unknowns, itemized below, are of more than academic interest as they may have an important bearing on the continuity of the ore in depth and along strike and hence upon the location and method of exploration. Possibly Nicholson of the Field Team was able to obtain this information on his attempt to visit the property this month.

1) What are the dips of the Bayhorse dolomite (and the contact with the Garden Creek phyllite) in the immediate vicinity of the proposed exploration? According to Figure 2 of Idaho Bur. Pamphlet 101, Challenger No. 2 is located near the west flank, axis, and nose of the anticline. The dips might be anything between 20°, the reported plunge of the fold, and the 75° to 80° dips on the flanks.

2) What is the thickness of the Bayhorse dolomite at the prospect? The thickness of this formation within a distance of 2 miles of the prospect evidently ranges from about 1,000 feet (east flank near Garden Creek, U.S.G.S. Bull. 877, p. 13) to as little as 200 feet (west flank, Mentzer prospect, Idaho Bur. Pamphlet 101, p. 12).

3) Is there an unmapped fault or a synclinal fold across the nose of the Bayhorse anticline, between Challenger No. 2 and the small patch of phyllite to the north (see fig. 2 of Pamphlet 101)? Examination of this map and of the topography on plate 1 in Bull. 877 suggests that there is a synclinal structure or a fault adjacent the nose of the anticline in the north part of the Challenger No. 2 area. Figure 2 shows three such east-trending faults further north. The Field Team's letter of April 22, in attempting to answer this query, unfortunately talks about a structure some 6,000 feet to the east.

ACTION RECOMMENDED: Explore the deposit, taking whatever action seems appropriate in view of the above comments.

R. E. Van Alstine

REVan Alstine:hlm
G-4/28/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEX (3)
Docket file
J. C. Arundale, 3516 Interior

APR - 5 1955

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

Subject: Docket No. DMEA-3641 - Finnegan
J. R. Simplot Company
Claim No. 2
Custer County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject application for exploration assistance in Custer County, Idaho, and the cost analysis by A. L. Service of the Bureau of Mines and the geologic report by Bennett H. Nicholson of the Geological Survey.

The Operator's estimate of 56,000 tons of indicated and inferred reserves seems optimistic, in light of the geologic knowledge of this particular area. However, the assumption that the strong mineralization which occurs at the crest of the hill persists downward without additional supporting evidence is not, in our opinion, justified. Exploratory workings, in prospects of this type, should be confined primarily to ascertain tonnage by exposing the ore in the mine workings. In this case it appears that the Operator has given too much weight to the future usefulness of the exploratory workings before demonstrating that the deposit is of economic importance. It is generally more advisable to subordinate the future usefulness of exploratory workings and obtain the maximum information at the minimum cost even though the exploratory openings may later prove to be poorly planned from the operating viewpoint.

Copies of memoranda by R. E. Van Alstine of the Geological Survey, dated March 16, 1955, and John E. Reininger of the Bureau of Mines, dated March 18, 1955, are enclosed for your information. Mr. Van Alstine's comments, particularly under Section 2, 3, and 4, are especially pertinent.

Please secure the applicant's reaction to a 50 foot shaft to be followed by about five diamond drill holes and incorporate the bids and cost data in the Field Team Report. May we suggest that you sample the remaining trenches either visually or by channeling. The exposed vein geology should be mapped in detail.

Approved:

J. H. Hedges

Director, Bureau of Mines

Thor H. Kiilsgaard

Director, Geological Survey

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Mr. Armstrong, 3516
Mr. Rook

Kiilsgaard 4/1/55
Copy to: Adm. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 3222

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1955

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMA-3011 (Flasreger)

To: L. G. Hook, Defense Minerals Exploration Administration

From: R. E. Van Alstine, U. S. Geological Survey

Applicant: J. R. Simplot Co., Boise, Idaho

Name of property: Chalager No. 2

Location of property: T. 13 N., R. 18 E., Bayhorse district, Custer County, Idaho.

Date of Field Team report: March 18, 1955

Authorship of Field Team report: E. B. Wickelson (U.S.G.S.) and A. L. Service (U.S.B.M.)

Field Team's recommendation: Approve 1100 feet of drifting, cross-cutting, and raising, access road construction, portal preparation, and construction of compressor house and shop. Service recommends that the 120 feet of raising be made Stage II, contingent upon results of drifting and cross-cutting.

Comments: The deposit warrants further exploration. The reasons for underground work rather than drilling are not presented. There is nothing to show that the Field Team has considered drilling (see my memo of March 16, 1955, to you).

Bulldozing already has indicated a continuous ore body of good grade along a steep fault for a strike length of 900 feet and a vertical range of about 250 feet. The applicant has estimated 67,000 tons of indicated ore and 21,000 tons of inferred ore in this body.

The continuity of the ore to the proposed adit level and even deeper could be investigated by drilling instead of underground work. Similarly the depth at which the unfavorable Garden Creek phyllite underlies the Bayhorse dolomite might be determined by drilling.

ACTION RECOMMENDED: Consider a drilling program rather than underground work.

R. E. Van Alstine

REVanAlstine:hlm
G-3/31/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMRA (3)
Docket file
J. C. Arundale, 3516 Interior

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

March 18, 1955

Air Mail

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

Re: Docket No. DMEA-3661 (fluorspar)
J. R. Simplot Company
Chalspar No. 2
Custer County, Idaho

Dear Mr. Selfridge:

Attached are memoranda from Howard D. Nickelson, Geological Survey, and A. L. Service, Bureau of Mines, recommending a DMEA contract for the exploration of the Chalspar No. 2 deposit.

Preliminary work by the J. R. Simplot Company has exposed, in a series of bulldozer trenches, what appears to be an unusual deposit of fluorspar. Further attraction is given the deposit because of the geologically favorable position in brecciated Hayhorse dolomite on the flank of an anticline not far under a former cover of Kinnikinic slate now largely removed by erosion from the crest of the anticline. The applicant estimates a potential reserve of 88,000 tons above the level of a proposed exploration adit; this might be less should the argillite core of the anticline through faulting or other structural complications occur above adit level. It could be greatly increased if the core of the anticline plunges northerly as expected. Exploration is needed to determine this as well as to establish the continuity of high-grade ore found in bulldozer trenches. Should the exploration be successful there would be a good possibility of bringing other deposits in the immediate vicinity into production.

The applicant's proposal, with some modifications suggested in the attached memoranda, is well designed to explore the deposit to adit level and is strongly endorsed by the Field Team. The only complicating factor is the request for an access road. The existing road appears inadequate for the exploration program proposed, and the Field Team believes that Government participation in road improvement to the extent recommended in the attached memorandum by Service is justifiable under the circumstances.

The applicant has been unable to obtain an Owner's Consent to Lien covering a half interest in one claim but has offered to sign a guarantee in lieu of a Consent to Lien. As the J. R. Simplot Company

is a well-known, established company it is believed that this guarantee should protect the Government's interest as well as the Consent to Lien.

By Field Team, Region I, NW District

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

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

Enclosures

cc: USBM (2)
Nickelsen

xxxxxxxxxxxxxxxxxx

1201 N. Division St.
Spokane 2, Washington
March 17, 1955

MEMORANDUM

To: DMEA Field Team, Region I, NW District

From: A. L. Service, Mining Engineer, Bureau of Mines

Subject: Cost Analysis, Docket No. DMEA 3661 (fluorspar), J. R. Simplot Company, Chalspar No. 2, Custer County, Idaho

The applicant's proposal of 1100 feet of drifting and raising is considered reasonable but the proposed cost of $58,700.00 is believed to be excessive.

The following cost analysis is based on data compiled by V. Z. Johnson, former Bureau of Mines Engineer, after an examination of the property on October 5 and 6, 1954. These costs are for 1100 feet of drift, crosscut, and raise and about 3 miles of access road. It is recommended that the work be divided into two stages, as follows.

Stage I will consist of preliminary work, 880 feet of drifting, and 100 feet of short crosscuts to explore the vein. Stage II will consist of 120 feet of raising, if warranted.

Should this application be approved for Government participation the following units costs are recommended.

Preliminary Work

Access Road Construction

The proposed 3 miles of access road will connect the project site to the nearest county road. Much of this distance is in ledge rock and coarse boulders that will have to be blasted. The last half mile will have at least three switchbacks in order to traverse the steep slope. The Operator has suggested a maximum grade of 10%, which is acceptable.

There is an alternate route along Big Hill Gulch, but the physical conditions are much the same. The northern exposure and deeper snow conditions make this route the less desirable of the two.

The following cost estimate for two weeks of access road construction is recommended:

with operator	
D-8 bulldozer/- 12 days or 96 hours @ $12.50/hr.	$1,200.00
1/4 supervising engineer @ $600/mo.	150.00
Labor - 2 men - 96 hours or 12 shifts each @ $14.50/shift	348.00
FICA, etc. - 11%	54.78
Powder - 700 lbs. @ $21/cwt.	147.00
Fuse and caps	25.00
Compressor - 315 cfm - 1/2 mo. @ $300.00	150.00
Miscellaneous	250.00
Total	$2,324.78
SAY	$2,330.00

Portal Preparation

The proposed portal site, as located on the Operator's map, is in an area of large boulders with 15 to 20 feet of overburden. It is estimated that two shifts or 16 hours should be sufficient to prepare the portal site.

Bulldozer with operator - 2 days or 16 hours @ $12.50/hr.	$ 200.00
Labor - 2 men - 12 hours or 2 shifts each @ $14.50/shift	58.00
FICA, etc. - 11%	6.38
Compressor - 315 cfm - 2 days @ $300/mo.	20.00
Powder - 100 lbs. @ $21.00/cwt.	21.00
Miscellaneous	35.00
Total	$ 340.38
SAY	$ 350.00

Compressor house and shop

16'x32' rough frame	850.00

Drift and crosscut

These costs are prepared by assuming that a 4-foot round may be advanced each 8-hour shift.

Labor and Supervision for one shift

1/2 supervising engineer @ $600/mo., 25 shifts/mo.	$ 12.00
2 miners and helper @ $14.50/shift	43.50
1/2 truck driver @ $13.00/shift	6.50
	62.00
FICA, etc. - 11%	6.82
	68.82

$$\frac{68.82}{4} = \$17.205/\text{ft.}$$

Operating Materials and Supplies

Assuming 4 feet of advance for a standard 5'x7' drift, it is reasonable to assume that the Operator will use certain items for further development or exploitation of the mine; therefore, an adjustment of 20 to 40 percent for salvage has been considered.

Item		Initial	Adjusted
Track - 8' of 20# @ $8.20/cwt.	4.26		
3 ties @ .40	1.20		
accessories	.90	$ 6.36	$ 2.54
Pipe - 4' of 1" @ .242	.96		
4' of 2" @ .46	1.84		
hangers & fittings	.25	3.05	1.22
Powder - 50# @ $21/cwt.			10.50
Caps - 18 @ 0.02			.36
Fuse - 18 x 8.5' @ .014			2.14
Fuel			4.70
Bits - 700'/$18 bit 70'/round			1.80
Steel			1.40
Ventube - 4'- 12" @ .90	3.60		
wire and hangers	.40	4.00	.80
Repair parts			2.50
Miscellaneous small tools and supplies			1.60
			$ 29.56

$$\frac{29.56}{4} = \$7.39/\text{ft.}$$

Depreciation on Equipment Furnished

Item	Cost	Depr.	Depr/yr.
Compressor - 315 c.f.m.	$6500.00	20%	$1300.00
1-1/2 ton pickup	3000.00	33%	990.00
Receiver tank	275.00	10%	27.50
Water tank	60.00	20%	12.00
Drill	480.00	33%	158.40
Jackleg	120.00	20%	24.00
Mucker 12-B	2812.00	25%	703.00
Trammer	1745.00	25%	436.25
Blower	286.00	25%	71.50
	15278.00		$3722.65

$$\frac{3722.65}{12} = \$310.22 \text{ per mo.}$$

25 shifts/mo = 100 feet $\frac{310.22}{100} = \$3.10/\text{ft.}$

Total cost per foot of drift and crosscut	
Labor and supervision	$ 17.21
Operating materials and supplies	7.39
Depreciation on equipment furnished	3.10
	$ 27.70
Contingencies - 15%	4.16
Total	$ 31.86/ft.

Timber, consisting of standard 5'x7' sets, in the clear, shall be used where necessary.

Timber - 900 feet @ $5/ft.	$4500.00

An allowable maximum of $1500.00 for sampling is suggested.

Samples	$1500.00

Recommended Agreed Unit Costs

Stage I

Access road construction - 3 miles	$ 2,330.00
Portal preparation	350.00
Compressor house and shop	850.00
Drift and crosscut - 980 feet @ $31.86	31,222.80
	$34,752.80

Stage II

Raise - 120 feet @ $31.86	3,823.20

Timbering - 5'x7' in the clear - shall be used where necessary up to an allowable maximum of 900 feet

Timber - 900 feet @ $5.00	4,500.00

An allowable maximum of $1500.00 has been recommended for sampling.

Samples	1,500.00
Total	$44,576.00
Government participation - 50%	$22,288.00

Distribution:
DMEA, Wash. (4)
USGS (2)
DMEA
Engr.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 23 1955

March 1, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-3661 (fluorspar), application for DMEA assistance, J. R. Simplot Company, Chalspar No. 2, Custer County, Idaho.

Preliminary exploration by the J. R. Simplot Company has been in progress intermittently at this property since the spring of 1953 but was recessed for a time because of the lack of demand for fluorspar. Due to what was regarded as a more favorable outlook for fluorspar, the company requested and prepared a set of MF-103's in the late summer of 1954 but, because of delays in obtaining Owner's Consent to Lien forms, did not officially submit the application until January 1955. Because of these circumstances the property was examined by the writer and V. Z. Johnson, former engineer of the Bureau of Mines, in October 1954 while in the vicinity on other DMEA business; if the examination were delayed until the Consent to Lien forms had been obtained, snow would have prevented the examination of the property until the spring of 1955.

Recommendation

Approval is recommended of the application to explore the Chalspar No. 2 fluorspar vein by drifting and subsequent raising under two stages.

Resume of the investigation

The property is in sec. 5, T. 13 N., R. 18 E., in Custer County, Idaho, Bayhorse mining district, within the drainage area of Daugherty Gulch, a tributary of Garden Creek.

The property is approximately 9 miles west of Challis, Idaho. The first 6 miles are traversed by a fair county and Forest Service dirt road which is accessible the year round but may require some snow removal during the winter and spring months. For the last 3 miles the road is a steep bulldozer trail which, even when dry, is passable only to a 4-wheel drive vehicle. The applicant has requested that the Government share in the cost of constructing a new road for these last 3 miles.

J. R. Simplot Company is able to provide its share of the costs, and its operating personnel is competent to perform the work. This company has completed four DMEA contracts in Idaho.

The J. R. Simplot Company owns or controls a large number of claims in the vicinity of the project as shown on the claim map accompanying the application. Eight contiguous claims, the Florspar, the Florspar Nos. 2, 4, 6, 11, 12, and 13, and the Florspar Fraction are included in the ground to be explored under the DMEA contract. These claims appear to cover adequately the land that would be benefited by the proposed exploration.

According to the application the claims and their book and page numbers are listed in the official records of Custer County, Challis, Idaho, in Book 14, Quartz Locations, as follows:

Florspar, page 82	Florspar No. 11, page 132
Florspar No. 2, page 111	Florspar No. 12, page 139
Florspar No. 4, page 114	Florspar No. 13, page 140
Florspar No. 6, page 115	Florspar Fraction, page 133

The J. R. Simplot Company states that the above claims are held by the company by right of location except the Florspar claim which is owned by Bert Buchanan and Richard and Shelda West and is leased to the company for 10 years with option to purchase. A copy of the lease agreement is attached. Richard and Shelda West have signed an Owner's Consent to Lien, but Bert Buchanan has refused to subordinate his half interest in the claim. The J. R. Simplot Company is prepared to sign a guarantee with respect to this half interest in the Florspar claim. Since this is an established company, it is recommended that the applicant's guarantee for this part of the property be accepted in lieu of an Owner's Consent to Lien.

Geology

The general geology of this part of Idaho has been described by C. P. Ross 1/, but, although Ross 2/ recognized the presence of fluorite in some of the veins, he does not mention any of the fluorspar deposits, as the fluorspar deposits were discovered after this work was done. The geology in the immediate vicinity of the property has been mapped more recently and on a larger scale by A. L. Anderson 3/.

The Chalspar No. 2 deposit occupies a steep-dipping northwest-trending fault zone in brecciated Bayhorse dolomite on the west flank of the Bayhorse anticline. It is one of several fluorspar veins and fillings of brecciated zone found in the immediate area 4/.

1/ Ross, C. P., Geology and Ore Deposits of the Bayhorse Region, Custer County, Idaho: U. S. Geol. Survey Bull. 877, 1937.

2/ Ross, C. P. op. cit., p. 102.

3/ Anderson, A. L., A preliminary report in the fluorspar mineralization near Challis, Custer County, Idaho: Idaho Bureau of Mines and Geology Pamphlet 101, August 1954.

4/ Anderson, A. L., op. cit., fig. 2.

The deposit has been explored by a series of bulldozer trenches which expose fluorspar mineralization for a strike length of 900 feet over a vertical distance of about 260 feet. Vein widths range from 6 feet to more than 16 feet. The applicant's samples are reported to average 51.3 percent CaF_2. A 17-foot sample across the vein taken during the course of the examination and near the top of Daugherty ridge (see geologic map of Chalspar No. 2 area accompanying application) assayed 57.04 percent CaF_2. This compares with a sample assaying 57.1 percent CaF_2 taken by the applicant at the same locality over a width of 14 feet. A sample in the second trench from the top of the hill assayed 65.08 percent CaF_2 over a width of 14 feet; this compares with an assay of 63.7 percent CaF_2 obtained by the applicant over a width of 12 feet in the same trench. Because the trenches have sloughed badly and had covered the vein, no other samples were taken during the course of the examination.

The Chalspar No. 2 vein is potentially productive anywhere in the Bayhorse dolomite but is not expected to be productive should the vein enter the Garden Creek phyllite which forms the core of the Bayhorse anticline and which crops out just below the site of the portal of the proposed exploration adit. The applicant estimates that it might be possible to discover 88,000 tons of fluorspar ore above the proposed adit. Should the phyllite core of the anticline plunge to the north as expected, or should the vein dip in such a manner as to stay in the dolomite flank of the structure, this tonnage might be greatly increased, but, if through faulting or other structural complications the phyllite should be found above the adit level, the potential tonnage would be much less than expected.

Should the proposed exploration be successful, it is likely that some of the other deposits in the area would be developed.

The proposed program

The applicant proposes to:

1. Construct 3 miles of access road.

2. Prepare a portal site approximately at elevation 8,290 feet on the south slope of the ridge.

3. Drift on the vein a distance of 980 feet.

4. Drive a 120-foot raise on the vein about 460 feet from the portal.

This seems a logical program, although some modification seems desirable. Comments on the above items are given below.

1. Road construction.--The terrain is exceptionally steep, and the present road is trafficable only with a 4-wheel drive vehicle and then only with difficulty. The proposed exploration would be severely handicapped and excessively slow and costly with the existing road and, therefore, Government participation in road improvement seems justified. The road should be the minimum required to carry out the proposed exploration -- it should not be designed primarily for hauling ore.

2. Portal site preparation.--In addition to the construction of a compressor-tool shed and the excavation for the portal itself, this should include bulldozing a site where the ore could be dumped separately from the waste for later recovery.

3. Drifting 980 feet on the vein.--Because the drift will follow a wide vein zone (up to 16 feet wide or more in places), the full width of the ore zone should crosscut at intervals of no greater than 75 feet. Approximately 100 feet of crosscut would be required, leaving about 880 feet for the drifting. The footage specified should be approximate only to allow some interchange between crosscutting and drifting where necessary.

4. Raising 120 feet.--If the vein should be in ore for the entire length of the drift, no raising would be required, but if, as is more likely, the fluorspar should be found in a number of separate ore shoots or if the vein should be in places in argillite at the drift level, a certain amount of raising could be considered as a necessary part of the exploration. The contract should state specifically that raising will be authorized only at those places agreed on in advance by the Field Team.

The applicant has listed 200 samples for assaying. These may not be sufficient in view of the wide vein zone that is being tested. Unless the vein is uniformly mineralized across its entire width, fractional sampling will be required; furthermore, all samples will be assayed for CaF_2; a number should be run for SiO_2; and some possibly should be analyzed for other elements. It is therefore suggested that the allowance for assaying be increased to $1,500.00 with no maximum placed on the number of samples to be analyzed. The assaying charges should be on an actual cost basis up to the maximum of $1,500.00.

Distribution:
DMEA(4) ✓
USBM(2)
USGS(SRO)
Docket
Nickelson

3661

Lease option
Owners Consol'd. Gold on ½
½ by Company guarantee

Vein - 4-16'
N30W 70-80 SW
Weighed 60 - 51.3%
Antichrist Shaft
Highness. Atlanta
Inferred Reserves 88,000 Tons 50%

(Hoffman)

Work on the Past Up Vein.

— Lemont Drilling —

52.000
15.000
21.000
88.000 Ton target — limited by Cordes Creek phyllite

exposed vein system of over 250' ↔ × 1000' ↕
Showed vein continue at present steep dip it should
come against the phyllites not far from lowest fluorspar
exposure. Contact with the phyllites will be fault &
mark the bottom of economic mineralization

What is chances of ore below
? Figure 2

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

March 18, 1955

Memorandum

To: Mr. Lawrence G. Houk, Chief, Non-Metallic Minerals Division, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Construction and Chemical Materials

Subject: Review of application; D.M.E.A. Docket No. 3661, Fluorspar, J. R. Simplot Co., Chalspar No. 2, Custer County, Idaho

The applicant proposes to test a fluorspar vein exposed by trenching operations by driving a 980 foot drift on the structure and one 120 foot raise. The exploration target is estimated by the applicant to be 88,000 tons of fluorspar averaging 50% CaF_2, roughly equivalent to about 35,000 tons of finished spar worth from $25 to $40 per ton and would probably justify the estimated cost. However, it is felt that the data presented in the application are insufficient in scope to justify an expenditure of this sum, since the estimate of tonnage and grade appears to have been entirely calculated from surface trenching.

Although the information presented indicates that the deposit may be of significant size it would seem that a limited program of diamond drilling to confirm the size and grade is more appropriate.

It is therefore my recommendation that consideration be given a drilling program and that the application be referred to the Field Team for further evaluation and recommendations.

John E. Holtzinger

Copy to: Files
Div. of Minerals
Br. of Const. & Chem. Mats.
Mr. Holtzinger

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 16, 1955

Memorandum

REVIEW OF APPLICATION DMEA-3061 (Fluorspar)

To: L. G. Houk, Defense Minerals Exploration Administration

From: R. E. Van Alstine, U. S. Geological Survey

Applicant's name and address: J. R. Simplot Co., Boise, Idaho

Name of property: Chalspar No. 2

Location of property: T. 13 N., R. 18 E., Bayhorse Mining District, Custer County, Idaho

Summary of applicant's proposal: Three miles of access road; 980 feet of drifting; 120 feet of raising; assaying 200 samples.

Sources of information on applicant's property:

Anderson, A. L., 1954, A preliminary report on the fluorspar mineralization near Challis, Custer County, Idaho: Idaho Bur. Mines & Geol.

Ross, C. P., 1937, Geology and ore deposits of the Bayhorse region, Custer County, Idaho: U. S. Geol. Survey, Bull. 877.

DMA-519 and DMEA-2950, exploration for fluorspar in similar structures about 1 mile from Chalspar No. 2 deposit.

Comments: 1) Proposed program of drifting, raising, and road building seems to be development and not exploration. The vein is already exposed in numerous outcrops and bulldozer cuts. The widths and grade of ore have been determined in sufficient detail for the applicant to estimate 67,000 tons of indicated ore (+50 percent CaF_2) and 21,000 tons of inferred ore (see applicant's map of Chalspar area no. 2, section A-A).

2) As the vein seems to be continuous throughout the length mapped, a limited program of diamond drilling probably would determine the continuity in depth to the proposed drift level of 8890 feet. Four or five holes might be drilled from the northeast (downslope) side of the nearby vertical vein. Deeper holes, especially near the south end of the vein, probably would hit Garden Creek phyllite beneath the Bayhorse dolomite, at least on the east side of the mineralized fault. The phyllite is generally regarded as an unfavorable host rock for fluorspar in this district.

3) How thick is the Bayhorse dolomite in the Chalspar No. 2 area, and how steeply is it dipping?

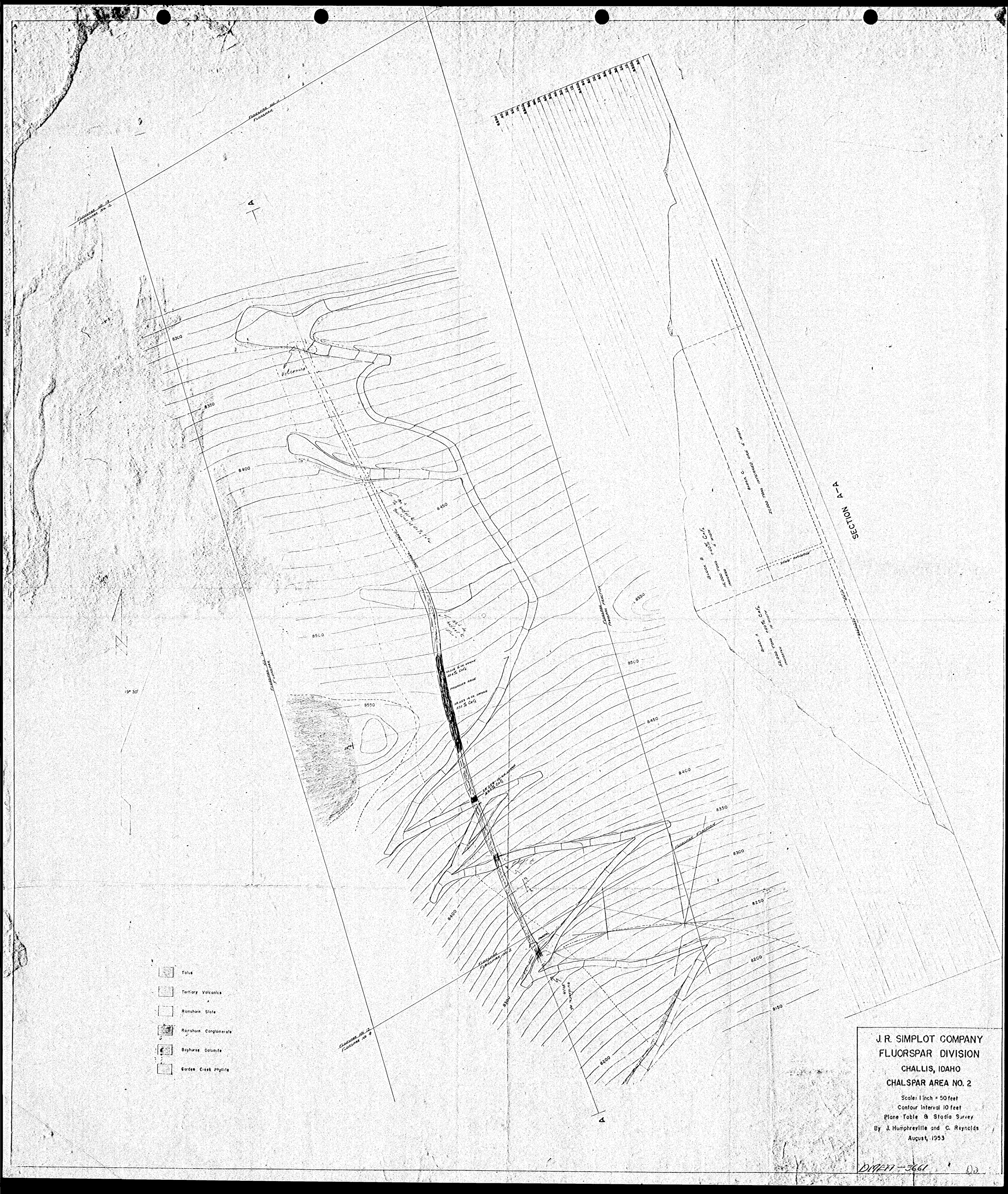
4) Is there an unmapped fault or a synclinal fold across the nose of the Bayhorse anticline, between Chalspar No. 2 and the small patch of phyllite to the north (see fig. 2 of Anderson's report)? Such structures would have an important bearing on the depth of ore in the Chalspar No. 2 vein.

RECOMMENDATION: Refer to Field Team for examination.

R. E. Van Alstine

REVanAlstine:hlm
G-3/16/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. C. Arundale, 3516 Interior


SECTION A—A
Talus
Tertiary Volcanics
Ramshorn Slate
Ramshorn Conglomerate
Bayhorse Dolomite
Garden Creek Phyllite
J. R. SIMPLOT COMPANY
FLUORSPAR DIVISION
CHALLIS, IDAHO
CHALSPAR AREA NO. 2
Scale: 1 inch = 50 feet
Contour Interval 10 feet
Plane Table & Stadia Survey
By J. Humphreville and C. Reynolds
August, 1953
DMEM-3661