DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

8/12 H.G. 225 800

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ralph M. Taylor, Elmer Jernberg, M. E. Staley, Jr.,
J. L. Sinknecht and Neile Poole, Partners
d/b/a Copper Mountain Mine
Iona, Idaho

pertaining to Exploration Project Contract No. Idm-E889, Docket No. ~~DMEA-1941~~, ~~dated~~ October 13, 1955, including Amendments Nos. 1 to 4 inclusive, for the months of June 1956 to August 1956 inclusive, covering a project for the exploration of copper on property known as the Copper Mountain Mine, located in Butte County, State of Idaho.

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

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

all of the costs incurred ($4,930.92) were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually performed.

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

Total cost claimed by Operator	$4,930.92
Exceptions	--0--
Total accepted cost claimed	$4,930.92

The contract calls for a 50 percent participation of accepted costs. Therefore, payments as follows are valid and proper:

Amount payable on audited claim	$2,465.46
Amount reimbursed	2,465.46
Balance due Operator	None

C. A. Turner, Auditor

August 6, 1958

Schedule of Work Completed

Ralph M. Taylor, Elmer Jernberg,
M. E. Staley, Jr., J. L. Sinknecht,
and Neile Poole, Partners
d/b/a

Copper Mountain Mine DMEA-3941 Idm-E889

Fixed Unit Costs - Stage I

1 Compressor building and sho		$ 250.00
1 Tent		75.00
Rehabilitation of cabin		75.00
Drifting	108.5' @ $30.20	3,276.70
Inclined shaft	35.5' @ 35.33	1,254.22
Accepted costs		$4,930.92

C. A. Turner, Auditor

August 6, 1958

800

No. 137 Howard Street
Spokane 4, Washington
August 27, 1958

Mr. Ralph M. Taylor
Box 98
Iona, Idaho

Re: Docket No. DMEA-3941 (Copper-Lead)
Copper Mountain Mine
Butte County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Taylor:

Enclosed for your information and files is a copy of Report of Review, dated August 6, 1958, by C. A. Turner, DMEA Auditor. This Report of Review covers the months of June 1956 to August 1956, inclusive.

Sincerely yours,

Donald R. Maclaren
For: Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I

Enclosure

cc: DMEA(3)
[illegible](R)
[illegible](AT)
Turner

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

Re: Docket No. DMEA-3941 (Copper)
Ralph M. Taylor, Elmer Jernberg,
M. E. Staley, Jr., J. L. Sinknecht
and Neile Peele, Partners
d/b/a Copper Mountain Mine
Contract No. Idm-[illegible]

Dear Mr. Turner:

Your Report of Review on the above referenced contract is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

GMcCarthy/GMcC
August 12, 1958

cc: Docket
Admr. Reading File
Mr. Chambers

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

W

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
OCT 22 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1956 Docket No. DMEA Contract No. Idm-E889
Operator's Name Copper Mountain Mine Minerals Copper - Lead
Address Box 98, Iona, Idaho
Contract Amount, $ 14,250.00 Government Participation: 50% Amount, $ 7,125.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	3,020.00	256.70	3,276.70	3,020.00	256.70	3,276.70
Winzing	-0-	1,254.22	1,254.22		1254.22	1254.22
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	-0-	-0-	-0-		-0-	-0-
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
~~Depreciation~~ Rent					75.00	75.00
(5) Initial Rehabilitation and Repairs					75.00	75.00
(6) New Bldgs., Improvements, etc.	-0-	400.00	400.00		250.00	250.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-0-	-0-	-0-			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,020.00	1,910.92	4,930.92	3020.00	1910.92	4930.92

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

Date September 29, 1956 *Payee Copper Mountain Mine

Per Ralph M Taylor Title Partner

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

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

(Instructions on reverse)

1510.00

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

$ 1510 00

Signature M.P.
(Authorized Certifying Officer)

Date 10/16/56 Vou. No. 1895
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E889 in accordance with the terms of the contract.

Signature (S) David D Walker Title Mining Engr. Date 10/15/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) A. E. Weissenborn Title Executive Officer Date 10/16/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
OCT 22 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA _____ Contract No. Idm-809

Operator's Name Copper Mountain Mine Minerals Copper - Lead

Address Box 30, Iona, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	3,020.00	100	3,276.70	100.5	32.60	350	29.20
Crosscutting								
Raising								
Shafts								
Winzes	Ft.	.....	.....	1,257.22	35.5	35.33	75	35.33
Drilling: Core								
Churn								
Auger								
Stripping Surface							52	2.00
Trenching								
Test Pits								
Roads and Trails								
Miscellaneous							125	4.00
TOTAL DISTRIBUTED COSTS		3,020.00	100	4,530.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				75.00				
New Buildings, Improvements, etc.				325.00				400.00
TOTAL COSTS		3,020.00		4,930.92				4,250.00

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

Date September 15, 1956 Operator Copper Mountain Mine

Per Ralph M Taylor Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

/S/ David D Walker

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
OCT 22 1956

We have run 100 feet of drift to the south. In the first 40 feet, a small amount of low grade ore was encountered. The remaining 60 feet developed no ore.

Ralph M Taylor

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 10 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1956 Docket No. DMEA 3941 Contract No. Idm-E889
Operator's Name Copper Mountain Mine Minerals Copper-Lead
Address Box 98, Iona, Idaho
Contract Amount, $14,250.00 Government Participation: 50 % Amount, $7,125.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	256.70	— 0 —	256.70	256.70	— 0 —	256.70
Winzing	1254.22	— 0 —	1254.22	1254.22	— 0 —	1254.22
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	0.0	— 0 —	0.00		— 0 —	
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	$75.00	— 0 —	75.00	75.00	75.00	150.00
(6) New Bldgs., Improvements, etc.		325.00	325.00		250.00	250.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1585.92	325.00	1910.92	1585.92	325.00	1910.92

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

Date Augest 1, 1956 *Payee Copper Mountain Mine

Per Ralph M. Taylor Title Pardner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
792 96

$ 792 96

Signature MJP
(Authorized Certifying Officer)

Date 9-7-56 Vou. No. 1863

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E889 in accordance with the terms of the contract.

Signature 1st David D Walker Title Mining Engr Date 8-8-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Wm G Agnew Title Acting Exec. Date 9-5-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-101A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
SEP 10 1956

Month of JULY 1956 Docket No. DMEA 3941 Contract No. Idm-E889
Operator's Name Copper Mountain Mine Minerals Copper ~~Lead~~
Address Box 98, Iona, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	256.70	8.5	256.70	8.5	$ 30.20	350 K	$30.20 K
Crosscutting								
Raising								
Shafts								
Winzes	Ft.	1254.22	35.5	1254.22	35.5	$35.33	75 K	$35.33 K
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Samples							52	$2.50 ea.
Trenching								
Test Pits								
Roads and Trails								
Timbering							125	$4.00
TOTAL DISTRIBUTED COSTS		1510.92		1510.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		75.00		75.00				
New Buildings, Improvements, etc.				325.00				$4000
TOTAL COSTS		1585.92		1910.92				14,250

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

Date Augest 1, 1956 Operator Copper Mountain Mine

Per Ralph M Taylor Title Partner

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

REMARKS: $75 to be applied to rehabilitation of cabin when ammendment is written.

(Instructions on reverse)

(For Government use only)

/s/ David D Walker

INSTRUCTIONS

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

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

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

GPO 872894

Augest 1, 1956

RECEIVED
SEP 10 1956

Under advisement of Mr. Nickles we have discontinued our inclined shaft to the south and we are now drifting to the south-east.

No ore encountered as of yet.

Copper Mountain Mine

Partner Ralph M Taylor

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

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 23 1956

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

Month of May, June, 1956 Docket No. DMEA 3941 Contract No. Idm-E889
Operator's Name Copper Mountain Mine Minerals Copper - Lead
Address Box 98, Iona, Idaho
Contract Amount, $ 14250.00 Government Participation: 50 % Amount, $ 7125.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs Tent	255.25	0.00	255.25	75.00	-0-	75.00
(6) New Bldgs., Improvements, etc.	255.00	0.00	255.00	250.00	-0-	250.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	510.25	0.00	510.25	325.00	-0-	325.00

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

Date June 26, 1956 *Payee Copper Mountain Mine

Per Ralph M Taylor Title Partner

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

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

(Instructions on reverse)

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

$ 162 50

Signature M D P
(Authorized Certifying Officer)

Date 7-20-56 Vou. No. 1823

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6889 in accordance with the terms of the contract.

Signature 151 David D. Walker Title Mining Engr. Date 7-20-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Wing G. Agnew Title Acting Exec. Date 7-20-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RECEIVED
JUL 23 1956

In regards to running our incline shaft, we have had considerable dead work to do. We have done away with our vertical shaft and have run approximately 60 feet of drift and laid 100 feet of track to connect up with our incline shaft. We have had to put in two sets of timber, but we are now connected up and ready to start mining on our DMEA Contract No. 3941. We have constructed a compressor house, roof on the cabin and will be mining by July 1st.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUL 23 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~May~~, June 1956 Docket No. DMEA 3941 Contract No. Idm-E889
Operator's Name Copper Mountain Mine Minerals Copper - Lead
Address Box 98, Iona, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	~~60 Ft~~							
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Timbering	~~16 Ft~~							
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		75.00		75.00				
Remodel Cabin, Roof, Tent New Buildings, Improvements, etc.		~~255.25~~	1	~~255.25~~				
Compressor House		255.00	1	255.00				
TOTAL COSTS		~~510.25~~ 325.00		~~510.25~~ 325.00				14250.00

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

REMARKS: No mining done other than dead work. Nothing on DMEA Contract.

Date June 26, 1956 Operator Copper Mountain Mine

Per Ralph M Taylor Title Partner

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

(Instructions on reverse)

(For Government use only)

/s/ David D Walker

INSTRUCTIONS

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

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

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

GPO 872894

An amendment has
been requested to allow
part of this cost.

RECEIVED
JUL 26 1956

DMEA Field Team, Region I

July 23, 1956

DMEA Certifying Officer, Region I

Contract No. Idm-8889, Docket No. DMEA 3941. Monthly operating report for May-June 1956. Copper Mountain Mine.

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

It has been necessary to disallow $185.25 from the costs claimed by the operator as the operator repaired an existing building instead of purchasing one of the tents called for by the contract. He has also exceeded the amount allowed for building and shop by $5.00. If an amendment is made permitting the building repair, the operator may reclaim this cost up to the amount called for by the amendment.

Myrtle Purdy

cc: DMEA (2)
USGS
Wash. (2)
Engr.
AD

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JUL 18 1958

Copper Mountain Mine
c/o Mr. Ralph M. Taylor
Box 98
Iona, Idaho

Subject: Docket No. DMEA-3941
(Copper-Lead)
Copper Mountain Mine
Butte County, Idaho
Contract No. Idm-8889

Gentlemen:

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, pursuant to the provisions of Article 8 of the subject contract, hereby notifies you that in its opinion operations under the contract have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in its opinion further operations are not justified.

Pursuant to the provisions of said Article 8, the Government upon giving this notice is "free of all obligation to pay on account of units of work not then performed. . ."; and you are "free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting."

Dated this 18th day of July, 1958.

THE UNITED STATES OF AMERICA

By C. C. Mitteisor
Administrator, Defense Minerals
Exploration Administration

HCRubin/hm 7/16/58
Copies to:
Mr. Elmer Jernberg
Mr. M. E. Staley, Jr.
Mr. J. L. Sinknecht
Mr. Neile Poole
Docket Copy
Region I (2)
Finance Office
Audit Division Coll Sov.
Admr R File
Op. Committee
Mr. Lamb, USBM
Mr. Kiilsgaard, USGS

COPY
DMEA
RECEIVED D 1957

DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington

December 26, 1957

Taylor

Re: Docket No. DMEA-3941 (Copper-Lead)
Copper Mountain Mine
Copper Mountain Claim
Butte County, Idaho
Contract No. Idm-8089

r. Taylor:

We have been advised by our Washington office that the equirement of an Operator's final report called for under Article 5(c) of your contract is hereby waived. However, we will appreciate an early return of the signed Termination Agreement which we sent you December 10, 1957.

By Field Team, Region 1

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

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

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

Mill Copy
OFFICIAL FILE COPY
DMEA
RECEIVED JUL 11 1957

DATE	INITIALS	CODE
		800

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

AMENDMENT NO. 4

It is agreed this 29th day of April, 1957, the United States of America, acting through the Department of Interior, Defense Minerals Exploration Administration, hereinafter called "Government," and Copper Mountain Mine, hereinafter called "Operator," that Exploration Project Contract No. Idm-2889 (Docket DMEA-3941), dated October 13, 1955, as amended, hereinafter called the "Contract," is further amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning October 15, 1956, and ending not later than June 1, 1957.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator, at its own cost or expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. In Article 3, the date fixed for completion of the work is further extended from December 1, 1957, to December 1, 1958.

3. In Article 7(b), the period fixed for payment of royalty is further extended from eleven years to twelve years.

This amendment shall not be construed to increase the estimated total cost of the project, the total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

COPPER MOUNTAIN MINE

By [signature] (Partner)

By [signature] (Partner)

By [signature] (Partner)

By [signature] (Partner)

By [signature] (Partner)

GOVERNMENT COPY

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

AMENDMENT NO. 3

It is agreed this 16th day of August, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Copper Mountain Mine that Exploration Project Contract No. Idm-E889 (Docket No. DMEA-3941), dated October 13, 1955, as amended, is further amended as follows:

1. On page 1 of Exhibit "A" delete the first sentence of the first paragraph and substitute the following:

"The purpose of the project is to explore for copper ore by means of extending an inclined shaft along the vein, and then drifting along the vein from the shaft."

2. On page 1 of Exhibit "A" under Stage I (Description of the Work) delete the last sentence and substitute the following:

"The existent inclined shaft from the surface shall be deepened an additional 35½ feet, and 196.2 feet of drifting shall be done from the shaft."

3. On page 2 of Exhibit "A" under the heading Fixed Unit Costs, Stage I, delete:

Inclined shaft,	75 feet @ $35.33/ft.	$2,650.00
Drifting,	150 feet @ $30.20/ft.	4,530.00

and substitute:

Inclined shaft,	35½ feet @ $35.33/ft.	$1,254.22
Drifting,	196.2 feet @ $30.20/ft. (or Say)	5,925.78

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total cost of the project, the aggregate total amount which the Government may be required to contribute, or the cost of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Wing G. Agnew, Acting Exec. Officer
DMEA Field Team, Region I, NW District

COPPER MOUNTAIN MINE

By _____ (Partner)
Ralph M. Taylor

By _____ (Partner)
Elmer Jernberg

By _____ (Partner)
M. E. Staley, Jr.

By _____ (Partner)
J. L. Sinknecht

By _____ (Partner)
Neile Poole

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

Justification for Amendment No. 3

This amendment is justified because it discontinues the inclined shaft which was on a barren structure and allows drifting on the ore. The inclined shaft, $35\frac{1}{2}$ feet long, followed a barren vein structure and the chances for its finding ore in this direction appears to be remote. Since the vein structure is nearly horizontal, a drift was started on the ore with the same exploration objective.

Howard B. Nickelson

RECEIVED
SEP - 4 1956

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 31, 1956

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

Re: Docket No. DMEA-3941 (Copper)
Copper Mountain Mine
Butte County, Idaho
Contract Idm-8889

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Amendment No. 2 to the contract. By copy of this letter other copies of the amendment have been distributed.

Reference is made to our letter of August 17 (copies of which were sent to your office) to Mr. Ralph Taylor of Copper Mountain Mine, enclosing Amendment No. 3. To date, this amendment has not been returned to us.

Sincerely yours,

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

Attachments

cc: Finance Office w/encl.
USBM (2)
Nickelson

Government's copy

RECEIVED
SEP - 4 1956

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

AMENDMENT NO. 2

It is agreed this 25th day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Copper Mountain Mine that Exploration Project Contract No. Idm-E889 (Docket No. DMEA-3941), dated October 13, 1955, as amended, is further amended as follows:

1. On page 1 of Exhibit "A," all of Stage I is deleted, and the following is substituted:

Stage I

A frame compressor-shop shall be constructed, approximately 12 feet by 15 feet; and one heavy canvas tent, 10 feet by 10 feet, or equivalent, shall be purchased and erected at the work site. The cabin existing on the property shall be rehabilitated. The existent inclined shaft from the surface shall be deepened an additional 75 feet, and 150 feet of drifting shall be done from the shaft.

2. On page 2 of Exhibit "A," under the heading Fixed Unit Costs, all costs of Stage I are deleted, and the following costs are substituted:

Stage I

1 compressor building and shop	$ 250.00
1 tent	75.00
Rehabilitation of cabin	75.00
Inclined shaft, 75 feet @ $35.33/ft. (rounded to)	2,650.00
Drifting 150 feet @ $30.25/ft (rounded to)	4,530.00
Timbering 75 feet @ $4.00/ft.	300.00
32 samples assayed @ $2.50 per sample	80.00
	$7,960.00

This amendment shall not be construed to increase the estimated total cost of the project or the total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittenauer
Administrator, Defense Minerals
Exploration Administration

COPPER MOUNTAIN MINE

By Ralph M Taylor (Partner)
Ralph M. Taylor

By Elmer Jernberg (Partner)
Elmer Jernberg

By M E Staley Jr (Partner)
M. E. Staley, Jr.

By J. L. Sinknecht (Partner)
J. L. Sinknecht

By Neile Poole (Partner)
Neile Poole

Government's copy

RECEIVED
JAN 2 6 1956

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

AMENDMENT NO. 1

It is agreed this 9th day of December, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Copper Mountain Mine, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E889, Docket No. DMEA-3941, dated October 13, 1955, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning October 13, 1955 and ending not later than June 1, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

2. The time fixed for the completion of the work is extended to June 1, 1957 (from "December 1, 1956").

3. In Article 7(b) of the Contract, substitute the period "eleven years" for the period "ten years."

4. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) Effective October 13, 1955, the Contract and all obligations of the parties thereunder shall be and are hereby terminated.

(b) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Meredith

Administrator, Defense
Minerals Exploration
Administration

COPPER MOUNTAIN MINE

By Ralph Mitchell (Partner)

By Neil Poole (Partner)

By Edward Mosley (Partner)

By Elmer Isenberg (Partner)

By J. L. Sickbrett (Partner)

DMEA Form 14

Contract No. Idm-E 889

Docket No. 3941

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
October 13, 1955	I	Idaho	Copper

Name and Address of Operator: Copper Mountain Mine
C/O Ralph M. Taylor
Box 98
Iona, Idaho

	Reserve	Obligation
Prior Amount	0	7,125.00
Increase	0	0
Decrease	0	4,659.54
Revised Amount	0	2,465.46

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 8/19/58

22845

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

RECEIVED
NOV - 7 1955

November 4, 1955

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

Re: Docket No. DMEA-1941 (copper-lead)
Copper Mountain Mine, Partnership
Copper Mountain Claim
Butte County, Idaho

Dear Mr. Selfridge:

Enclosed are the Government, Docket and Division copies of contract Idm-2009.

Other copies are being distributed in the usual manner.

Sincerely yours,

Verne C. Fryklund, Jr.
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures

cc: DMEA (2)
Finance Office w/FC cy of contr.
Nicholson

Government's Copy

RECEIVED
NOV - 7 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3941

Commodity Copper

Contract No. Idm-E 889

RECEIVED
NOV 2 1955
U. S. G. S.
SPOKANE, WASH.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this OCT 13 1955 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Copper Mountain Mine, a partnership, comprised of Ralph M. Taylor, Elmer Jernberg, M. E. Staley, Jr. J. L. Sinknecht and Neile Poole, whose mailing address is C/o Ralph M. Taylor, Box 98, Iona, 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-200A), the attached Exhibit "A," Annex I, and .....

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 Butte, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] owner of[5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] location notice, [7] recorded in Book See Annex I, page I, 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: None

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

[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."

(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 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of copper. The work to be performed is described in Exhibit "A." The Operator on or before December 1, 1955 shall commence the work, and on or before December 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work., except as otherwise provided in Exhibit "A" with respect to stages of work.

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) *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.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $14,250.00. The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $7125.00: *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. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(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. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine 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.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

(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 7. *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 6) 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 thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

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

One and one-half (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 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The 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 8 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 9. *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 10. *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 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

COPPER MOUNTAIN MINE
(Operator)

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

By Ralph M. Taylor (Partner)

By J. L. Simpkins (Partner)

By Merle Poole (Partner)

By Ethel Sternberg (Partner)

By M. E. Staley Jr (Partner)

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—70618-1

RECEIVED
NOV - 7 1955

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

ANNEX I

The land referred to in Article 2 of the contract consists of two unpatented mining claims located in Section 8, Township 8 N. Range 29 E. in the Hamilton Mining District, in Butte County, Idaho, and recorded at Butte County Courthouse, as follows:

Copper Mountain - recorded in Book 7 page 110

Copper Mountain No. 1 - recorded in Book 7, page 111.

RECEIVED
NOV - 7 1955

EXPLORATION PROJECT CONTRACT
COPPER MOUNTAIN MINE
DOCKET NO. DMEA-3941

EXHIBIT "A"

The purpose of the project is to explore for copper ore by means of extending an inclined shaft along the vein, and then drifting along the vein from the bottom of the shaft. The exploration work is divided into two stages and is indicated on the attached map entitled "Copper Mountain Mine, Butte County, Idaho." The Operator shall complete Stage I, and shall perform so much of Stage II as the Government approves in writing.

Stage I

A frame compressor-shop shall be constructed, approximately 12 feet by 15 feet; and two heavy canvas tents, 10 feet by 10 feet, or equivalent, shall be purchased and erected at the work site. The existent inclined shaft from the surface shall be deepened an additional 75 feet, and 150 feet of drifting shall be done from the shaft.

Stage II

Stage II consists of an additional 200 feet of drifting from the shaft (Stage I).

x x x x x x x x x

All workings shall be timbered as necessary, and shall be driven to a minimum size of 5 feet by 7 feet in the clear of timber.

It is estimated that 75 feet of timbering will be required under Stage I and 50 feet of timbering under Stage II. Any additional timbering necessary shall be performed at the sole cost of the Operator without contribution by the Government.

Not to exceed 32 samples shall be assayed under Stage I and not to exceed 20 samples shall be assayed under Stage II, for gold, silver and copper.

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

Fixed Unit Costs

Stage I

1 Compressor building and shop		$ 250.00
2 Tents @ $75.00 each		150.00
Inclined shaft,	75 feet @ $35.33/ft.	2,650.00
Drifting,	150 feet @ $30.20/ft.	4,530.00
Timbering,	75 feet @ $4.00/ft.	300.00
32 Samples assayed @ $2.50 per sample		80.00
		$7,960.00

Stage II

Drifting,	200 feet @ $30.20/ft.	$6,040.00
Timbering,	50 feet @ $4.00/ft.	200.00
20 Samples assayed @ $2.50 per sample		50.00
		$6,290.00
Estimated Total Cost of Project		$14,250.00
Government share @ 50 percent		$ 7,125.00

Docket No. 3941

Commodity Copper

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 889

Date of Contract ~~xxxxxxxxxxxx~~ October 13, 1955

Name and Address of Operator:

Copper Mountain Mine
c/o Ralph M. Taylor
Box 98
Iona, Idaho

Amount of Government participation $ 7,125.00

Percent of Government participation 50 %

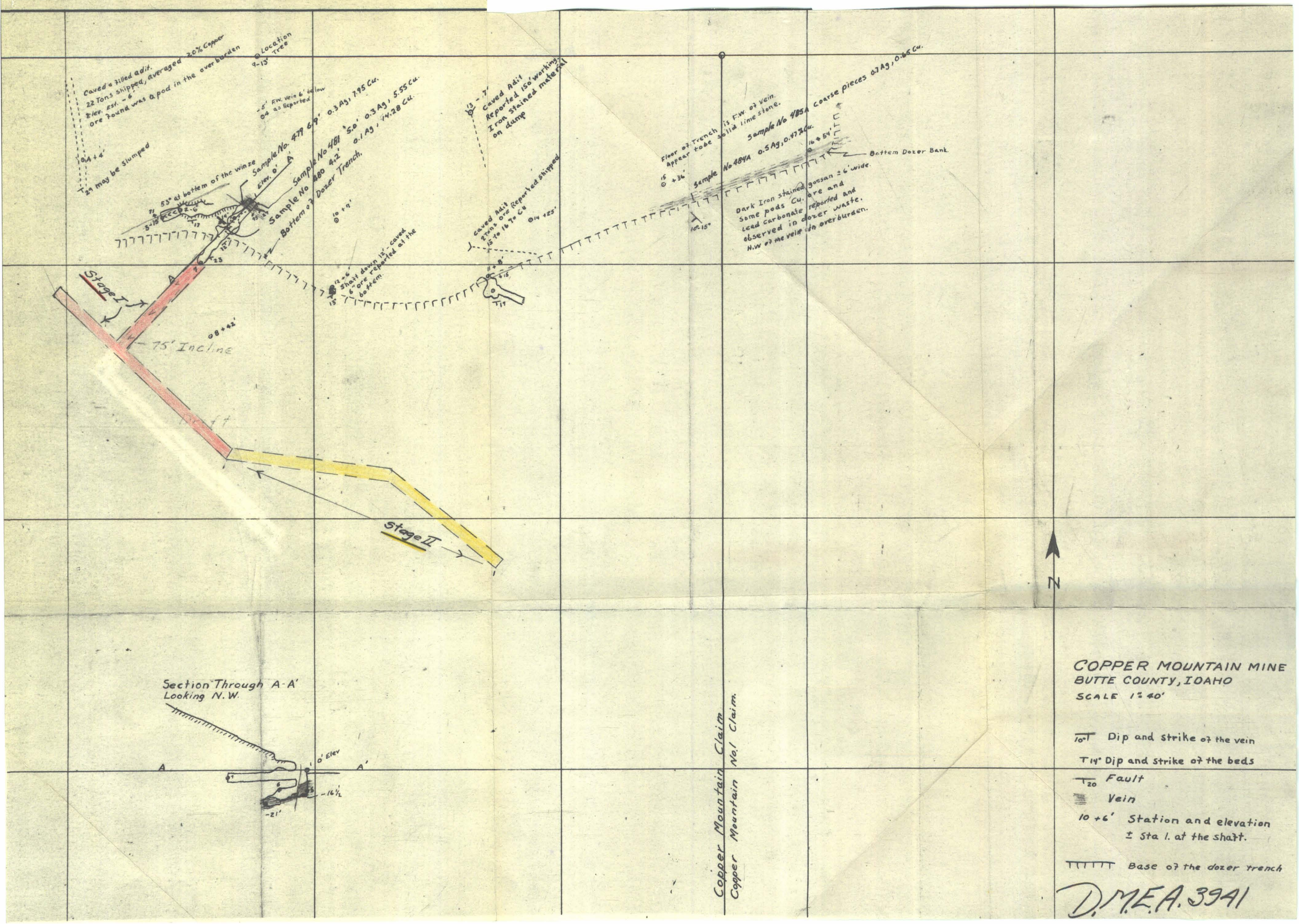
Region: I NW State: Idaho

E. R. Talbert
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 10/13/55

54458


Caved & filled adit.
22 Tons shipped, averaged 2.0% Copper
Elev. est. -6'
ore found was a pod in the overburden
Location Tree
9-13'
-5' F.W. vein 6' below
04 as Reported
0+4'
23 may be slumped
53° at bottom of the winze
Sample No. 479 6.9' 0.3 Ag, 7.95 Cu.
Elev. 0'
A
Sample No 481 5.0' 0.3 Ag, 5.55 Cu.
Sample No 480 4.2' 0.1 Ag, 14.28 Cu.
Bottom of Dozer Trench.
10+7'
13 - 7'
Caved Adit
Reported 150' working
Iron Stained material
on dump
Caved Adit
Some ore Reported shipped
15 to 16 % Cu
14+25'
Floor of Trench is F.W. of vein.
Appear to be solid lime stone.
15
+36'
Sample No 485A Coarse pieces 0.7 Ag, 0.65 Cu.
Sample No 484A 0.5 Ag, 0.47 Cu.
16+54'
Bottom Dozer Bank.
Dark Iron stained gossan ±6' wide.
Some pods Cu. ore and
Lead Carbonate reported and
observed in dozer waste.
H.W of the vein in overburden.
10°-15°
12+6'
Shaft down 13' - caved
6" ore reported at the
bottom.
11+8'
Stage I
A
75' Incline
8+42'
Stage II
N
Section Through A-A'
Looking N.W.
A
A'
0' Elev
-16½'
-21'
Copper Mountain Claim
Copper Mountain No. 1 Claim.
COPPER MOUNTAIN MINE
BUTTE COUNTY, IDAHO
SCALE 1" = 40'
Dip and strike of the vein
Dip and strike of the beds
Fault
Vein
10+6' Station and elevation
± Sta 1. at the shaft.
Base of the dozer trench
D.M.E.A. 3941