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

GEOLOGICAL SURVEY

RECEIVED
JAN 19 1967
JAN 18 1967
GAO
CLAIMS DIVISION

Claims Division
General Accounting Office
Washington, D. C. 20548

Re: OME-6354 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Gentlemen:

In accordance with the provisions of 4 GAO 500 and the Comptroller General's decision B-136448, there is referred to you the matter of overpayment in the amount of $500.00 on the Government's contribution to the costs of the exploration work performed under the Office of Minerals Exploration Contract 14-23-090-2196. The facts pertinent to the determination of this debt and the collection efforts of this office follow:

Under date of September 2, 1964, Clyde D. Painter, an individual, whose mailing address is Elk City, Idaho, entered into exploration contract 2196 with the United States of America, acting through the Department of the Interior, Office of Minerals Exploration.

In general, the contract, as amended provides that:

(a) the contractor (hereinafter referred to as the Operator) shall conduct an exploration project for gold and silver as outlined therein;

(b) the Government will pay to the Operator 50 percent of the allowable costs of the work performed; and

(c) if the Government issued a certification of possible production, the Operator, as principal if the producer, or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land for a period of 10 years from the date of the contract or until the amount contributed by the Government, with simple interest at 6-1/4 percent per annum, is fully repaid.

Amendment No. 1 to the contract dated March 2, 1965, provided that work under the contract shall be suspended for a period ending not later than June 15, 1965, because of snow conditions. After the end of the recess period work under the contract was not resumed. The contract was terminated effective February 15, 1965, under a Termination Agreement dated January 14, 1966. This agreement among other things provided that royalty on any production be paid to the Government in the same manner as though the Government had issued a certification of possible production.

On the monthly voucher submitted by the Operator for the period November 1, 1964 to February 1, 1965, claim was made for timbering the mine tunnel for a distance of 160 feet at $7.50 per foot, aggregating $1,200.00, of which 50 percent or $600.00 was paid to the Operator by the Government as its share of the costs.

Under date of September 17, 1965, the Field Officer, Region I, advised the Operator that the contract was in default since work had not been resumed by June 15, and requested to be informed of a date when the work would be resumed.

Inspection of the exploration work in October 1965 by the Field Officer, Region I, revealed that no timber had been installed in the tunnel as claimed. This condition was called to the attention of the Operator in a letter dated October 13, 1965, sent Certified Mail-Return Receipt Requested, by the Field Officer, Region I, and request was made for a refund of $500.00. The sum of $100.00 due the Operator had previously been withheld from payment on his voucher, thereby reducing the amount of overpayment from $600.00 to $500.00.

Under date of October 17, 1965, the Operator referred to the Field Officer's letter of September 17, and inquired regarding an extension of the recess period under the contract.

The Field Officer on October 20, 1965, again wrote the Operator and advised him of the steps to be taken to put the contract in good standing.

On October 26, 1965, the Operator replied to the Field Officer's letter of October 13, explaining the situation and expressing the hope that something satisfactory could be worked out.

Under date of November 23, 1965, by letter sent Certified Mail-Return Receipt Requested, the Field Officer advised the Operator that the contract should be terminated by mutual agreement and again requested a refund of the $500.00 overpayment. No reply to this letter was received.

The Field Officer on January 13, 1966, again sent a letter by Certified Mail-Return Receipt Requested, to the Operator requesting a refund of $500.00. This letter was returned marked "Address Unknown."

Under date of February 2, 1966, the Field Officer wrote a letter to the Operator's daughter in an attempt to reach him. No reply was received.

Under date of March 28, 1966, the Field Officer again wrote to the Operator's daughter concerning the contract, but received no reply.

On May 23, 1966, the Field Officer wrote again to the Operator requesting a refund of $500.00. The letter was sent Certified Mail-Return Receipt Requested. No reply was received.

On June 13, 1966, the Field Officer wrote to the Operator, enclosing a proposed Termination Agreement and requesting a refund of $500.00. No reply was received.

Under date of July 6, 1966, the Chief, Office of Minerals Exploration, sent a letter to the Operator by Certified Mail-Return Receipt Requested, explaining the situation and advising that if the default of the contract was not cured, steps would be taken to rescind the contract and obtain a refund of the full amount of the $3,300 contributed under the contract by the Government.

The Operator replied on July 15, 1966, returning the executed Terminated Agreement and requesting time in which to raise the money for refunding the $500.00 overpayment made for timbering.

The Chief, OME, replied by Certified Mail-Return Receipt Requested, on August 1, 1966, stating that a reasonable time would be allowed in which to produce concentrates so as to raise money to make the refund of $500.00.

On August 11, 1966, the Operator wrote regarding the difficulties in producing sufficient concentrates for a shipment, advising of other possible sources of funds, and stating that he would keep us informed of his progress.

Under date of October 12, 1966, the Chief, OME, advised the Operator by letter sent Certified Mail-Return Receipt Requested, that collection of the overpayment could not be postponed indefinitely, and requested to be informed as to when payment of of the amount due might be expected. No reply was received.

On November 21, 1966, the Chief, OME, sent a letter to the Operator by Certified Mail-Return Receipt Requested, stating that unless the refund of $500.00 was received within 30 days, the debt would be referred to another Government Agency for collection. No reply has been received to date.

Two copies of the following documents as referred to in the preceding paragraphs are enclosed.

(1) Contract 2196, including Exhibit A and Amendment No. 1; but excluding Annex I, Lien and Subordination Agreements, and maps, which are not pertinent to the matter of indebtedness.

(2) Termination Agreement, dated June 14, 1966.

(3) Operator's Monthly Voucher and Progress Report for the period November 1, 1964 to February 1, 1965, with narrative.

(4) September 17, 1965, letter to Operator from Field Officer, Region I.

(5) October 13, 1965, letter to Operator from Field Officer, Region I.

(6) October 17, 1965, letter to Field Officer from Operator.

(7) October 20, 1965, letter to Operator from the Field Officer, Region I.

(8) October 26, 1965, letter to Field Officer, Region I, from Operator.

(9) November 23, 1965, letter to Operator from Field Officer, Region I.

(10) January 13, 1966, letter to Operator from Field Officer, Region I.

(11) February 2, 1966, letter to Mrs. Josephine Moore from Field Officer, Region I.

(12) March 28, 1966, letter to Mrs. Josephine Moore from Field Officer, Region I.

(13) May 23, 1966, letter to Operator from Field Officer, Region I.

(14) June 13, 1966, letter to Operator from the Field Officer, Region I.

(15) July 6, 1966, letter to Operator from the Chief, Office of Minerals Exploration.

(16) July 15, 1966, letter to Field Officer, Region I, from Operator.

(17) August 1, 1966, letter to Operator from Chief, OME.

(18) August 11, 1966, letter to Field Officer, Region I, to Operator.

(19) October 12, 1966, letter to Operator from Chief, OME.

(20) November 21, 1966, letter to Operator from Chief, OME.

All means administratively available to this office to effect collection of the $500.00 indebtedness for overpayment on work performed under the contract have been unsuccessful. Accordingly, the matter is reported to you for such action as may be deemed appropriate.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

Government's Copy

HOME [illegible]

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
UMC -63'34	Gold-Silver	14-23-000-	Idaho	Idaho

It is agreed _____ (Date) between the United States of America, acting through the Department of the Interior, [illegible] hereinafter called the "Government," and

Clyde D. Painter, as [illegible]

whose mailing address is [illegible]
hereinafter called the "Operator," [illegible]

ARTICLE 1. Authority and [illegible] This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. [illegible] 946), consists of this form, the attached Annex I (land description), [illegible] A, work and [illegible], and the [illegible] listed. The work is a search for new or extension of deposits of the commodity indicated. The Operator shall begin the work on or before [illegible] (Date), and, subject to the provisions of Article [illegible] and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed costs for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $41,830. The Government will contribute 50 percent of the total fixed costs of the [illegible] performed in accordance with the provisions of Articles [illegible] and [illegible], $20,915.

(c) **Interest computation.**-- [illegible] shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds [illegible] is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any rights or obligations thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land. (a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall [illegible] transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor [illegible] 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 4. [illegible]ance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 2(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 [illegible] report (in addition to the final monthly report). 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 [illegible], 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 royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may prepare [illegible] or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Payment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer 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 Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive, unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and not exempted by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exceptions.

[illegible] Express and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

Long

THE UNITED STATES OF AMERICA

_____ (Operator)

By _____

Attest _____

Title _____

By _____

Acting Director, Office of Minerals Exploration

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that
(Title)

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

[illegible]

EXPLORATION CONTRACT
CLYDE D. PARKER
OME-6354

EXHIBIT A

The purpose of this project is to explore by driving a cross-cut adit and drifting therefrom for gold and silver bearing ore bodies in structures traversing a quartz monzonite country rock.

General Provisions

All significantly mineralized areas traversed by the adit and drifts shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. Each sample shall be split as necessary and one split assayed for gold and silver. The Operator shall store one split of each sample in a suitable and identified container for Government inspection and possible use. With prior approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the location and value of the samples and the general geologic formations and structures traversed by the adit and drifts.

The adit and drifts shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

No work under this contract shall be performed at locations which are within 200 feet of the outer boundary of the project area.

The location, direction, and extent of each work item are subject to Government approval.

*/or

The work is divided into two stages. The Operator shall perform all the Stage I work and as much of the Stage II work as is approved by the Government and confirmed in writing.

Description of the Work

Stage I

From a location approximately 990 feet west and 380 feet north of the center post on the east side line of the Father Lode No. 1 claim drive an adit an estimated 120 feet on a bearing of approximately S. 77° E. to traverse the target structures. From the vein intersection drive a drift in a southeasterly direction to follow the structures. Not to exceed 600 feet of crosscut adit and drifting shall be performed under this Stage I of the contract. This footage includes any necessary attendant crosscutting within the structures.

The location of the Stage I work is shown in red on Fig. 2, entitled "Existing and Proposed Workings, Father Lode No. 1 Claim ----", attached hereto and made part hereof.

Stage II

With prior approval confirmed in writing continue the Stage I drift a maximum of 900 feet along the structures. This footage includes any necessary attendant crosscutting within the structures.

Estimated Cost of the Work

[illegible] Unit Costs

Stage I

[illegible] feet drifting and/or crosscutting @ $[illegible]/ft.	$[illegible]
[illegible] feet timbering @ $7.50/ft.	[illegible]
[illegible] samples assayed for gold and silver @ $[illegible]/sample 1/	[illegible]
Total Estimated Cost Stage I	$[illegible]

Stage II

[illegible] feet drifting and/or crosscutting @ $[illegible]/ft.	$[illegible]
[illegible] feet timbering @ $7.50/ft.	[illegible]
[illegible] samples assayed for gold and silver @ $[illegible]/sample 1/	[illegible]
Total Estimated Cost Stage II	[illegible]

[illegible]

Total Estimated Cost Stages I and II	[illegible]
Government Participation @ [illegible]%	[illegible]

1/ Also $1.65 for an element not reported on the stage [illegible]

Government's Copy

EXPLORATION CONTRACT
CLYDE D. PAINTER
OME-6354

(2)

AMENDMENT NO. 1

It is agreed this 2nd day of March, 1965, between the United States of America acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Clyde D. Painter, hereinafter called the "Operator", that Exploration Contract 2196 (OME-6354), dated September 2, 1964, is amended effective as of February 15, 1965, as follows:

1. (a) Work under the contract shall be suspended for a period ending not later than June 15, 1965.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

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

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

CLYDE D. PAINTER

_____
Clyde D. Painter

Government's Copy

EXPLORATION CONTRACT
CLYDE D. PAINTER
GME-6354

TERMINATION AGREEMENT

It is agreed this 14th day of January, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Clyde D. Painter, hereinafter called the "Operator," parties to that certain Exploration Contract 2196 dated September 2, 1964, as amended, hereinafter called the "Contract":

1. Effective February 15, 1965, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the unit costs of the work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and [illegible] actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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 the work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the results thereof.

4. The Operator, as principal if the Operator is the patentee, or surety if the Operator is not the patentee (for example, [illegible] or fails to retain his interest [illegible] may up the Government [illegible] the Contract in the same manner and amount, for the [illegible] and subject to the same conditions provided for in the [illegible] as amended, as if certification of possible production [illegible] made, such certification being hereby waived by the [illegible]. In addition, all rights of the Government provided for in the Contract with respect to patentage royalty and liens to [illegible] payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

The Operator hereby releases and agrees to save the [illegible] harmless from all claims or demands under or arising [illegible] interest except as otherwise provided in this [illegible].

IN WITNESS WHEREOF, these parties have executed this agreement [illegible] the day and year first above written.

THE UNITED STATES OF AMERICA

By [illegible]
Chief, Branch of Minerals [illegible]
U. S. Geological Survey

1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. C354

Contract No. 14-08-0001-

...LY VOUCHER For Month of Nov. 1, 1964 to Jan 1965

Contract Amount $

Gov't. Participation $

Mineral(s)

Operator's Name Clyde D. Painter

Address

	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
	5600	0	5600			
	1200	0	1200			
	6800	0	6800	6800		

*Payee

Title

INSTRUCTIONS ON REVERSE

in the amount of

Signature

Date 2/12/65 Vou. No.

(SEE OTHER SIDE)

1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

[illegible] REPORT For Month of [illegible] Docket No. [illegible]

Operator's Name [illegible] Contract No. 14-23-[illegible]

[illegible]	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	[illegible]
[illegible]	ft	160	160	5600	160	160	[illegible]
[illegible]							
[illegible]	ft	160	160	[illegible]000	160	160	[illegible]
[illegible]							
[illegible]				6800			[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Narrative Report From Nov. 1, 1961 to Feb. 1, 1965

Started the bulldozer work and getting the equipment to the tunnel site Sept. 1, 1961 to Nov. 1, 1961. Nov. 1, 1961, started open cut and and drift through mineralized quartz and reymatite granite with quartz stringers that pan gold. I have taken samples every 10 feet but havednt been able to get the samples out to be assayed on account of snow and no mail transportation during the winter months.

Sincerely,

Clyde D. Painter
Rt. 1 Box 46
Coeur'd'Alene, Idaho

OMC

[redacted]

[redacted]

120 mc
120

[redacted]

[redacted]

[redacted]

Although you may have intended to install the timber, the fact remains that you have not done so and you have claimed and been paid for work you did not do.

Your prompt attention to this matter will be appreciated.

Sincerely yours,

D. R. Shelleman
Field Officer, CSS
Region I

Shelleman/mlc

cc: CSS
Voucher File
Shelleman

Director's Reading File

C
O
P
Y

Dixie, Idaho

October 17, 1965

Office of Minerals Exploration
157 S. Howard Street
Spokane, Washington

Dear Mr. MacLaren:

I did not get your letter till a couple of days ago. I have been gone for a month.

I am trying to get a company organized. I have an engineer that wants to take charge of everything. He likes the looks of the property and wants to go in on the deal, he wants to know if my contract is all right and if it is'nt what it would take to make it good.

I would like to get a recess or an extension of time till I can get the company going if that is necessary.

Yours truly,

(signed) Clyde D. Painter

Clyde D. Painter

One

No. 157 Everett Street
Spokane, Washington 99204
September 17, 1965

Mr. Clyde D. Painter

Elk City, Idaho

Re: [illegible] (Gold-Silver)
Clyde D. Painter
Father Lode Claims
Idaho County, Idaho
Contract [illegible]

Dear Mr. Painter:

According to Amendment No. 1, work should have been resumed on or before June 15, 1965. When you were in the Spokane Office June 23, you told us that you hoped to resume work by July 15.

Until an amendment extending the recess period is executed, your contract is in default and no payment can be approved. Please advise us as soon as possible as to the date when work was or will be resumed so that an amendment may be considered.

Nothing in this letter is to be considered as any assurance that the recess will be extended but without the requested information it cannot be.

Sincerely yours,

D. R. Ekstrom
Acting Field Officer, GSE
Region I

DREkstrom/ale

cc: GSE
Ekstrom

Editor's Reading File

One

GEOLOGICAL SURVEY
No. 157 Everett Street
Spokane, Washington 99204
October 20, 1965

Mr. Clyde D. Painter

Kimbo, Idaho

Re: [illegible] (Gold-Silver)
Father Lode Claim
Idaho County, Idaho
Contract [illegible]

Dear Mr. Painter:

Apparently, your letter of October 17, 1965, was mailed before you received our Certified letter of the 15th addressed to you at Kimbo, Idaho.

In a letter dated February 15, 1965, you requested a reason period "til I can get the road opened up which will be some time in May, likely." Accordingly, Amendment No. 1, dated the 24 day of March, 1965, effective February 2, 1965, provided in part: "1.(a) Work under the contract shall be suspended for a period ending not later than June 15, 1965." When work was not resumed by June 15, 1965, your contract became in default.

In an effort to correct the default, you advised me in the Spokane office on June 25, 1965, that you hoped to resume work by July 15. However, we were unwilling to prepare an amendment extending the reason until we knew the date work had been resumed. When we heard nothing further from you, we wrote to you September 17, 1965, reminding you that the contract is in default pending an extension of the reason and asking you to advise us of the actual starting date.

Still hearing nothing from you, I visited the property October 6, 1965, and with the help of Mr. Goodsill measured the completed work and discovered that no contract work had been done up to that time. It was also discovered that you had claimed and accepted payment for 160 feet of timber which you apparently had never done. My letter of October 15, 1965, called to your attention the seriousness of an apparently false claim and advised you that a refund of $[illegible] overpayment is expected.

In order to reinstate your contract, you must do the following:

1. Clear up the matter of the apparent overpayment for nonexisting timbering.

2. Set a firm date by which work will be resumed.

3. Give a satisfactory reason for not resuming work this summer.

Nothing in this letter is to be taken as any assurance that the default will be removed.

Sincerely yours,

D. R. Maclaren
Field Officer, CMZ
Region I

DRMaclaren/mls

cc: CMZ w/cy incoming
Voucher File; Maclaren
Director's Reading File

C O P Y

C O P Y

Dixie, Idaho

October 26, 1965

Office of Mineral Exploration

So. 157 Howard St., Spokane Wash.

Dear Mr. Maclaren.

I am in receit of your letter of Oct. 13, 1965.

I have been very much worried about the timbering of that tunnel.

I left two men there last february to do the timbering and they said it was all done and I payed them for it. I was very much surpriged when I went in there and there wasn't any timber at all in it.

These boys told me they would get busy right away an do it, and also go on with the tunnel.

It is hard to get miners in there in the summer. There is so much other work, but I have three men that want to go ahead with the work if possible right away.

I would like to go ahead and timber that tunnel or the part that needs it the most, and refund the extra money of the five hundred or let it go on the next work.

The two fellows that helped last winter, one of them went to the Army and the other went to California, so I can't do much about it. I am the one that made the report.

I wanted to get a mill working on that ore where you took the No 1 sample. There is a side ledge that runs almost east that is good, and also free milling, ore.

I have been busy getting a mill ready and also cutting mine timber and wood for winter.

Hoping that we can work something out that is satisfactory,

Yours truly

/s/ CLYDE D. PARKER

RECEIVED
NOV 2 1965
OMS
SPOKANE, WASHINGTON

[redacted]
[redacted]
[redacted]

OFFICIAL
COPY
O. K. T.
RECEIVED
NOV 23 2005
INTERIOR MAIL

[redacted]

Mr. Clyde D. Dalmer

[redacted]

Re: [redacted]
[redacted]
[redacted]
[redacted]

Dear Mr. Dalmer:

Your letter of October [redacted], [redacted], was forwarded to our Washington, D. C. office for consideration. After a thorough discussion and review of all the facts, it has been decided that it would be in the best interests of the Government and yourself to terminate the contract by mutual agreement.

We are hereby requested to promptly notifyour the Government for the [redacted] overpayment. In the very near future you will be sent a Mutual Termination Agreement which will include a release clause.

After these matters have been taken care of and then you can assure us that you have the necessary capital on hand to finance an exploration contract, the Office of Minerals Exploration will give special consideration to a new application for exploration contracts on your property.

Sincerely yours,

D. R. Dalmer
Field Officer, [redacted]
Region I

DRDalmer/ale

cc: [redacted]
Member File
Dalmer

Director's Reading File

OME

[redacted]
[redacted]
[redacted]
January 13, 196[redacted]

[redacted]
[redacted]

Mr. Clyde D. Painter

Kellogg, Idaho

Re: [redacted] (Gold-Silver)
Father Lode Claims
Shoshone County, Idaho
Contract [redacted]

Dear Mr. Painter:

In our letter of November [redacted], 196[redacted], we requested that you make prompt reimbursement to the Government for $[redacted].00 which you were overpaid for timbering claimed but not installed. To date, we have heard nothing further from you.

The seriousness of this matter was called to your attention and explained in some detail in our letter of October 13, 196[redacted], and was mentioned again in our letter of October [redacted], 196[redacted].

Prompt reimbursement of the $[redacted].00 overpayment is again requested.

Sincerely yours,

D. R. McAlaren
Field Officer, [redacted]
Region I

[redacted]/pls

cc: [redacted]
[redacted] File

[redacted]'s Reading File

GENERAL SERVICE
No. 157 Bennett Street
Spokane, Washington 99204
February 2, 1966

(12)

Mrs. Josephine Moore
Route #1, Box 56
Spear O'Hanna, Idaho

Re: GSA-6396 (Gold-Silver)
Clyde D. Painter
Silver Lake Claims
Idaho County, Idaho
Contract 6396

Dear Mrs. Moore:

A letter sent to Mr. Clyde D. Painter by Certified Mail, Return Receipt Requested, last month was delivered to Boise, Idaho. The Elk City Postmaster forwarded it to Whitebird, Idaho, on January 14, and Whitebird returned it to Elk City on January 24. Elk City returned the letter to this office January 31 with the notation "Moved Unknown" on the envelope.

We have received a Termination of Contract Agreement relative to Mr. Painter's GSA contract which requires his signature. If you can tell us where to send it so that he will receive it, we would be most appreciative.

Sincerely yours,

D. R. Mathews
Field Officer, GSA
Region X

Attachments
cc: GSA
Painter File
Mathews

Director's Reading File

Mne

(14)

GEOLOGICAL SURVEY
No. 157 Howard Street
Spokane, Washington 99204
March 28, 1966

Mrs. Josephine Moore
Route #1, Box 96
Coeur d'Alene, Idaho

Re: OMI-6994 (Gold-Silver)
Clyde D. Painter
Father Lode Claims
Shoshone County, Idaho
Contract 2190

Dear Mrs. Moore:

We are sorry to keep bothering you, but since our telephone conversation of February 4, we are wondering if you have found an address at which mail will reach Mr. Painter.

We still have a Termination of Contract Agreement that he should sign and another matter that we want discuss with him.

Sincerely yours,

D. R. MacLaren
Field Officer, OMI
Region I

DRMacLaren/mln

cc: OMI ✓

Director's Reading File

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
May 23, 1966

[redacted]
[redacted]

Mr. Clyde R. Painter

Kellogg, Idaho

Re: [redacted] (Gold-Silver)
Feather Lode Claims
Shoshone County, Idaho
Contract [redacted]

Dear Mr. Painter:

In our letter of November 15, 1965, we requested that you make prompt reimbursement to the Government for $500.00, the amount of overpayment you accepted for timber which you claimed but did not install.

Your prompt attention to this matter is requested.

Sincerely yours,

B. R. MacLaren
Field Officer, CMM
Region I

[redacted]/mlk

cc: CMM(2)
Voucher File

Director's Reading File

Ome(2)

13

GEOLOGICAL SURVEY
No. 137 Howard Street
Spokane, Washington 99201
June 13, 1966

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clyde D. Painter

Pinto, Idaho

Re: OES-635A (Gold-Silver)
Father Lode Claims
Idaho County, Idaho
Contract 2195

Dear Mr. Painter:

There are enclosed the original and four copies of a proposed Termination Agreement to the referenced contract, signed by the Chief, Office of Minerals Exploration, U. S. Geological Survey, for the Government.

If the proposed agreement is satisfactory, please sign all five copies, retain the Operator's copy for your records, and return the original and three remaining copies to this office.

If the agreement is not satisfactory to you, please return all copies to this office unsigned with your statement of proposed changes for consideration.

It is again requested that you make prompt reimbursement to the Government for $200.00, the amount of overpayment you accepted for timber which you claimed but did not install.

Your prompt attention to this matter is requested.

Sincerely yours,

D. R. MacLaren
Field Officer, OES
Region I

Enclosures

Mineral/file
cc: OES(2)
Timber File
Director's Reading File

OFFICIAL FILE COPY

Date	Surname	Code

MME Form 7
(2/63)

[redacted]

Mr. Clyde D. Painter

Dixie, Idaho

Re: OME-6354 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

This is with reference to the contract dated September 2, 1964, between the Government and you for financial assistance in exploration of the subject property.

As the work under the contract was not resumed by June 15, 1965, the end of the suspension period authorized by Amendment No. 1 to the contract, and the period of 18 months for completion of the exploration work has expired, you are in default under the terms of the contract.

You have had ample opportunity to cure this default but have failed to do so by executing the proposed Termination Agreement mailed to you on June 13, 1966, or reply to the several letters to you from the Field Officer representing the Government.

Unless the default is cured within ten days from the date of this letter, we shall take the necessary action to rescind the contract under Article 7(b) of the contract and obtain a refund in the amount of $3,300.00 paid to you by the Government.

Sincerely yours,

Frank H. Johnson
Chief, Office of
Minerals Exploration

Copy to: Mrs. Josephine Moore
Route #1, Box 56
Coeur d'Alene, Idaho

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region I
OME Reading File
Mr. Long, Rm. 6554

23263

C
O
P

Elk City, Idaho Y

July 15, 1966

Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington

Dear Sir:

I have signed the copies of termination on the Government contract.

I cannot send the $500 at present. I am getting some concentrate and some gold out now and can pay you in hard money soon.

I have a fifty ton Ball Mill with Diesel Electric plant to run it with.

I have powder and drilling outfit that I wanted to use on the mine but I can sell them if I am forced to raise the money.

There is a lot of draw backs to get a mine to working these days.

Hoping there is some way to work this out.

Yours truly,

(signed) Clyde D. Painter

Clyde D. Painter

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/27		110
		120
		220
		120M

INTERIOR DEPT.
1966
SOLICITOR

[redacted]

Mr. Clyde D. Painter

Elmira, Idaho

Re: OME-6354 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

Reference is made to your letter of July 15, 1966, to the Office of Minerals Exploration, Spokane, Washington, transmitting the executed Termination Agreement on the subject contract.

We note your comments concerning refund of the overpayment of $500.00 made under the contract. We cannot postpone indefinitely the collection of the amount due the Government. However, we are willing to allow a reasonable time for you to complete the concentrate shipment mentioned in your letter and repay the Government from the proceeds derived from this shipment. In this connection, in addition to the refund of $500.00 due the Government, there also will be due royalty on the gross proceeds derived from the shipment in accordance with the terms of the exploration contract.

Please advise by return mail as to when you expect to complete this concentrate shipment.

Sincerely yours,

RECEIVED

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Mr. Clyde D. Painter
Elk City, Idaho
By certified mail

cc: Director's Reading File
Division File
Economic Geology File
Dr. of Budget & Finance
OME File
OME Region I
OME Reading File
Solicitor (Mr. Long), Dn. 6354

FEJohnson/bih 7-27-66

23263

C
O
P
Y

Elk City, Idaho
August 11, 1966

Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington

Dear Sir:

In regard to the shipment of concentrates I mentioned in my July 15 letter, I have not got a ton of concentrates yet; but should have before long. I would like to have a ton anyway before I ship them and I want to send a sample to the smelter before I take them up there. Altho I might be able to pay before I can take the concentrates to the smelter.

I leased my bulldozer to a man in Elk City two years ago so I could be financed to complete the Government contract; but the man never payed me anything and I have about ten thousand dollars coming from him by now and I am starting suit on him now for what he owes me.

None of this would ever have come up if this man had payed me. He said he would pay two dollars a thousand for all the timber he logged and he would not log less than ten thousand feet a day.

I have hopes of getting a settlement from him without going to court.

And I won't forget the gross royalty according to the terms of the exploration contract.

I will keep you advised right along.

Yours truly,

(signed) Clyde D. Painter

Clyde D. Painter

August 21

P.S. I am sorry I thot this letter had been mailed long ago. I left it to some people to mail and they did'nt. Hope it is not too late.

USGS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/27	[illegible]	110
		120
		220
		140
		110
		220
		120M

[redacted]

Mr. Clyde D. Painter

Minto, Idaho

INTERIOR DEPT.
AUG 5 1966
SOLICITOR

Re: OMM-6354 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

Pursuant to Article 7 of the contract, as amended, and paragraph 4 of the Termination Agreement thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from September 2, 1964, to September 2, 1974, or until the amount contributed by the Government is fully repaid with interest at the rate of 6½ percent per annum, whichever occurs first.

Royalty payments should be made in favor of the U. S. Geological Survey, and should be mailed or delivered to the Field Officer, Region 2, Office of Minerals Exploration, U. S. Geological Survey, Room 157 Howard Street, Spokane, Washington 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of your rights shall be furnished the Field Officer.

Sincerely yours,

[illegible]

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
Branch of Mining and Fuels
Mr. Frank [illegible]
Filmed/Reading File
[illegible]
[illegible] 7
[illegible] 6354
[illegible] 130 (M)

23263

OFFICIAL FILE COPY

Date	Surname	Code
10/12		110
		120
		220

NMK Form 7
(2/63)

[redacted]

Mr. Clyde D. Painter

Dixie, Idaho

Re: OMK-4334 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

Reference is made to our letter of August 1, 1966, advising that a reasonable time would be allowed for you to repay the Government the overpayment in the amount of $500.00 made under the subject contract.

In your letter of August 11, 1966, you stated that you would be able to pay this debt before long from the proceeds of a shipment of concentrates and would keep us advised right along.

We cannot postpone indefinitely action to collect the amount due. It is urgent that you take prompt steps to liquidate this indebtedness. Please advise when we may expect to receive payment of the amount due the Government.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OMK file
OMK reading file
OMK Region I
120-M

FEJohnson/bih 10/12/66

23263

[redacted] Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/21		110
		120
		220
		120M

[redacted]

Mr. Clyde D. Painter

Kellogg, Idaho

Re: OMC-6254 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

This is with reference to the refund due the Government in the amount of $500.00 paid to you for costs claimed for timbering the crosscut and drift under the subject contract but which subsequent inspection revealed had not been done.

You have failed to keep us informed of the progress made in completing the concentrate shipment which you stated would be made so as to obtain funds to refund the overpayment or of other arrangements for raising the necessary funds in accordance with your letter of August 11, 1966.

We have given you ample time to raise the necessary funds to make the refund due the Government. Therefore, unless we receive the refund of $500.00 within 30 days from the date of this letter, we will refer the debt to another Government agency for collection.

You are urged to give this matter your prompt attention.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region I
OME Reading File
120M

FEJohnson/gla 11-21-66

23263

Government's Copy

MMS Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OMM -6394	Gold-Silver	14-23-090-	Idaho	Idaho

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Clyde D. Pointer, an individual

_____,

whose mailing address is Elk City, Idaho, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 83th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before Nov. 1, 1964 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $41,830. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of [illegible] in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with [illegible] copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 [illegible] final report (in addition to the final monthly report). 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 royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that 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 preparation or completion of same with suitable attachments as an expense of the project to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the [illegible] (for example, if the Operator either transfers or does not [illegible] his interest [illegible] pay to the Government a royalty on all minerals and metals mined or produced from the land [illegible]:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may [illegible] certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser 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 Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in the employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874), are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

[illegible] Special and added provisions.--

_____

_____

_____

_____

[illegible] the day and year first above written.

THE UNITED STATES OF AMERICA

_____

[illegible]

By _____

Acting Director, Office of [illegible]
Exploration

_____

_____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and on behalf of said corporation by authority of its governing body, and is within the scope of its

[illegible] powers.

_____

[CORPORATE SEAL]

EXPLORATION CONTRACT
CLYDE D. PARKER
CRE-6334

EXHIBIT A

The purpose of this project is to explore by driving a cross-cut adit and drifting therefrom for gold and silver bearing ore bodies in structures traversing a quartz monzonite country rock.

General Provisions

All significantly mineralized areas traversed by the adit and drifts shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. Each sample shall be split as necessary and one split assayed for gold and silver. The Operator shall store one split of each sample in a suitable and identified container for Government inspection and possible use. With prior approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the location and value of the samples and the general geologic formations and structures traversed by the adit and drifts.

The adit and drifts shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

No work under this contract shall be performed at locations which are within 200 feet of the outer boundary of the project area.

The location, direction, and extent of each work item are subject to Government approval.

*/cr

The work is divided into two stages. The Operator shall perform all the Stage I work and as much of the Stage II work as authorized by the Government and confirmed in writing.

Description of the Work

Stage I

From a location approximately 990 feet west and 300 feet south of the center post on the east side line of the Father Lode claim drive an adit an estimated 120 feet on a bearing of approximately S. 77° E. to traverse the target structure. From the intersection drive a drift in a southeasterly direction to follow the structure. Not to exceed 600 feet of crosscut adit and drift shall be performed under this Stage I of the contract. Drifting includes any necessary attendant crosscutting within the structure.

The location of the Stage I work is shown in red on Fig. 2, "Existing and Proposed Workings, Father Lode No. 1 Claim" hereto and made part hereof.

Stage II

With prior approval confirmed in writing continue the Stage I drift a maximum of 500 feet along the structure. This includes any necessary attendant crosscutting within the structure.

Estimated Cost of the Work

Hand Unit Costs

Stage I

600 feet drifting and/or crosscutting @ $35.00/ft.	$21,000.00
200 feet timbering @ $7.50/ft.	1,500.00
50 samples assayed for gold and silver @ $3.30/sample 1/	165.00
Total Estimated Cost Stage I	$22,665.00

Stage II

500 feet drifting and/or crosscutting @ $35.00/ft.	$17,500.00
200 feet timbering @ $7.50/ft.	1,500.00
50 samples assayed for gold and silver @ $3.30/sample 1/	165.00
Total Estimated Cost Stage II	$19,165.00

SUMMARY

Total Estimated Cost Stages I and II	$41,830.00
Government Participation @ 50%	$20,915.00

1/ Less $1.65 for an element not reported on the assay certificate.

Government's Copy

EXPLORATION CONTRACT
CLYDE D. PAINTER
OME-6354

(2)

AMENDMENT NO. 1

It is agreed this 2nd day of March, 1965, between the United States of America acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Clyde D. Painter, hereinafter called the "Operator", that Exploration Contract 2196 (OME-6354), dated September 2, 1964, is amended effective as of February 15, 1965, as follows:

1. (a) Work under the contract shall be suspended for a period ending not later than June 15, 1965.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

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

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

CLYDE D. PAINTER

_____
Clyde D. Painter

Government's Copy

EXPLORATION CONTRACT
CLYDE D. PAINTER
ONE-6354

TERMINATION AGREEMENT

It is agreed this 14th day of January, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Clyde D. Painter, hereinafter called the "Operator," parties to that certain Exploration Contract 2196 [illegible], dated September 2, 1964, as amended, hereinafter called the "Contract," that:

1. Effective February 15, 1965, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the unit costs of the work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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.

4. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the [illegible] shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the Contract, as amended, as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

4. The Operator hereby releases and agrees to save the [redacted] harmless from all claims or demands under or arising [redacted] said Contract except as otherwise provided in this termination [redacted].

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By [redacted]
Chief, Office of Minerals [redacted]
U. S. Geological Survey

Long

[redacted] PAINTER

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

[illegible]LY VOUCHER For Month of [illegible] 1964 to [illegible] 1965

Contract No. 14-08-0001-[illegible]

Contract Amount $[illegible]

Gov't. Participation $[illegible]

For Operator			For Government		
MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
56.00	0	56.00			
12.00	0	12.00			

RECEIVED

MAR 3 1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Nov. 1, 1964 to Feb. 1, 1965 Docket No. 6354

Operator's Name Clyde Plaintes Contract No. 14-23-090-2196

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drilling	ft	160	160	5600	160	160	5600.00
Core-drilling							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Other							
Percussion							
Miscellaneous							
Underground	ft	160	160	1200	160	160	1200.00
Stock and Stock							
Stockpiling							
Transporting							
Trenching							
Other Surface Work							
Mining Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MMS Form 60)							6800.00

REMARKS

(Continue on back)

[illegible] operator, and the official verifying this certification on its behalf, that the information contained in this report is correct and complete to the best of their knowledge and belief.

[illegible] Operator

Title

For [illegible]

A false statement or representation to any department or agency of the United States is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information [illegible] complete and accurate to the best of my knowledge and belief.

Signature

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, NME FORM 63

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and [illegible] copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, running, core house, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rental, etc. according to relative footages or on some other proportional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item dubbed "Drilling, [illegible] Preparation" includes all drilling performed with tagers, [illegible], auger and auger [illegible]. The actual holes [illegible] are included under some case of particular exploration operations and specified on their form.

Narrative Report From Nov. 1, 1964 to Feb. 1, 1965

Started the Bulldozer work and getting the equipment to the tunnel site Sept. 5, 1964 to Nov. 1, 1964. Nov. 1, 1964, started open cut and and drift through mineralized quartz and pegmatite granite with quartz stringers that pan gold. I have taken samples every 10 feet but havednt been able to get the samples out to be assayed on account of snow and no mail transportation during the winter months.

Sincerely,

Clyde D. Painter
Rt. 1 Box 56
Coeur'd'Alene, Idaho

RECEIVED
MAR 1965
OMS

Ome

No. 157 Second Street
Spokane, Washington 99201
September 17, 1969

Mr. Clyde D. Painter

Elk City, Idaho

Re: [illegible] (Gold-Silver)
Clyde D. Painter
Father Lode Claims
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

According to Amendment No. 1, work should have been resumed on or before June 15, 1969. When you were in the Spokane Office June 23, you told me that you hoped to resume work by July 15.

Until an amendment extending the recess period is executed, your contract is in default and no payment can be approved. Please advise us as soon as possible as to the date when work was or will be resumed so that an amendment may be considered.

Nothing in this letter is to be considered as any assurance that the recess will be extended but without the requested information it cannot be.

Sincerely yours,

D. R. McClaren
Acting Field Officer, OMR
Region I

DRMcClaren/mlo

cc: OMR
McClaren

Director's Reading File

OME

[illegible]

120 m
120

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]).

Although you may have intended to install the timber, the fact remains that you have not done so and you have claimed and been paid for work you did not do.

Your prompt attention to this matter will be appreciated.

Sincerely yours,

D. R. Hudson
Field Officer, GSA
Region X

Enclosure/s

cc: GSA
Timber File
Hudson

Enforcer's Tracking File

C
O
P
Y

Dixie, Idaho

October 17, 1965

Office of Minerals Exploration
157 S. Howard Street
Spokane, Washington

Dear Mr. MacLaren:

I did not get your letter till a couple of days ago. I have been gone for a month.

I am trying to get a company organized. I have an engineer that wants to take charge of everything. He likes the looks of the property and wants to go in on the deal, he wants to know if my contract is all right and if it is'nt what it would take to make it good.

I would like to get a recess or an extension of time till I can get the company going if that is necessary.

Yours truly,

(signed) Clyde D. Painter

Clyde D. Painter

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 20, 1965

Mr. Clyde D. Painter

Kimbo, Idaho

Re: OMS-6554 (Gold-Silver)
Father Lode Claims
Idaho County, Idaho
Contract 8196

Dear Mr. Painter:

Apparently, your letter of October 17, 1965, was mailed before you received our Certified letter of the 13th addressed to you at Kimbo, Idaho.

In a letter dated February 15, 1965, you requested a recess period "til I can get the road opened up which will be some time in May, likely." Accordingly, Amendment No. 1, dated the 24 day of March, 1965, effective February 2, 1965, provided in part: "1.(a) Work under the contract shall be suspended for a period ending not later than June 15, 1965." When work was not resumed by June 15, 1965, your contract became in default.

In an effort to correct the default, you advised me in the Spokane office on June 25, 1965, that you hoped to resume work by July 15. However, we were unwilling to prepare an amendment extending the recess until we knew the date work had been resumed. When we heard nothing further from you, we wrote to you September 17, 1965, reminding you that the contract is in default pending an extension of the recess and asking you to advise us of the actual starting date.

Still hearing nothing from you, I visited the property October 6, 1965, and with the help of Mr. Goodsill measured the completed work and discovered that no contract work had been done up to that time. It was also discovered that you had claimed and accepted payment for 100 feet of timber which you apparently had never done. My letter of October 13, 1965, called to your attention the seriousness of an apparently false claim and advised you that a refund of $900 overpayment is expected.

In order to reinstate your contract, you must do the following:

1. Clear up the matter of the apparent overpayment for nonexisting [illegible].

2. Set a firm date by which work will be resumed.

3. Give a satisfactory reason for not resuming work this summer.

Nothing in this letter is to be taken as any assurance that the delinquent will be removed.

Sincerely yours,

D. R. MacLaren
Field Officer, [illegible]
Region I

MMacLaren/mlc

cc: [illegible] w/cy incoming
[illegible] File; MacLaren
Director's Reading File

C O P Y C O P Y

Dixie, Idaho

October 26, 1965

Office of Mineral Exploration

So. 157 Howard St., Spokane Wash.

Dear Mr. Maclaren.

I am in receit of your letter of Oct. 13, 1965.

I have been very much worried about the timbering of that tunnel.

I left two men there last february to do the timbering and they said it was all done and I payed them for it. I was very much surpriged when I went in there and there wasn't any timber at all in it.

These boys told me they would get busy right away an do it, and then go on with the tunnel.

It is hard to get miners in there in the summer. There is so much other work, but I have three men that want to go ahead with the work if possible right away.

I would like to go ahead and timber that tunnel or the part that needs it the most, and refund the extra money of the five hundred or let it go on the next work.

The two fellows that helped last winter, one of them went to the Army and the other went to California, so I can't do much about it. I am the one that made the report.

I wanted to get a mill working on that ore where you took the No 1 sample. There is a side ledge that runs almost east that is good, and also free milling, ore.

I have been busy getting a mill ready and also cutting mine timber and wood for winter.

Hoping that we can work something out that is satisfactory,

Yours truly

/s/ CLYDE D. PARKER

RECEIVED
NOV 2 1965
GSE
SPOKANE, WASHINGTON

[redacted]

[redacted]

[redacted]

OME

[redacted]
[redacted]
[redacted]
January 13, [redacted]

[redacted]

[redacted]

Mr. Clyde D. Painter

Mizie, Idaho

Re: [redacted] (Gold-Silver)
Father Lode Claim
Idaho County, Idaho
Contract [redacted]

Dear Mr. Painter:

In our letter of November [redacted], 1965, we requested that you make prompt reimbursement to the Government for $900.00 which you were overpaid for timbering claims but not installed. To date, we have heard nothing further from you.

The seriousness of this matter was called to your attention and explained in some detail in our letter of October 13, 1965, and was mentioned again in our letter of October [redacted], 1965.

Prompt reimbursement of the $900.00 overpayment is again requested.

Sincerely yours,

R. R. Hudgens
Field Officer, [redacted]
Region I

[redacted]/[redacted]

cc: [redacted]
Voucher File

Director's Running File

GEOLOGICAL SURVEY
No. 157 Howard Street
Spokane, Washington 99204
February 2, 1966

(14)

Mrs. Josephine Moore
Route #1, Box 96
Grand Ronde, Idaho

Re: [illegible] (Gold-Silver)
Clyde D. Painter
Pother Lake Claims
Idaho County, Idaho
Contract [illegible]

Dear Mrs. Moore:

A letter sent to Mr. Clyde D. Painter by Certified Mail, Return Receipt Requested, last month was addressed to Dixie, Idaho. The Elk City Postmaster forwarded it to Whitebird, Idaho, on January 14, and Whitebird returned it to Elk City on January 24. Elk City returned the letter to this office January 31 with the notation "Addressee Unknown" on the envelope.

We have received a Termination of Contract Agreement relative to Mr. Painter's GSS contract which requires his signature. If you can tell us where to send it so that he will receive it, we would be most appreciative.

Sincerely yours,

D. R. Hanlonen
Field Officer, GSS
Region I

DRHanlonen/ale
cc: GSS
Member File
Hanlonen

Director's Reading File

Ome

(74)

GEOLOGICAL SURVEY
No. 157 Howard Street
Spokane, Washington 99204
March 28, 1966

Mrs. Josephine Moore
Route #1, Box 56
Coeur d'Alene, Idaho

Re: GMS-6994 (Gold-Silver)
Clyde D. Painter
Father Lode Claims
Idaho County, Idaho
Contract 2196

Dear Mrs. Moore:

We are sorry to keep bothering you, but since our telephone conversation of February 4, we are wondering if you have found an address at which mail will reach Mr. Painter.

We still have a Termination of Contract Agreement that he should sign and another matter that we must discuss with him.

Sincerely yours,

D. R. McLaren
Field Officer, GMS
Region I

DRMcLaren/mls

cc: GMS ✓

Director's Reading File

[redacted]
No. 127 Howard Street
Spokane, Washington 99201
May 23, 1966

[redacted]
[redacted]

Mr. Clyde D. Painter

Kimberly, Idaho

Re: [redacted] (Gold-Silver)
Father Luke Claims
Blaine County, Idaho
Contract [redacted]

Dear Mr. Painter:

In our letter of November 23, 1965, we requested that you make prompt reimbursement to the Government for $[redacted].00, the amount of overpayment you accepted for timber which you claimed but did not harvest.

Your prompt attention to this matter is requested.

Sincerely yours,

B. R. Mackaron
Field Officer, [redacted]
Region I

[redacted]/[redacted]

cc: [redacted](2)
Voucher File

Director's Reading File

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 13, 1966

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clyde D. Painter

Kimio, Idaho

Re: GES-6374 (Gold-Silver)
Father Lode Claims
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

There are enclosed the original and four copies of a proposed Termination Agreement to the referenced contract, signed by the Chief, Office of Minerals Exploration, U. S. Geological Survey, for the Government.

If the proposed agreement is satisfactory, please sign all five copies, retain the Operator's copy for your records, and return the original and three remaining copies to this office.

If the agreement is not satisfactory to you, please return all copies to this office unsigned with your statement of proposed changes for consideration.

It is again requested that you make prompt reimbursement to the Government for $500.00, the amount of overpayment you accepted for timber which you claimed but did not install.

Your prompt attention to this matter is requested.

Sincerely yours,

D. R. MacLaren
Field Officer, GSE
Region I

Enclosures

Milwaukee/File
cc: GSE(2)
Timber File
Operator's Bonding File

OFFICIAL FILE COPY

Date	Surname	Code

[redacted]

Mr. Clyde D. Painter

Dixie, Idaho

SOLICITOR

Re: [redacted]-6334 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

This is with reference to the contract dated September 2, 1964, between the Government and you for financial assistance in exploration of the subject property.

As the work under the contract was not resumed by June 15, 1965, the end of the suspension period authorized by Amendment No. 1 to the contract, and the period of 18 months for completion of the exploration work has expired, you are in default under the terms of the contract.

You have had ample opportunity to cure this default but have failed to do so by executing the proposed Termination Agreement mailed to you on June 13, 1966, or reply to the several letters to you from the Field Officer representing the Government.

Unless the default is cured within ten days from the date of this letter, we shall take the necessary action to rescind the contract under Article 7(b) of the contract and obtain a refund in the amount of $3,300.00 paid to you by the Government.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Mrs. Josephine Moore
Route #1, Box 56
Grass d'Alene, Idaho

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region I
OME Reading File
Mr. Long, Rm. 6554

23263

C
O
P
Y

Elk City, Idaho

July 15, 1966

Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington

Dear Sir:

I have signed the copies of termination on the Government contract.

I cannot send the $500 at present. I am getting some concentrate and some gold out now and can pay you in hard money soon.

I have a fifty ton Ball Mill with Diesel Electric plant to run it with.

I have powder and drilling outfit that I wanted to use on the mine but I can sell them if I am forced to raise the money.

There is a lot of draw backs to get a mine to working these days.

Hoping there is some way to work this out.

Yours truly,

(signed) Clyde D. Painter

Clyde D. Painter

MMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/27		110
		120
		220
		120

INTERIOR DEPT.
JUL 28 1966
SOLICITOR

[redacted]

[redacted]

[redacted], Idaho

Re: OME-6354 (Gold-Silver)
Clyde B. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

Reference is made to your letter of July 15, 1966, to the Office of Minerals Exploration, Spokane, Washington, transmitting the executed Termination Agreement on the subject contract.

We note your comments concerning refund of the overpayment of $500.00 made under the contract. We cannot postpone indefinitely the collection of the amount due the Government. However, we are willing to allow a reasonable time for you to complete the concentrate shipment mentioned in your letter and repay the Government from the proceeds derived from this shipment. In this connection, in addition to the refund of $500.00 due the Government, there also will be due royalty on the gross proceeds derived from the shipment in accordance with the terms of the exploration contract.

Please advise by return mail as to when you expect to complete this concentrate shipment.

Sincerely yours,

RECEIVED

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Mr. Clyde B. Painter
Elk City, Idaho
By certified mail

cc: Director's Reading File
Division File
Economic Geology File
Dr. of Budget & Finance
OME File
OME Region I
OME Reading File
Solicitor (Dr. Long), Rm. 6534

FEJohnson/bih 7-27-66

83263

C
O
P
Y

Elk City, Idaho
August 11, 1966

Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington

Dear Sir:

In regard to the shipment of concentrates I mentioned in my July 15 letter, I have not got a ton of concentrates yet; but should have before long. I would like to have a ton anyway before I ship them and I want to send a sample to the smelter before I take them up there. Altho I might be able to pay before I can take the concentrates to the smelter.

I leased my bulldozer to a man in Elk City two years ago so I could be financed to complete the Government contract; but the man never payed me anything and I have about ten thousand dollars coming from him by now and I am starting suit on him now for what he owes me.

None of this would ever have come up if this man had payed me. He said he would pay two dollars a thousand for all the timber he logged and he would not log less than ten thousand feet a day.

I have hopes of getting a settlement from him without going to court.

And I won't forget the gross royalty according to the terms of the exploration contract.

I will keep you advised right along.

Yours truly,

(signed) Clyde D. Painter

Clyde D. Painter

August 21

P.S. I am sorry I thot this letter had been mailed long ago. I left it to some people to mail and they did'nt. Hope it is not too late.

OMM Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/27		110
		120
		220
		140
		110
		220
		120M

[redacted]

Mr. Clyde D. Painter

Dixie, Idaho

INTERIOR DEPT.
1966
SOLICITOR

Re: OME-6354 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

Pursuant to Article 7 of the contract, as amended, and paragraph 4 of the Termination Agreement thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from September 2, 1964, to September 2, 1974, or until the amount contributed by the Government is fully repaid with interest at the rate of 6½ percent per annum, whichever occurs first.

Royalty payments should be made in favor of the U. S. Geological Survey, and should be mailed or delivered to the Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, South 157 Howard Street, Spokane, Washington 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of your rights shall be furnished the Field Officer.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
Branch of Budget and Finance
Mr. Frank E. Johnson
FEJohnson/gla 7-27-66
OME File
OME Reading File
OME Region I
Mr. Long, Rm. 6554
130 (2)

23263

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/12		110
		120
		220

OCT 12 1966

[redacted]

Mr. Clyde D. Painter

Dixie, Idaho

Re: OME-5334 (Gold-Silver)
Clyde D. Painter
Feather Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 7196

Dear Mr. Painter:

Reference is made to our letter of August 1, 1966, advising that a reasonable time would be allowed for you to repay the Government the overpayment in the amount of $100.00 made under the subject contract.

In your letter of August 11, 1966, you stated that you would be able to pay this debt before long from the proceeds of a shipment of concentrates and would keep us advised right along.

We cannot postpone indefinitely action to collect the amount due. It is urgent that you take prompt steps to liquidate this indebtedness. Please advise when we may expect to receive payment of the amount due the Government.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I
120-M

FEJohnson/bih 10/12/66

23263

BLM Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/21		110
		120
		220
		120M

[redacted]

Mr. Clyde D. Painter

Kimia, Idaho

Re: OME-6354 (Gold-Silver)
Clyde D. Painter
Father Lode Claims (Mammoth Mine)
Idaho County, Idaho
Contract 2196

Dear Mr. Painter:

This is with reference to the refund due the Government in the amount of $500.00 paid to you for costs claimed for timbering the crosscut and drift under the subject contract but which subsequent inspection revealed had not been done.

You have failed to keep us informed of the progress made in completing the concentrate shipment which you stated would be made so as to obtain funds to refund the overpayment or of other arrangements for raising the necessary funds in accordance with your letter of August 11, 1966.

We have given you ample time to raise the necessary funds to make the refund due the Government. Therefore, unless we receive the refund of $500.00 within 30 days from the date of this letter, we will refer the debt to another Government agency for collection.

You are urged to give this matter your prompt attention.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region I
OME Reading File
120M

FEJohnson/gla 11-21-66

23263

REFERENCE REQUEST—FEDERAL RECORDS CENTERS

NOTE: Use a separate form for each request.

SECTION I—TO BE COMPLETED BY REQUESTING AGENCY

RECORD GROUP NO.	ACCESSION NO.	AGENCY BOX NUMBER	RECORDS CENTER LOCATION NUMBER
	057-80-0004	1 thru 71	11-43-29-1-1 to 11-43-31-5-5

DESCRIPTION OF RECORD(S) OR INFORMATION REQUESTED *(Include file number and title.)*

DMEA CONTR CS FL

REMARKS

NATURE OF SERVICE

☐ FURNISH COPY OF RECORD(S) ONLY ☒ PERMANENT WITHDRAWAL ☐ TEMPORARY LOAN OF RECORD(S) ☐ REVIEW ☐ OTHER *(Specify)*

NAME OF REQUESTER	TELEPHONE NO.	☒ FTS	DATE
Doris Harmon for Geraldine A. Wilson	959-7309		12/11/90

NAME AND ADDRESS OF AGENCY *(Include street address, building, room no. and ZIP Code)*

U.S. Geological Survey
c/o South Hill Mini Storage
East 3126 Fifty-fifth Ave, #42
Spokane, WA 99223
(In Washington, D.C. area also include STOP number)

RECEIPT OF RECORDS

Requester please sign, date and return this form, for file item(s) listed above, *ONLY* if the block to right has been checked by the Records Center. ☐

SIGNATURE | DATE

SECTION II—FOR USE BY RECORDS CENTER

☐ RECORDS NOT IN CENTER CUSTODY ☐ RECORDS DESTROYED

☐ WRONG BOX NUMBER—PLEASE RECHECK

☐ ADDITIONAL INFORMATION REQUIRED TO IDENTIFY RECORDS REQUESTED

☐ MISSING *(Neither record(s), information nor charge card found in container(s) specified)*

☐ RECORDS PREVIOUSLY CHARGED OUT TO *(Name, agency and date):*

REMARKS

DATE	SERVICE	TIME REQUIRED	SEARCHER'S INITIALS

SECTION III—TO BE COMPLETED BY REQUESTING AGENCY

TO

General Services Administration
Federal Records Center NARS
Washington National Records Center
Stop 386
Washington, DC 20409
(City) *(State)* *(Zip Code)*

NOTE: In Washington, D.C. area send to STOP 386