MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2277 Docket No. 6651

Application
- [ ] Denied
- [x] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

**Left Side**

- [ ] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits December 1970
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [x] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

**Right Side**

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] Field Officer's Report (Tab) 3/15/68
- [x] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

**Left Side**

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

**Right Side**

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/12/71 | Emerick | 120E |
| | Kirkemo | 120 |
| | Redsford | 220 |
| | | 140 |
| | | |
| | | |
| | | 120M |
| | | |
| | | |
| | | 120 |
| | | 220 |

AIRMAIL

3/17/71

Mr. C. Walker Lyon and
Mrs. Grace M. Lyon
Box 250
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. and Mrs. Lyon:

Enclosed is a copy of a certification of possible production issued to Sandy H. Sims, Executor for the Estate of J. Howard Sims, as a result of the exploration program under the subject contract.

This relates to the Lien and Subordination Agreements signed by both of you and Mr. Fred J. Brough, on June 15, 1967. It also relates to the Consent to Assignment Agreement, dated December 10, 1968, between Fred J. Brough, both of you, and Salmon Copper Mines, Inc., a subsidiary of Deseret Peak Mines, Ltd., Lessee, and the subsequent Assignment of Lease and Option to Purchase, dated July 10, 1970, between J. Howard Sims and Marjorie B. Sims, Assignors, to Salmon Copper Mines, Inc., Assignee.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the certification. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreements signed by you, to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom, and to furnish this office with two true copies of such notice.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME Docket
130(2)

OME Region I
OME Reading File
WLEmerick

WLEmerick/gla 3-15-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/15/71 | Emerick | 120E |
| | Kirkemo | 120 |
| | | 220 |
| | | 140 |
| | | |
| | | |
| | | 120M |
| | | |
| | | |

120
220

AIRMAIL

Mr. Fred J. Brough
Box 126
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Brough:

Enclosed is a copy of a certification of possible production issued to Sandy H. Sims, Executor for the Estate of J. Howard Sims, as a result of the exploration program under the subject contract.

This relates to the Lien and Subordination Agreements signed by you, C. Walker Lyon, and Grace M. Lyon, on June 15, 1967. It also relates to the Consent to Assignment Agreement, dated December 10, 1968, between you, C. Walker Lyon, and Grace M. Lyon, Lessors, and Salmon Copper Mines, Inc., a subsidiary of Deseret Peak Mines, Ltd., Lessee, and the subsequent Assignment of Lease and Option to Purchase, dated July 10, 1970, between J. Howard Sims and Marjorie B. Sims, Assignors, to Salmon Copper Mines, Inc., Assignee.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the certification. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreements signed by you, to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom, and to furnish this office with two true copies of such notice.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket

OME Region I
OME Reading File
WLEmerick
130 (2)

WLEmerick/gla 3-15-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/12/71 | Emerick | 120E |
| | Kirkemo | 120 |
| | Kilgoard | 220 |
| | | 140 |
| | | |
| | | |
| | | 120M |
| | | |
| | | |
| | | 120 |
| | | 220 |

**AIRMAIL**

MAR 17 1971

Miss Laura Ledbetter

Maxville, Montana 59850

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Miss Ledbetter:

Enclosed is a copy of a certification of possible production issued to Sandy H. Sims, Executor for the Estate of J. Howard Sims, as a result of the exploration program under the subject contract.

This relates to the Lien and Subordination Agreements signed by you on April 26, 1968.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the certification. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreements signed by you, to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom, and to furnish this office with two true copies of such notice.

Sincerely yours,

Harold Kirkemo
per

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure
cc: Director's Reading File
Mineral Resources
OME docket

OME Region I
OME Reading File
WLEmerick
130 (2)

WLEmerick/gla 3-15-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/15/71 | Emerick | 120E |
| | Kirkemo | 120 |
| | Kilgore | 120 |
| | | 140 |
| | | |
| | | |
| | | 120M |
| | | |
| | | |
| | | 120 |
| | | 220 |

AIRMAIL

MAR 17 1971

Salmon Copper Mines, Inc.
Attention: J. W. Sullivan, Land Manager
5217 Major Street
Murray, Utah 84107

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Gentlemen:

Enclosed is a copy of a certification of possible production issued to Sandy H. Sims, Executor for the Estate of J. Howard Sims, as a result of the exploration program under the subject contract.

This relates to the Consent to Assignment Agreement, dated December 10, 1968, between Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, Lessors, and Salmon Copper Mines, Inc., a subsidiary of Deseret Peak Mines, Ltd., Lessee, and the subsequent Assignment of Lease and Option to Purchase, dated July 10, 1970, between J. Howard Sims and Marjorie B. Sims, Assignors, to Salmon Copper Mines, Inc., Assignee.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the certification. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreements signed by you, to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom, and to furnish this office with two true copies of such notice.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Region I
OME Reading File
WLEmerick
130 (2)

WLEmerick/gla 3-15-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/11/71 | Emerick | 120E |
| | | 120 |
| | | |
| 3/11 | cc | 220 |
| | | |
| | | 130 |
| | | |
| | | |
| | | |

March 11, 1971

Memorandum

To: Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Sandy H. Sims, Executor for the Estate of J. Howard Sims, Operator of above subject contract, in a letter dated February 22, 1971, states that he desires to forfeit the $200.00 withheld from the June 1970 voucher pending receipt of a final report.

Harold Kirkemo
Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region I
Mr. Emerick

WLEmerick/gla 3-11-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/12/71 | Emerick | 120E |
| | Kisheni | 120 |
| | Martin | 220 |
| | Sol. Off. | 140 |
| | Kilszac | |
| | | |
| | | 120M |
| | | |
| | | |

120
220

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

AIRMAIL

Mr. Sandy H. Sims
Executor for the Estate
of J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Pursuant to Article 6 of the subject contract, as amended, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from April 8, 1969, to April 8, 1979, or until the total amount contributed by the Government under the contract ($35,094.00) is fully repaid with interest at the rate of 8-1/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

should be $35,294

As presently is being done, royalty payments computed as provided in the contract should be made in favor of the U. S. Geological Survey and mailed or delivered to the Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, 656 U. S. Court House, West 920 Riverside Avenue, Spokane, Washington 99201. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, 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 notified upon any extended cessation of production. Production which is 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 in the lands embraced in the contract shall be furnished to this office.

Dated this 17th day of March, 1971.

THE UNITED STATES OF AMERICA

Harold Kirkemo

Chief, Office of Minerals Exploration
U. S. Geological Survey

cc: Director's Reading File
Mineral Resources
Branch of Budget & Finance
Assoc. Sol. Room 6554
OME Docket
OME Region I
OME Reading File
Harold Kirkemo
130 (2)

WLEmerick/gla 3-12-71

OME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/19/71 | Emerick | 120E |
| | | |
| | | 220 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

March 19, 1971

AIRMAIL

Mr. Sandy H. Sims
Executor for the Estate
of J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

Reference is made to the Certification of Possible Production, dated March 17, 1971, under the subject contract. As you forfeited the $200.00 withheld pending receipt of the Operator's final report, it is necessary to correct the second paragraph of the certification to read as follows:

> "Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from April 8, 1969, to April 8, 1979, or until the total amount contributed by the Government under the contract ($35,294.00) is fully repaid with interest at the rate of 8-1/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom."

Please file this letter with the certification in order that the error is properly noted.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief,
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources
Branch of Budget & Finance
Assoc. Sol. Room 6554
OME Docket
OME Region I
OME Reading File
WLEmerick
130 (2)

GLAult/a 3-19=71

Copies:
Fred J. Brough, Box 126, Salmon, Idaho 83467
Mr. C. Walker Lyon and Mrs. Grace M. Lyon, Box 250, Salmon, Idaho 83467
Miss Laura Ledbetter, Maxville, Montana 59850
Salmon Copper Mines, Inc., Attention: J. W. Sullivan, Land Manager,
5217 Major Street, Murray, Utah 84107

20 m

90

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 14 19[illegible]
INITIALS CODE

| | |
|---|---|
| 20 | 1/20 |
| 8 | 1/20 |
| HK | 1/20 |
| WE | 1/06 |

Docket copy

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## Office of Survey and Review

## Audit Operations

Report of Review-Contract 2277
Docket No. OME-6651 (Copper)
J. Howard Sims (Operator)
Lemhi County, Idaho

Washington, D.C.
December 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF SURVEY AND REVIEW
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20240

JAN 11 1971

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2277
Docket No. OME-6651 (Copper)
J. Howard Sims (Operator)
Lemhi County, Idaho

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2277. The results of our review are shown in the attached report.

C. D. Barr

Attachment

A final review has been made of the contract files of the Office of Minerals Exploration (OME) pertaining to the mineral exploration Contract 2277 with J. Howard Sims (Operator) and an examination of the related disbursement records in the Branch of Budget and Finance Administrative Division, Geological Survey. The review was made during December 1970 at Washington, D.C.

The contract was awarded April 8, 1969, for $85,700, the total estimated cost of the project, with OME participating on a 50 percent basis or not in excess of $42,850.

The Operator was to explore by crosscutting, drifting, and long hole drilling for copper-bearing ore bodies that occur in and along the Taft and Pope-Shenon vein structures at a horizon 250 feet below the deepest workings of the Pope-Shenon mine.

Repayment of disbursed Federal funds plus simple interest at 8¼ percent was to be made on the basis of established royalties on all minerals and metals produced from the land during the exploration operations and for a period of 10 years from the date of the contract should a certification of possible production be issued by OME, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

Work on the contract was to begin on or before April 15, 1969, and was to be completed within 24 months from the date of the contract or by April 8, 1971. Amendment #1 to the contract changed the description of the work but had no effect on the estimated cost.

The Operator on July 10, 1970, assigned to Salmon Copper Mines, Inc., its Lease and Option to Purchase the Pope-Shenon Mine from Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, the owners. The Operator requested that OME contract 2277 be terminated because of the assignment. The contract was terminated effective July 10, 1970. A Certification of Possible Production will be issued. Royalties at 5 percent will be paid to the Government by Salmon Copper Mines, Inc., or its successor in interest for a period of 10 years or until the indebtedness plus interest at 8½ percent has been fully repaid, whichever occurs first.

The units of work authorized and approved under Contract 2277 are summarized on Exhibit I. We believe that an additional payment of $11 should be made by OME to J. Howard Sims for the Federal share of assaying expense upon receipt of data on widths of samples assayed.

C. D. Baer

Regional Director

EXHIBIT I

## Summary of Contract Terms, Accepted Costs and Unexpended Balances

| Fixed Unit Cost 1/ | Authorized Amounts | Accepted Costs | Unexpended Balance |
|---|---|---|---|
| Repair and extend road, prepare portal & compressor site, including labor, materials, and supplies | $ 900 | $ 900 | $ - |
| Construct a 12' x 20' frame compressor and change house | 1,000 | 1,000 | - |
| Mobilization and demobilization of equipment | 150 | 150 | - |
| Crosscutting & drifting 2,000 ft. @ 41.00/foot | 82,000 | 67,978 | 14,022 |
| Timbering in crosscuts & drifts 100 ft. @ 10.00/foot | 1,000 | 520 | 480 |
| Long hole drilling 250 ft. @ 1.20/foot | 300 | - | 300 |
| Assaying samples for copper 140 assays @ 2.50/assay | 350 | 62 2/ | 288 |
| Total Cost | 85,700 | 70,610 | 15,090 |
| Government Participation at 50% | 42,850 | 35,305 3/ | 7,545 |

1/ The Government retains no equity in any of the equipment or materials used.

2/ Additional payment of $11 should be made to J. Howard Sims for the Federal share of assaying expense upon receipt of data on width of samples assayed.

F.O. Region I reported 3/11/71 that there was no possibility of receiving information on width of samples. No claim would be submitted. H. Kirkemo

3/ Reimbursement claimed $35,305, paid $35,094; $200 withheld pending receipt of Operator's final report.

Executor of Sims' estate advised on 3/22/71 that final report would not be prepared and to forfeit $200 presently withheld.

H. Kirkemo

MME FORM 76 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS E ORATION

TO:

1. Chief, Office of Minerals Expl.
2. Re: OME-7751 (Copper)
   J. Howard Sims
3. Pope-Shenon Mine
   Lemhi County, Idaho
4. Contract 2277
5. Willard P. Puffett

FROM: Field Officer, Region I

| DATE | INITIALS |
|---|---|
| OFFICIAL COPY O. M. E. RECEIVED NOV 13 1970 | |
| INITIALS | CODE |
| 11/9 | 30 |
| | 20 M |
| 11/12 | 20 |
| 11/20 | |

FOR: Check items for action desired

| | | |
|---|---|---|
| ____ Action | ____ Reply for signature of | |
| ____ Approval | ____ Investigate | ____ Surname |
| ____ Comment | ____ Recommendations | ____ Signature |
| ____ Conference | ____ Rewrite | ____ File |
| ____ Instructions | x Your information | |

REMARKS:

Attached are the Government copy and Fiscal Section copy of the Termination Agreement to the cited contract signed by the Operator.

INT.-DUP. SEC., WASH., D.C. M56300-62

Gov't copy

EXPLORATION CONTRACT
J. HOWARD SIMS
OME-6651

Termination Agreement

It is agreed this 23rd day of October, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and J. Howard Sims, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2277 (OME-6651), dated April 8, 1969, as amended, hereinafter called the "Contract" that:

1. Effective July 10, 1970, 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 allowable costs incurred prior to July 10, 1970, and acceptable assaying costs incurred subsequently.

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 related costs thereof.

4. All rights of the Government provided for in the Contract with respect to a certificate of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 10/7/70 | | 120 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | 220 |
| | | |

October 7, 1970

Memorandum

To: The File

From: Harold Kirkemo, Chief
Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Justification for Termination Agreement

The Operator on July 10, 1970 assigned to Salmon Copper Mines, Inc., its Lease and Option to Purchase the subject property from Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, the owners. In its narrative report accompanying the voucher for June 1970, the Operator requested that OME contract 2277 be terminated because of the assignment. Salmon Copper Mines, Inc., has made no application to qualify for the OME program in order to complete work with funds remaining in the contract.

Work by the Operator under terms of the contract succeeded in its objective, and the Field Officer recommends that the Government issue a Certification of Possible Production.

I concur in the Field Officer's recommendation to terminate the contract and to issue a certification.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Kirkemo

HKirkemo/bsl 10/7/70

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By Harold Kirkham
Chief, Office of Minerals Exploration
U. S. Geological Survey

J. HOWARD SIMS

By J. Howard Sims

Title operator

Martin 10/21/70
Final 10/21/70
Chs. Stroud
Kirkham 10/23/70

MME FO[illegible] REFERENCE SLIP
REV. 2-[illegible] OFFICE OF MINERALS EXPL[illegible]TION

| TO: Chief, OME | DATE | INITIALS |
|---|---|---|
| 1. | | |
| Re: OME 6651 (Copper) | | |
| 2. J. Howard Sims | | |
| Pope-Shenon Mine | | |
| 3. Lemhi County, Idaho | | |
| Contract 2277 | | |
| 4. | | |
| 5. Willard P. Puffett | | |
| FROM: Field Officer, Region I | 10/9/70 | |

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions x Your information

REMARKS:

Attached are copies of consent to assignment agreement between owners of Pope-Shenon mine and Salmon Copper Mines, Inc., plus transmittal letter from J. W. Sullivan, Land Manager, Salmon Copper Mines, Inc.

INT.-DUP. SEC.. WASH., D.C. M56300-62

SALMON COPPER MINES, S C M INC.

5217 MAJOR STREET • P. O. BOX 7305

MURRAY, UTAH 84107 (801) ~~[illegible]~~ 262-4676

FIELD OFFICE
302 MAIN STREET
P. O. BOX 1433
SALMON, IDAHO, 83467

October 6, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 12 1970

| INITIALS | CODE |
|---|---|
| JW | 130 |
| HJ | 120 M |
| | 120 |
| | |
| | |

Mr. Willard P. Puffet
Office of Minerals Exploration
656 U. S. Courthouse
West 920 Riverside
Spokane, Wn. 99201

Re: Pope Shenon Mine O.M.E. Loan 6651

J. Howard Sims

Dear Mr. Puffet:

Pursuant to your request, I am enclosing duplicate photo-copies of Consent to Assignment Agreement by and between C. Walker Lyon et ux and Fred Brough, Lessors and Salmon Copper Mines, Inc. as Lessee. This was a necessary document in December, 1968, since the original Lease carried a non-consent clause on assignment, giving us the right from Lessors to acquire the Lease from J. Howard Sims after we had complied with certain financial requirements during the development work.

A copy of letter to C. R. Fish, Chief Ore Buyer of The Anaconda Company, signed by Howard and myself is also enclosed, dated July 11, 1970, authorizing the deduction of OME 5% royalty. This letter was drafted the day following the assignment date when we had qualified with the terms for purchasing the mine.

I trust this will complete your file. It took us until September, 1970, to get the mine into production. We expect to receive payment on delivery of between 100 and 150 tons ore on the October 15th Anaconda Sampler date. The November 1st payment should be somewhat more; by that time the first ore chute on the Taft vein, which is looking very promising, will be installed and the shipments should run between 1 and 2 loads per day.

Yours very truly,

Jack Sullivan

J. W. Sullivan, Land Mgr.

SALMON COPPER MINES, INC.
AND
J. HOWARD SIMS
P. O. BOX 1433
SALMON, IDAHO 83467

July 11, 1970

Mr. C. R. Fish, Chief Ore Buyer
The Anaconda Company
Anaconda Reduction Department
Anaconda, Montana 59711

Re: Pope Shenon Mine, Salmon, Idaho

Dear Mr. Fish:

Please be advised that as of this date, Salmon Copper Mines, Inc. is the sole Lessee of the captioned copper mine.

Shipments will commence within about a week on a regular basis and should be credited to:

Salmon Copper Mines, Inc.
P. O. Box 1433
Salmon, Idaho 83467

with the payment check being sent direct to Salmon Copper Mines, Inc. account at the Idaho First National Bank, Salmon Idaho Branch.

This letter is your authorization to deduct 5% of Net Smelter Returns of the amount being mailed to our account, after first deducting smelter and transportation charges, to the U.S.C.S., CME Loan #6651, Spokane, Wn., with two copies of the Anaconda Sampler on each smelter lot.

Also, please mail two copies of the Anaconda Sampler on each smelter lot to our Lessor:

C. Walker Lyon
P. O. Box 250
Salmon, Idaho 83467

Thanking you, we remain

Yours very truly,

SALMON COPPER MINES, INC.

J. W. Sullivan

J. W. Sullivan, Secretary-Treasurer

I hereby acknowledge assignment of the Pope Shenon Mine Lease to Salmon Copper Mines, Inc. and consent to the above instructions.

J. Howard Sims

# CONSENT TO ASSIGNMENT AGREEMENT

---

**THIS CONSENT TO ASSIGNMENT AGREEMENT, Made and entered into this 10th day of December, 1968, by and between FRED J. BROUGH, an unmarried man, and C. WALKER LYON and GRACE M. LYON, husband and wife, of Salmon, Lemhi County, Idaho, parties of** the first part and hereinafter termed LESSORS, and SALMON COPPER MINES, INC., a Nevada Corporation and a subsidiary of Deseret Peak Mines, Ltd., (N.P.L.) party of the second part and hereinafter termed LESSEE.

WITNESSETH:

THAT WHEREAS, The Lessors, on May 1, 1966, leased the Pope Shenon Mine, so-called, Lemhi County, Idaho, to J. Howard Sims of Salmon, Idaho, as Lessee, and

WHEREAS, The Lessee, J. Howard Sims, desires to assign and transfer said Lease and Option to Purchase to the Lessee herein with such Lessee assuming all of the payments, conditions and obligations of said Lease, and requests that the Lessors give consent to such assignment;

NOW, THEREFORE, The Lessors, for and in consideration of the sum of ONE AND NO/100 DOLLARS ($1.00), the receipt thereof is hereby acknowledged, together with the other considerations stated in the terms of the Lease and in this Consent to Assignment Agreement, do hereby mutually agree with the new Lessee as follows, to-wit:

1. That the Lessors hereby consent that said Lease of

the Pope Shenon Mine, so-called, dated May 1, 1966, can be assigned to Salmon Copper Mines, Inc., a Nevada Corporation, and they shall be liable to perform the terms and conditions of said Lease and Option to Purchase.

2. That the Lessors certify that upon payment to Laura Ledbetter of $3,000.00, royalties and advance royalties, that the Lease payments are current and fulfilled to the date of December 1, 1968, and the payment of advance royalty in the amount of $300.00 shall be due next business day thereafter, being December 2, 1968, but can be extended to December 10, 1968.

3. That the United States Office of Mineral Exploration Contract, No. 6651, (in the event of a claimed discovery by their approved government agents) shall be promptly paid out of production or otherwise and the Lessors shall be held harmless from any payment whatsoever concerning such loan.

4. That should there arise any dispute between the parties hereto concerning the Lease, such dispute shall be arbitrated before either party may resort to legal action for settlement of the dispute, provided however, no arbitration shall be required for the nonpayment of royalty or guaranteed royalty, which shall be paid promptly and on the due date thereof.

5. That all arbitration shall be conducted in accordance with the arbitration statute of the State of Utah, which is at this time, Chapter 31 of Title 20 of the Utah Code Annotated, provided however, that should the State of Utah have or enact an arbitration statute, the State of Idaho statute shall be used in lieu of the State of Utah statute.

6. That to Section Three, page three, of said Lease and Option to Purchase there shall be added that if on or before the said 1st day of May, 1975, the Lessee is in good standing and the Lessee has paid to the Lessors, or their order, a total sum of at least $100,000.00 and have constructed and are operating at least a 100 ton per day concentrating mill within the vicinity of the Pope Shenon Mine primarily to mill ores therefrom, and if mining is being diligently pursued in a minerlike manner on and in the Pope Shenon Mine, the Lessee shall have the option of extending the Lease and Option to Purchase dated May 1, 1966, until May 1, 1980, and upon such Option being exercised, the total agreed purchase price of the mining premises of the Lease shall be raised from $300,000.00 to a total of $350,000.00 with all payments made to the date of exercising the Option to apply upon such purchase price.

7. That Section Five, page three, of said Lease shall be amended to provide that at least 240 man shifts of work shall be done every calendar six month period, in place of the 40 shifts per month.

8. That there shall be added to Paragraph Seven, page five, of said Lease, that should the Lessee mill any ore from the premises before selling the same as a concentrate, that the Lessee's cost of milling shall be deducted before determining the net smelter return, or the small cost to the Lessee, which shall be subject to royalty on their sales, [illegible] provided that the cost exceed the sum of $[illegible] per ton of ore.

9. That the original Lease and Option or this Consent Agreement shall not be placed of public record, but an acknowledgment of the Lease and Consent Agreement may be recorded, and a release thereof shall be placed in escrow.

10. That an escrow account shall be established at the Idaho First National Bank, Salmon, Idaho, for the purpose of distribution of minimum and production royalties and other payments made under the agreements of the parties, and on or before December 10, 1968, the first minimum royalty payment of $300.00 shall be paid to such escrow account and distributed to the lessors.

11. That on the 25th day of September, 1967, an adjacent lode mining claim was located by the Lessee, J. Howard Sims, named the "New Pope Shenon" and was recorded as Instrument No. 107335 of the Microfilm records of Lemhi County, Idaho, on the 4th day of October, 1967, which said claim has been deeded to the Lessors and shall henceforth be a part and portion of the premises under said Lease of May 1, 1966.

12. That upon receiving and accepting the assignment from the said J. Howard Sims, the new Lessee shall fully comply with all of the terms, covenants and conditions of said Lease to J. Howard Sims of May 1, 1966, and shall likewise receive all the rights and privileges granted thereon.

IN WITNESS WHEREOF, The parties hereto have executed this Amendment the day and year first above written.

Fred A. Burch

J. Howard Sims

Irene M. Tyson

Lessors

SALMON COPPER MINES, INC.

Merwin G. White

Vice President

ATTEST:

Secretary

STATE OF IDAHO, )
) ss.
COUNTY OF LEMHI. )

On this 11 day of [illegible], in the year 1968, before me, the undersigned, a Notary Public in and for said State, personally appeared FRED J. BROUGH, C. WALKER LYON and GRACE M. LYON, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[illegible]

Notary Public for State of Idaho
Residing at Salmon, Idaho

STATE OF IDAHO, )
) ss.
COUNTY OF LEMHI. )

On this 11th day of December, in the year 1968, before me, the undersigned, a Notary Public in and for said State, personally appeared [illegible], known to me to be the Vice President of the corporation and the person who executed the instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[illegible]

Notary Public for State of Idaho
Residing at Salmon, Idaho

ASSIGNMENT OF LEASE AND OPTION TO PURCHASE

THIS ASSIGNMENT OF LEASE AND OPTION TO PURCHASE Made this 10th day of July, 1970, from J. HOWARD SIMS and MARJORIE B. SIMS, husband and wife, hereinafter termed ASSIGNORS, to SALMON COPPER MINES, INC., a Nevada Corporation, hereinafter termed ASSIGNEE:

WITNESSETH:

That for and in consideration of the sum of TEN AND NO/00 DOLLARS ($10.00), cash in hand paid by the Assignee to the Assignors, and of other good and valuable consideration, the receipt of which is hereby acknowledged, the Assignors do hereby assign, transfer, grant and convey unto the Assignee, that certain unrecorded Lease and Option to Purchase the Pope Shenon Mine, so-called, Lemhi County, Idaho, together with all rights, privileges and obligations thereof, made and entered into May 1, 1966, by Fred J. Brough, an unmarried man, and C. Walker Lyon and Grace M. Lyon, husband and wife, as Lessors, and J. Howard Sims, as Lessee, reference being hereby made to such Lease for a more particular description of the premises and of the terms thereof, a copy of the same being attached hereto and made a part hereof, together with all mining rights and privileges appurtenant thereto and all personal property described in "Schedule A" attached hereto.

That the Assignee, by the acceptance of this Assignment, covenants to and with the Assignors that it will perform all the

covenants and conditions which are to be performed by the Assignors as Lessees under said Lease and will indemnify and save the Assignors harmless from any and all liability of whatsoever kind arising out of the performance or nonperformance of the terms of such Lease.

That the Assignors shall execute such other and further instruments as may be necessary to fully transfer the rights, privileges and property to the Assignee.

That the provisions hereof shall inure to the benefits of and be binding upon the personal representatives, successors and assigns of the Assignors and Assignee.

That the Assignee hereby consents to the assignment set forth hereinabove and agrees to fulfill all of the terms and conditions of that certain Lease and Option to Purchase, saving the Assignors harmless therefrom.

IN WITNESS WHEREOF, The parties hereto have executed this instrument the day and year first above written.

J. Howard Sims

Marjorie B. Sims

Assignors

ATTEST:

SALMON COPPER MINES, INC.

J. W. Sullivan

Secretary

President

(( SEAL ))

STATE OF IDAHO )
) ss.
COUNTY OF LEMHI )

On this --- 11th -- day of July, in the year 1970, before me, the undersigned, a Notary Public in and for said State, personally appeared J. HOWARD SIMS and MARJORIE B. SIMS, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

((( SEAL )))

Notary Public for State of Idaho
Residing at Salmon, Idaho

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Chief, OME | | |
| Re: OME 6651 (Copper) | | |
| 2. J. Howard Sims | | |
| Pope-Shenon Mine | | |
| 3. Lemhi County, Idaho | | |
| Contract 2277 | | |
| 4. | | |
| 5. Willard P. Puffett | | |
| FROM: Field Officer, Region I | 6/22/70 | |

OFFICIAL COPY
O. & M.
RECEIVED
JUN 29 1970
INITIALS

FOR: Check items for action desired

____ Action ____ Reply for signature ____ Surname
____ Approval ____ Investigate
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions X Your information

REMARKS:

Attached are the Government's copy and Budget and Finance's Copy of Amendment No. 1 to the subject contract, signed by the Operator.

INT.-DUP. SEC., WASH., D.C. M56300-62

Government's copy

EXPLORATION CONTRACT
J. HOWARD SIMS
OME-6651

AMENDMENT NO. 1

It is agreed this 9th day of June, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and J. Howard Sims, hereinafter called the "Operator," that Exploration Contract No. 2277 (OME-6651), dated April 8, 1969, is amended effective May 15, 1970, as follows:

In Exhibit A, under the heading Description of the Work, the second paragraph is revised to read as follows:

"The elevation of the portal site shall be about 5,450 feet (or approximately 250 feet below the 600 level adit portal). From the portal site drive a crosscut in an approximately S. 20° E. direction as shown on Figure 1. It is estimated that the crosscut will intersect the Taft vein and the west segment of the Pope-Shenon vein at distances of approximately 800 and 940 feet, respectively, from the portal as shown on Figure 2, entitled "Generalized Cross-Section, Pope-Shenon Mine Workings, and Proposed Exploration," attached hereto and made part hereof. A drift shall be driven to the east on the west segment of the Pope-Shenon vein, and the drift to the west on this segment shall be further advanced. Faulted segments of the vein south of the Pope fault may be recovered by crosscutting and/or by long hole drilling."

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkham
Chief, Office of Minerals Exploration
U. S. Geological Survey

J. HOWARD SIMS

By J. Howard Sims
Title operator

App'd. Sol. Off. Martin
Wm. Ret
Kilgoar
Kirkham

Government's Copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

| Docket | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME -6651 | Copper | 2277 | Lemhi County | Idaho |

It is agreed APR 8 1969 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

J. Howard Sims, an individual

whose mailing address is P. O. Box 686, Salmon, Idaho 83467, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th 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 April 15, 1969 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 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 $85,700.00 The Government will contribute ~~80~~ 50 percent of the total fixed unit costs of the work performed, not in excess of $42,850.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 8 ¼ 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 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 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 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 three copies of a 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 work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

| GOVERNMENT USE ONLY |
|---|
| Operator |
| Docket No. OME – |
| Contract No. 14-23-090 – |
| Contract Date APR 8 1969 |

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lemhi, State of Idaho,

described as follows:[2] in an "Lease and Option to Purchase," dated May 1, 1966, between Fred J. Brough, C. Walker Lyon and Grace M. Lyon, husband and wife, as "Lessors" and J. Howard Sims as "Lessee," the same being unrecorded at the request of the Lessors,

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

J. Howard Sims [3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions NONE (State "None" or "See Annex No. ____".)

Dated this 15th day of June, 1967.

| | | | |
|---|---|---|---|
| Fred J. Brough | (Seal) | Box 126 | (Street) |
| | | Salmon, Idaho 83467 | (City & State) |
| Fred J. Brough | | | |
| | | | (Street) |
| | | | (City & State) |
| C. Walker Lyon | (Seal) | Box 250 | |
| | | Salmon, Idaho 83467 | (Street) |
| | | | (City & State) |
| Grace M. Lyon | (Seal) | Box 250 | |
| Grace M. Lyon | | Salmon, Idaho 83467 | (Street) |
| | | | (City & State) |
| | (Seal) | | |
| | | | (Street) |
| | | | (City & State) |
| | (Seal) | | |
| | | | (Street) |
| | | | (City & State) |
| | (Seal) | | |

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

| FOR GOVERNMENT USE ONLY |
|---|
| Operator |
| Docket No. OME – |
| Contract No. 14-23-090 – |
| Contract Date APR 8 1969 |

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Lemhi, State of Idaho,

described as follows: 2/ in an "Lease and Option to Purchase," Dated May 1, 1966, between Fred J. Brough, C. Walker Lyon and Grace M. Lyon, husband and wife, as "Lessors" and J. Howard Sims as "Lessee", the same being un-recorded at the request of the Lessors,

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

J. Howard Sims 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 26th day of April, 19 68.

| | | |
|---|---|---|
| X Laura Ledbetter (Seal) | Maxville, Montana 59850 | (Street) (City & State) |
| Laura Ledbetter | | |
| (Seal) | | (Street) (City & State) |
| (Seal) | | (Street) (City & State) |
| (Seal) | | (Street) (City & State) |
| (Seal) | | (Street) (City & State) |
| (Seal) | | (Street) (City & State) |

APPLICANT SHOULD NOT SIGN

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/2/70 | Everick | 120 |
| | | 120 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | 220 |
| | | 120M |

June 2, 1960

Memorandum

To: The File

From: Harold Kirkemo
Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Justification for Amendment No. 1

The Pope-Shenon vein where intersected by the adit crosscut contains ore-bearing material of sufficient width to warrant drifts to the east and to the west. The Operator on its own account advanced the west drift as the contract did not provide for this work. As of mid-May 1970, the drift had been advanced about 130 feet in ore grade material of sufficient width to yield two or three loads of commercial ore. Because an ore shoot has been disclosed by this work and continued advance is likely to increase the potential ore reserve, proposed Amendment No. 1 would authorize participation by the Government in the cost of this work.* Sufficient ore reserve already has been disclosed to warrant issuance of a certificate of possible development.

The proposed amendment also would authorize work to recover the Pope-Shenon vein south of the Pope fault from either the east drift or from other headings such as the main crosscut or the crosscut southeast from the east drift. The mineral content and width of the vein in the east drift have not been promising, and sufficient advance eastward to reach the Pope fault may not be warranted. However, as the principal ore bodies in the upper mine workings occurred along the vein south of the Pope fault, exploration work to recover the vein from the more advantageous locations would be permitted.

The proposed revisions in the contract will not change the Government's share of the cost of the work.

I concur in the Field Officer's recommendation to amend the contract for the purposes mentioned above.

*Contract cannot be amended to authorize Gov't participation in west drift prior to May 15, 1970.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Kirkemo
HKirkemo/bsl 6/2/70

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

J. HOWARD SIMS
(Operator)

By J. Howard Sims
J. Howard Sims

Title

THE UNITED STATES OF AMERICA

By John D. Baker
Acting Director, U. S. Geological Survey
(Office of Minerals Exploration)

Long
Peterson
Johnson
Shikano
Lewis
Upp
Kilzgard

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

[CORPORATE SEAL]

EXPLORATION CONTRACT
J. HOWARD SIMS
OME-6651

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of thirty-two (32) unpatented lode mining claims in sec. 9, T. 20 N., R. 22 E., Boise Meridian, McDevitt mining district, Lemhi County, Idaho.

The unpatented claims are recorded in the Lemhi County Recorder's Office at Salmon, Idaho, as follows:

| Claim | Book | Page |
|---|---|---|
| Grandview No. 1 | W | 503 |
| Grandview No. 2 | W | 503 |
| Grandview No. 3 | W | 504 |
| Grandview Extension No. 1 | 2 | 10 |
| Grandview Extension No. 2 | 2 | 11 |
| Grandview Extension No. 3 | 2 | 12 |
| Grandview Extension No. 4 | 2 | 13 |
| Grandview Extension No. 5 | Y | 593 |
| North Salmon Copper | 5 | 5 |
| North Salmon Copper No. 1 | 5 | 4 |
| North Salmon Copper No. 2 | 5 | 5 |
| North Salmon Copper No. 3 | 5 | 6 |
| North Salmon Copper No. 4 | 5 | 63 |

| Claim | Book | Page |
|---|---|---|
| North Salmon Copper No. 5 | 5 | 64 |
| North Salmon Copper No. 6 | 5 | 64 |
| North Salmon Copper No. 7 | 5 | 65 |
| North Salmon Copper No. 8 | 5 | 65 |
| North Salmon Copper No. 9 | 5 | 66 |
| North Salmon Copper No. 10 | 5 | 66 |
| North Salmon Copper No. 12 | 5 | 67 |
| North Salmon Copper No. 13 | 5 | 67 |
| South Salmon Copper | 5 | 4 |
| South Salmon Copper No. 1 | 5 | 59 |
| South Salmon Copper No. 2 | 5 | 59 |
| South Salmon Copper No. 3 | 5 | 60 |
| South Salmon Copper No. 4 | 5 | 60 |
| South Salmon Copper No. 5 | 5 | 61 |
| South Salmon Copper No. 6 | 5 | 61 |
| South Salmon Copper No. 7 | 5 | 62 |
| South Salmon Copper No. 8 | 5 | 62 |
| South Salmon Copper No. 9 | 5 | 63 |

New Pope Shenon Instrument No. 107355, recorded Oct. 5, 1967

The Operator is owner of the New Pope-Shenon claim and is in possession of the remaining claims under the terms of a Lease and Option to Purchase, dated May 1, 1966, from Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, the owners.

Lien and Subordination Agreements, executed June 15, 1967, by Fred J. Brough, C. Walker Lyon and Grace M. Lyon and a Lien and Subordination Agreement executed April 26, 1968 by Laura Ledbetter, the owners of the claims, are attached and made a part hereof.

The claims are shown on Figure 1, entitled "Claim Map, Pope-Shenon Mine, Lemhi County, Idaho," attached and made a part hereof.

EXPLORATION CONTRACT
J. HOWARD SIMS
OME-6651

## EXHIBIT A

The purpose of this project is to explore by crosscutting, drifting, and long hole drilling for copper-bearing ore bodies that occur in and along the Taft and Pope-Shenon vein structures at a horizon 250 feet below the deepest workings of the Pope-Shenon mine.

### General Provisions

A bulldozer no smaller than a Caterpillar D-6, or equivalent unit of any other make shall be used for road repair, and portal and compressor site preparation.

All drifts and crosscuts shall be not less than 5 by 7 feet in cross-section, and shall be timbered as necessary. Mine rail shall be not less than 20-pound size, air line not less than 2-inch diameter, water line not less than 1-inch diameter, and ventilation line not less than 8-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken. Significantly mineralized cuttings from the longholes shall be sampled, and no individual sample shall represent more than 2 linear feet of hole. Each sample from whatever source shall be split as necessary, and one split shall be assayed for copper. The remainder of each sample shall be stored in a suitable container for Government inspection and possible use. With prior Government 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 report which shall also include a map or sketch showing the work completed during the

reporting period, the location of all samples taken, and the geological formations and structures traversed by the workings.

No underground workings shall be driven closer than 100 feet to the outer boundary of the claims shown on Figure 1.

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

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

## Description of the Work

The initial work shall consist of repairing the access road, completing about 500 feet of new road, preparing portal site, and constructing a compressor shelter.

The elevation of the portal site shall be about 5,450 feet (or approximately 250 feet below the 600 level adit portal). From the portal site drive a crosscut in an approximately S. 20° E. direction as shown on Figure 1. It is estimated that the crosscut will intersect the Taft vein and the west segment of the Pope-Shenon vein at distances of approximately 800 and 940 feet, respectively, from the portal as shown on Figure 2, entitled "Generalized Cross-Section, Pope-Shenon Mine Workings, and Proposed Exploration," attached hereto and made part hereof. Then a drift to the east along the west segment shall be driven to the Pope fault and from the fault a crosscut shall be driven in the appropriate direction to recover faulted segments of the Pope-Shenon vein.

With prior Government approval, drifts shall be driven on the most favorable veins traversed by the crosscuts. The total footage of the crosscuts and drifts shall not exceed 2,000 feet.

To further test the extent of mineralization, percussion long holes shall be drilled into the walls of the exploratory drifts or crosscuts from sites selected by the Operator. The long-holes shall be spaced at intervals of not less than 20 feet and the aggregate footage of all holes drilled shall not exceed 250 feet.

## Estimated Costs of the Project 1/

### Fixed Unit Costs

| | |
|---|---|
| Repair and extend road, prepare portal and compressor site, including labor, materials and supplies 2/ | $ 900.00 |
| Construct a 12' x 20' frame compressor and change house 2/ | 1,000.00 |
| Mobilization and demobilization of equipment 2/ | 150.00 |
| Crosscutting and drifting 2,000 feet @ $41.00/foot | 82,000.00 |
| Timbering in crosscuts and drifts, 100 feet @ $10.00/foot | 1,000.00 |
| Long hole drilling, 250 feet @ $1.20/foot | 300.00 |
| Assaying samples for copper, 140 assays @ $2.50/assay | 350.00 |
| Total Estimated Cost of Project | $85,700.00 |
| Government Participation @ 50% | $42,850.00 |

1/ The Government retains no equity in any of the materials used.

2/ The completed job is the unit of work.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contractingagency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

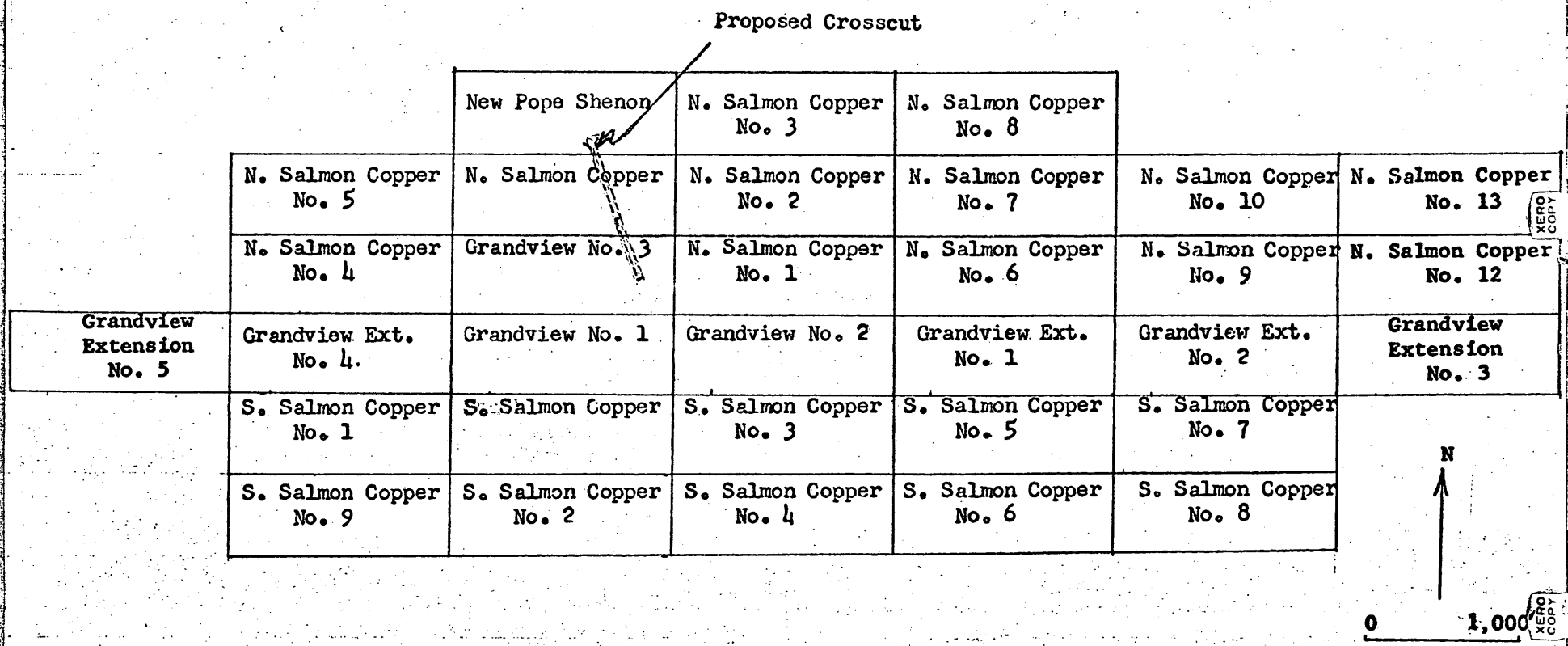



Figure 1. Claim Map, Pope-Shenon Mine, Lemhi County, Idaho

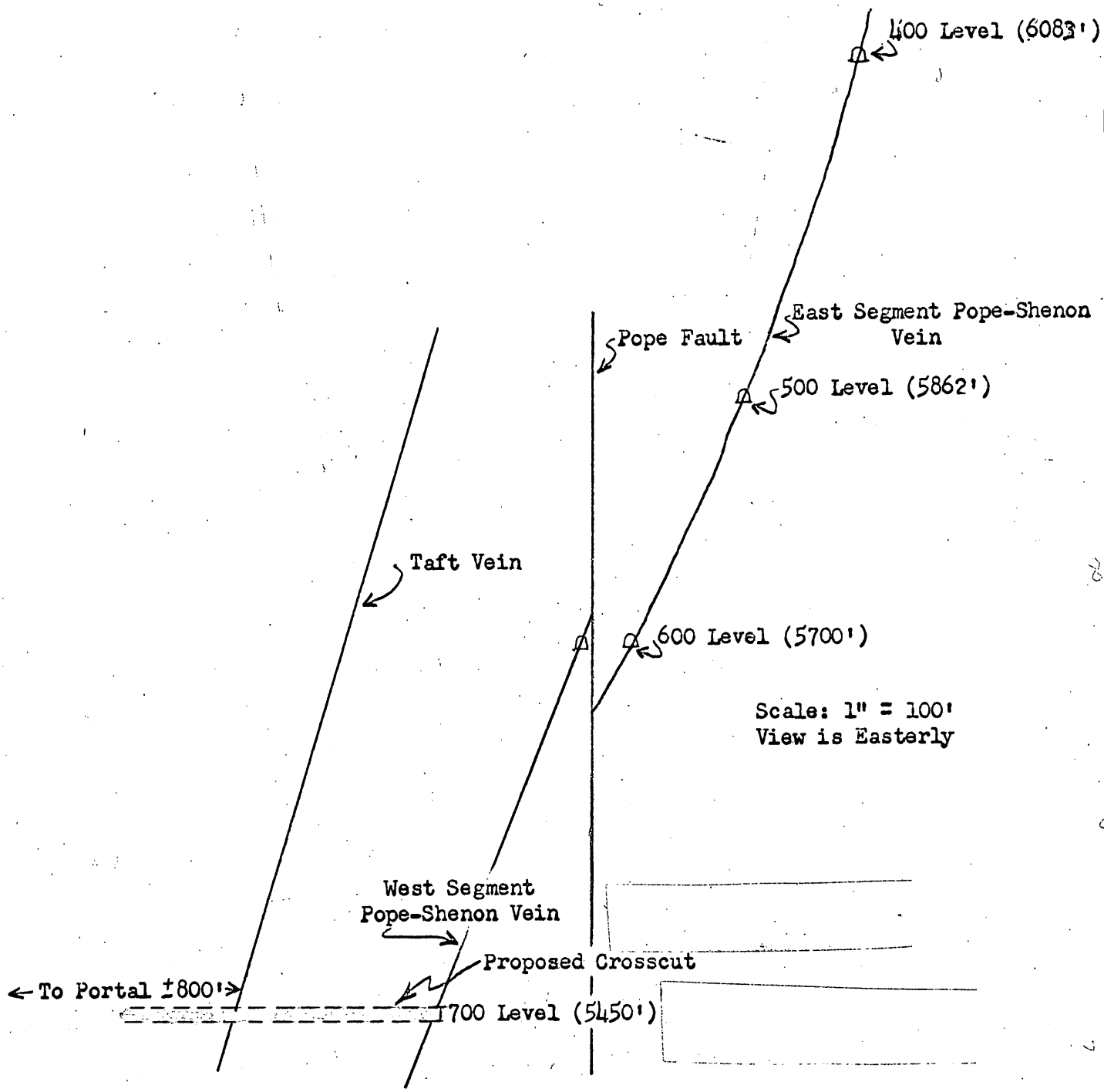



Figure 2. Generalized Cross Section, Pope-Shenon Mine Workings, and Proposed Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 28, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 31 1967
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of Application for Assistance (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

The enclosed application submits the same proposal made by Western Uranium Corporation and Toil Mining Company, OME-6190. The Pope-Shenon mine was also the subject of a prior contract with Centrida Mines, Inc., DMEA-3112, which was certified.

In reviewing the material submitted by the applicant in OME-6190 I note that the portal of the proposed crosscut is on a claim called North Salmon Copper No. 11. However, this claim is not included in the lease with OME-6190 nor in the lease with this application.

In DMEA-3112 is a memorandum to the files relative to royalty in the amount of $293.07 on past production which remains unpaid. For a summary account of the background covering this unpaid royalty see my memorandum of August 2, 1961.

Regarding the merits of the present application, I can add nothing to the remarks in my memorandum of October 1961, with which OME-6190 was forwarded except perhaps an updated cost estimate.

It is recommended that Mr. Sims be advised that before we can continue processing his application we must receive documentary evidence of his rights to North Salmon Copper No. 11 claim. The question of requiring payment of passed due royalty is a policy matter.

When the application is referred to the field, a new cost estimate will be made.

D. R. MacLaren

D. R. MacLaren

Enclosures

MME Form 40
Jan. 65

RECEIVED
AUG 23 1967
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 31 1967
INITIALS CODE

# APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

J. Howard Sims

Box 686

Salmon, Idaho. 83467

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6651

DATE RECEIVED 8/31/67

REGION 1

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL [X]
CORPORATION [ ]
PARTNERSHIP [ ]
OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED Idaho

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

| NAME | ADDRESS | TITLE |
|---|---|---|
| | | |

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Copper

ESTIMATED COST OF PROJECT
$ 101,497.50

| PROPERTY NAME | LOCATION COUNTY | STATE |
|---|---|---|
| Pope Shenon | Lemhi | Idaho |

## GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

## CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

Aug 31 1967
DATED

J Howard Sims
BY *(Signature)*

TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

## INFORMATION REQUIRED WITH THIS APPLICATION

### 1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

### 2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

### 3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

### 4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

### 5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

### 6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

### 7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 31 1967
INITIALS CODE

## SUMMARY

The Pope-Shenon mine has produced a total of 6.8 million pounds of copper from about 127,000 tons of crude ore averaging approximately 2.7% copper. The main vein has been opened on six levels and stoped intermittently for 800 feet along strike and 650 feet up dip. Geological inference and rule of thumb suggest strongly that these ore zones should have economic extent in depth. Howard Sims proposes an 1100 foot crosscut and 900 feet of drift to explore 250 feet below the present lowest level of the Pope-Shenon mine. Estimated cost of this project is $ 101,497.50. Evidence recommending this exploration is justifiable.

J. Howard Sims
Salmon, Idaho. 83467

1. (a) See attached

   (b) J. Howard Sims, Salmon, Idaho. Individual

   (c) Cash and Equipment

2. (a) Lease and option to purchase. No leins or mortgages.

   (b) Refer to Docket No OME 6190 - Western Uranium Corp, excluding known ore above the number six level, but not excluding the Taft Vein.

   (c) Copies included.

3. (a through g) Refer to Docket number OME 6190. No production since October, 1961.

4. (a) J. Howard Sims or Sandy Sims, Salmon, Idaho. Property approximately eight miles southeast of Salmon, Idaho. Property and workings reasonably accessible.

   (b) Shipping point expected to Anaconda, Montana. Supply point - Salmon, Idaho. One hundred and fifty miles from Pope Shenon Mine to Anaconda, Montana.

5. (a) Refer to Docket OME number 6190 - Western Uranium Corp. -?

   (b) Not applicable

   (c) Work will be started immediately if an OME loan is executed. Drifting progress estimated at not less than 100 feet per month.

6. I have forty years of experience and will be assisted by a man with thirty years experience.

7. Estimate of cost is for 1100 feet of crosscut and 900 feet of drift.

   (a)

| | |
|---|---|
| Repair one-fourth miles old road - 10 hours @ 22.50 | $ 225.00 |
| Build one-eighth mile new road - 6 hours @ 22.50 | 135.00 |
| Excavate portal site, compressor shed site and dump and dump track area - 35 hours @ 22.50 | 787.50 |
| | $ 1,147.50 |

   (b) These figures are calculated on advancing five feet per shift.

| | | |
|---|---|---|
| Two miners @ 25.00 per day | per foot - | 10.00 |
| Part time engineer and geologist | " " | 2.00 |
| 1 { Repair Man @ 20.00 per day | " " | 2.00 |
| 1 { Nipper @ 20.00 per day | " " | 2.00 |
| Supervisor @ 20.00 per day | " " | 2.00 |
| Total Labor cost | per foot | $ 18.00 |

   (c)

| | | |
|---|---|---|
| 25 pound rail @ 300.00 per ton | per foot | 2.50 |
| Ties @ 45¢ each | per foot | .15 |
| Spikes @ 35¢ pound | per foot | .12 |
| 2 inch air ~~hose~~ pipe @ 78¢ per foot | per foot | .78 |
| 1 inch water ~~hose~~ pipe @ 40¢ per foot | per foot | .40 |
| Bits @ 5.50 each | per foot | .55 |
| Steel @ 17.00 - 6 foot length | per foot | .60 |
| Fish Plates @ 1.00 pair | per foot | .25 |

J. Howard Sims
Salmon, Idaho. 83467

7. (c) cont....

| | | | |
|---|---|---|---|
| Fuel & oil for power | @ 1.00 per foot | per foot | 1.00 |
| Powder | @ 35.00 per hundred pounds | per foot | 3.50 |
| Fuse | @ 45.00 per thousand foot | per foot | 1.44 |
| Caps | @ 35.00 per thousand | per foot | .12 |
| Connectors | @ 35.00 per thousand | per foot | .12 |
| Spitter cord | @ 15.00 per hundred foot | per foot | .15 |
| Vent Pipe | @ 1.25 per foot | per foot | 1.25 |
| small items and tools | @ .50 per foot | per foot | .50 |
| Hand tools, picks, shovels, axes | @ .50 per foot | per foot | .50 |
| Timber, wedges, lagging, etc. | @ 1.00 per foot | per foot | 1.00 |
| First Aid equipment | @ .50 per foot | per foot | .50 |
| | | | $ 15.43 |

| | |
|---|---|
| (d) "500" Air compressor - Owned - Fair market value | 12,000.00 |
| Mucking Machine " " | 4,000.00 |
| 2 JR 38B Jack Legs " " | 1,600.00 |
| Vent Fan and motor (to be purchased) | 600.00 |
| Manchu Framer (to be purchased) | 4,500.00 |
| Generator and charger for framer (to be purchased) | 1,500.00 |
| 4 Two-Ton side dump mine cars - Owned - Fair market value | 1,600.00 |
| 1 receiver tank 40" by 10' (to be purchased) | 250.00 ? |
| $ | 26,050.00 |

| | | |
|---|---|---|
| (e) Moving Equipment | $ | 200.00 |
| (f) Build one compressor house and shop - 12 by 20 feet - corrugated iron panels | $ | 1,400.00 |
| (g) All equipment listed is in good repair and should not need any major repairs before being put into use. Analytical work should not be over 100 assays at $5.00 each. | $ | 500.00 |
| Accounting @ $30.00 per month | $ | 740.00 |
| Compensation and employers compensation, Insurance, payroll taxes computed at from 12% to 14% of total payroll. | $ | 4,600.00 |

Summary of Item 7.

| | | |
|---|---|---|
| (a) | Independent contracts | 1,147.50 |
| (b) | Total Labor | 36,000.00 |
| (c) | Total Supplies | 30,860.00 |
| (d) | Operating Equipment | 26,050.00 ? |
| (e) | Moving Equipment | 200.00 |
| (f) | Compressor Bldg and Shop | 1,400.00 |
| (g) | Insurance, Taxes, Acctg, and Assays. | 5,840.00 |
| | $ | 101,497.50 |

| | | |
|---|---|---|
| Total Cost of Project | $ | 101,497.50 |
| Total cost per foot | $ | 50.75 |

August 12, 1967

Custer County Bank
Challis, Idaho.

Gentlemen:

I am making preparations to drive a lengthy tunnel at the Pope Shenon mine near Salmon, Idaho.

You no doubt are aware of the fact that the Pope Shenon mine has long been a producer of copper ore.

I find that I will need financial assistance in this project - the amount of which I estimate to be approximately $95,000.00.

What is the possibility of securing a loan in the above amount with the Custer County Bank?

Your kind attention to this matter will be greatly appreciated.

Coridally yours,

J. Howard Sims
Salmon, Idaho. 83467

COPY

August 12, 1967

Idaho First National Bank
Salmon Branch
Salmon, Idaho.

Gentlemen:

I am making preparations to drive a lengthy tunnel at the Pope Shenon mine near Salmon.

You are no doubt aware of the fact that the Pope Shenon mine has long been a producer of copper ore.

I find that I will need financial assistance in this project - the amount of which I estimate to be approximately $95,000.00.

What is the possibility of securing a loan in the above amount with the Idaho First National Bank?

Your kind attention to this matter will be greatly appreciated.

Cordially yours,

J. Howard Sims
Salmon, Idaho. 83467

COPY

SALMON OFFICE

# The Idaho First National Bank

BOX 100 83467

SALMON, IDAHO

August 16, 1967

Mr. J. Howard Sims
Salmon, Idaho

Dear Mr. Sims:

We will be unable to consider approving your application for $95,000.00 at this time.

The loan you ask for would have to be carried for considerable time and at present the funds are not available for long term speculative financing.

Yours very truly,

Duane L. Rice

Duane L. Rice
Asst. Manager

DLR:ar

A NATIONAL BANK 100 YEARS 1867 1967

SETH BURSTEDT, PRESIDENT
N. W. HANSEN, VICE-PRESIDENT
FRANK BURSTEDT, E[illegible]. VICE-PRES.
ADRIAN BURSTEDT, CASHIER
MARY MEYERS, ASST. CASHIER

# Custer County Bank

92-297

CAPITAL AND SURPLUS $150,000.00

Challis, Idaho

August 17, 1967

J. Howard Sims
Salmon, Idaho.

Dear Mr. Sims:

Your application for a loan of $95,000.00 has been recieved and referred to the loan aommittee and they report that they cannot make you this loan. The amount is beyond our loan limit and we do not make loans on mine development of any kind. 13

Sincerely,

Adrian Burstedt

Adrian Burstedt
Cashier

C. N. E.
O. N. E.
RECEIVED
AUG 31 1967
INITIALS CODE

# LEASE AND OPTION TO PURCHASE

THIS LEASE AND OPTION TO PURCHASE, Made and entered into this 1st day of May, 1966, by and between FRED J. BROUGH, an unmarried man, and C. WALKER LYON and GRACE M. LYON, husband and wife, of Salmon, County of Lemhi, State of Idaho, parties of the first part and hereinafter termed LESSORS, and J. HOWARD SIMS, of Salmon, Idaho, party of the second part and hereinafter termed LESSEE.

WITNESSETH:

THAT, WHEREAS, The Lessors are holding under possessory mining rights, subject to the paramount title of the United States Government and to a purchase agreement from Laura Ledbetter, of Maxville, Montana, the hereinafter described mining property commonly known as the Pope-Shenon Mine, situated near Salmon, Idaho, and wish to contract with the Lessee to explore and mine said premises with an option to purchase the same; and,

WHEREAS, The Lessee wishes to lease the hereinafter described mining premises according to the terms hereof and to explore and work said mine with a view to purchasing the same in accordance herewith;

NOW, THEREFORE, The Lessors, for and in consideration of the sum of ONE and NO/100 DOLLARS ($1.00), the receipt whereof is hereby acknowledged, together with the other considerations stated in the terms of this lease and option, do hereby lease and let unto the

Lessee, and the said Lessee does hereby lease from the Lessors the herein property, with all parties hereto hereby MUTUALLY AGREEING as follows, to-wit:

1. That the mining property of this lease and option to purchase is situated in McDevitt Mining District, County of Lemhi, State of Idaho, particularly described as follows, to-wit:

UNPATENTED LODE MINING CLAIMS - Lemhi County Recording:

| Name | Book | Page |
|---|---|---|
| GRANDVIEW NO. 1 | W | 503 |
| GRANDVIEW NO. 2 | W | 503 |
| GRANDVIEW NO. 3 | W | 504 |
| GRANDVIEW EXTENSION NO. 1 | 2 | 10 |
| GRANDVIEW EXTENSION NO. 2 | 2 | 11 |
| GRANDVIEW EXTENSION NO. 3 | 2 | 12 |
| GRANDVIEW EXTENSION NO. 4 | 2 | 13 |
| GRANDVIEW EXTENSION NO. 5 | Y | 593 |
| SOUTH SALMON COPPER | 5 | 4 |
| SOUTH SALMON COPPER NO. 1 | 5 | 59 |
| SOUTH SALMON COPPER NO. 2 | 5 | 59 |
| SOUTH SALMON COPPER NO. 3 | 5 | 60 |
| SOUTH SALMON COPPER NO. 4 | 5 | 60 |
| SOUTH SALMON COPPER NO. 5 | 5 | 61 |
| SOUTH SALMON COPPER NO. 6 | 5 | 61 |
| SOUTH SALMON COPPER NO. 7 | 5 | 62 |
| SOUTH SALMON COPPER NO. 8 | 5 | 62 |
| SOUTH SALMON COPPER NO. 9 | 5 | 63 |
| NORTH SALMON COPPER | 5 | 5 |
| NORTH SALMON COPPER NO. 1 | 5 | 4 |
| NORTH SALMON COPPER NO. 2 | 5 | 5 |
| NORTH SALMON COPPER NO. 3 | 5 | 6 |
| NORTH SALMON COPPER NO. 4 | 5 | 63 |
| NORTH SALMON COPPER NO. 5 | 5 | 64 |
| NORTH SALMON COPPER NO. 6 | 5 | 64 |
| NORTH SALMON COPPER NO. 7 | 5 | 65 |
| NORTH SALMON COPPER NO. 8 | 5 | 65 |
| NORTH SALMON COPPER NO. 9 | 5 | 66 |
| NORTH SALMON COPPER NO. 10 | 5 | 66 |
| NORTH SALMON COPPER NO. 12 | 5 | 67 |
| NORTH SALMON COPPER NO. 13 | 5 | 67 |

Together with, all and singular, the hereditaments appurtenances, mines, minerals, lodes and veins within the lines of said claims, and their dips and spurs and all rights and rights of way, water and water rights, ditches and dtich rights appertaining thereto or used in connection therewith.

2. It is understood and agreed that some parts of the described mining claims may overlap and that there is no guarantee or agreement herein of any definite acreage of mining property; however, it is agreed that all mining claims adjacent to and contiguous to the above described claims owned by the Lessors, whether described herein or not, are to be considered to be a part and portion of the herein contracted mining premises and, likewise, any and all mining claims, or portions thereof, located or acquired by the Lessee, his agents, heirs or assigns, adjacent to or contiguous to said mining property, shall also be considered a part and portion of the herein described mining premises and shall be considered belonging to the Lessors until paid for under the terms of this agreement.

3. That the term of this lease and option to purchase shall be nine (9) years, ending at twelve o'clock noon on the 1st day of May, 1975, unless sooner terminated by the terms and conditions hereof; subject, however, to the right of surrender by the Lessee, as hereinafter stated.

4. That the Lessee herein is an independent contractor and was so before entering into these presents and there shall be no privity of contract between the Lessors and the employees or sub-lessees of the Lessee, but all such employees or sub-lessees, whether on a wage, partnership or profit sharing basis shall be selected by the Lessee, fired by Lessee, directed by Lessee and paid by Lessee and subject only to the specific limitations herein set out. The Lessee shall have exclusive dominion and control

over the leased property and all mining operations therein and thereon during the term hereof.

5. That the Lessee shall work and mine said property in a good and minerlike fashion with due regard to the safety, development and preservation of said mining premises as a profitable working mine, securely and properly timbering all openings made by the Lessee, his assignees or any person working and holding under him, where timbering shall be necessary and proper in accordance with good mining practice and, beginning on or before the first day of July, 1967, shall do at least forty (40) mine shifts of work per calendar month during the continuance of the herein lease, unless prevented from so doing by, acts of God, governmental order, unavoidable strikes, or unforseen casualty or contingency not within the control of the Lessee, or his agents, or for not more than three (3) months per year because of impassible roads or adverse weather conditions, and work shall be immediately resumed when prevention ceases.

6. That the Lessee shall do and perform any and all annual assessment work required by the laws of the United States of America and the State of Idaho to hold possession of unpatented mining property or before the 15th day of July of each and every year during the continuance hereof and shall give proof thereof in writing to the Lessors for the purpose of filing any necessary certificates of annual assessment work; provided, however, that should the Lessee surrender the premises to the Lessors under their right hereinafter specified the Lessee shall do and perform all required annual

assessment work for that current annual assessment year.

7. That the Lessee shall pay to the Lessors a rent or royalty upon all products produced and mined from said demised premises, and any additions thereof, of ten per cent of the net smelter or mint returns, and net smelter or mint returns shall be understood to mean the gross value of the products, ore, concentrates, bullion, refined metal, or other form marketed and/or sold, together with any and all subsidies and/or premiums paid by any governmental agency for the mine products or for the operation or production of a mine excepting, however, any such subsidies which are forbidden by law to be given to mine owners as such, less only the smelter or mint treatment charges thereon and reasonable transportation of the products to market, which said royalties, together with two copies of the settlement, mint or settlement returns shall be sent to the Idaho First National Bank, Salmon, Idaho, for deposit to the credit of the Lessors directly from the purchaser of the products from the mine; provided, however, if all such royalty payments and payments of guaranteed royalty, hereinafter stated, have not amounted to $3,000.00, on or before June 27, 1969, the lessor shall advance and pay the remaining difference to Laura Ledbetter, Maxville, Montana, to satisfy her lien.

That on the first day of January, 1968, the Lessee shall commence to pay a guaranteed rent or royalty of THREE HUNDRED and NO/100 DOLLARS ($300.00) per each and every calendar month during the continuance of this lease or so long as the Lessee, his agents

or assigns, shall be in possession of the premises, or any part or portion thereof, which said $300.00 guaranteed royalty shall be construed to mean that the Lessee will pay, in cash lawful money of the United States of America, on or before the 10th day of February, 1968, and on or before the 10th day of each and every month thereafter, any balance remaining between the sum of $300.00 and the amount that the Lessors have received between the first day and on or before twelve o'clock midnight on the last day of the preceding calendar month, provided, however, that such sums shall not accumulate but shall be figured separately as to each month during the continuance of this lease. This shall not be construed to mean, however, that such guaranteed royalty payments do not apply upon the $300,000.00 purchase price hereinafter stated.

8. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased, but this provision shall not be contrued to mean that the Lessee shall be obligated to pay Federal or State personal income taxes of the Lessors.

9. That the Lessors, or their agents, shall have the right and privilege to enter upon the leased premises at any and all times, but at their own risk, for the purpose of inspection, surveying, sampling, and making such records relative to the mining operations of the mine as the Lessors shall desire, but such inspections shall not be more often than once a month.

10. That the Lessee will, at his own expense, carry Workmen's

Compensation Insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho in aid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessors with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workmen's Compensation Insurance and will furnish the Lessors the evidence of the compliance with said law and the payment of premiums due on such policies.

11. That the Lessee shall keep true and correct books of account, showing the amount of all ores mined by the Lessee, his agent or consent assigns, from the said premises, together with shipping records, to which records the Lessors shall have access at any and all reasonable times and the Lessors may copy therefrom such part or portion thereof as they desire, and should the Lessee surrender, or this lease become forfeited or end in any manner whatsoever, the Lessee shall deliver to the Lessor all maps, assay records and reports, together with other data that they may have in connection with the herein described mining property.

12. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by the Lessee under lease from the owners, and that the Lessee

and not the owners shall be responsible for all debts and expenses.

13. That the Lessee will hold the Lessors harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessors or against the above described premises for or on account of any debts or expense contracted or incurred by Lessee, as well as from and against all acts, transactions, or omissions by Lessee, his agents and servants, including claims, demands, causes of action, costs and expense arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee, or otherwise, and to defend the Lessors at their own cost and expense from such liability or asserted liability.

14. That the Lessee will not assign or sublet this lease or the premises affected hereby, or any portion thereof, without the written consent of Lessors, and any attempt to do so shall be considered a cause for forfeiture of this lease and option to purchase; nor shall Lessee allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

15. The Lessors grant to the Lessee, or his consent assigns, the right, privilege and option to purchase all right, title and interest of the Lessors in and to the herein described premises and the additions thereto until twelve o'clock noon May 1, 1975, for a sum of THREE HUNDRED THOUSAND and NO/100 DOLLARS ($300,000.00),

cash lawful money of the United States of America, and any and all rent, royalty and advance royalty payments made to the Lessors herein shall be credited towards such $300,000.00 purchase price, and, for purposes of capital sale for the Lessors, it shall be considered herein that on February 10, 1968, if the Lessee desires to further hold possession of the premises that Lessee has exercised the option, privilege and right to purchase the property for the said $300,000.00 under the terms hereof.

16. That upon full payment of the herein described purchase price of said $300,000.00 the Lessors shall forthwith make, acknowledge and deliver to the Lessee, or his consent assigns, a good and sufficient mining deed to the herein described premises, subject, however, to the paramount title of the United States of America, conveying the same to said Lessee free and clear of all liens and encumbrances excepting any Defense Minerals Exploration Administration lien and any other liens or charges placed upon the premises by or through the cause of operations of the Lessee, or his consent assigns.

17. That the Lessee has a right and privilege at any time during the term hereof of surrendering the herein described property to the Lessors after a thirty-day written notice delivered to the Lessors; provided, however, no surrender shall be made or become effectual unless substantial proof is furnished to the Lessors that the annual assessment work due for that current annual assessment year has been fully completed and, further, that all sums of money due the Lessors has been fully paid, for products sold from the

herein described premises.

18. That time is the essence hereof and the failure of the Lessee or his agents, to do and perform each and all of the provisions, obligations and conditions herein contained to be done and performed by him, shall, at the option of the Lessors, terminate this lease and option to purchase, which said option to terminate by the Lessors shall be exercised by the Lessors giving to the Lessee a written notice directed to him at Salmon, Idaho, stating therein the provisions hereof which Lessee has failed to uphold and perform, and should the Lessee not fully correct and perform the provisions within a period of thirty (30) days from the date such written notice as placed in a regular United States Post Office, addressed as above by certified mail, the said Lessee or his assigns shall immediately surrender possession to the Lessors of the herein described property with the additional mining claims and improvements. The Lessors shall then have right of re-entry without further demand or notice and may enter upon said premises and dispossess all persons occupying the same.

19. That the Lessee shall have the right and privilege of removing, within ninety (90) days from the surrender or forfeiture of the premises, any and all personal property placed upon the herein described premises by the Lessee and his consent assigns always providing, however, that all timbering, all pipe installed underground, all installed rails, and any structures (unless such structures are prefab metal buildings) shall remain always upon the premises as property of the Lessors, and any property of

whatsoever nature left upon the herein described premises ninety (90) days after surrender or termination hereof shall then be considered the property of the Lessors without right of removal by anyone whomsoever; the Lessee, however, shall not have a right to remove, ship or sell ore or products mined or extracted and remaining in or upon the premises after the end or termination of the herein lease, whether by lapse of time, forfeiture or otherwise, and such ore and products shall be left on the premises to remain the property of the Lessors, with no interest therein to the Lessee.

20. That any waiver of any of the terms and condition of this agreement by the Lessors shall not be construed as a waiver of the future performance of any such terms, covenants or conditions by the Lessee or his consent assigns.

21. That all of the provisions hereof shall inure to the benefit of and be binding upon the executors, administrators, heirs and assigns of the respective parties hereto.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals the 17th day of March, 1967.

Fred F. Brough (SEAL)

[illegible] (SEAL)

Grace M. Lyon (SEAL)

[illegible] (SEAL)

STATE OF IDAHO )
) SS
COUNTY OF LEMHI )

On this 17th day of March, in the year 1967, before me, the undersigned, a Notary Public in and for said State, personally appeared FRED J. BROUGH, C. WALKER LYON, GRACE M. LYON and J. HOWARD SIMS known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Duane L. Rice

Notary Public for State of Idaho
Residing at Salmon, Idaho

Only copy rec'd
m.
8/28

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

[illegible] Branch of Financial Management FROM: Willard P. Puffett, Field Officer, [illegible]

ABSTRACT OF REMITTANCES

| Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | [illegible] |
|---|---|---|---|---|
| [illegible]1.93 | First Security Bank of Anaconda Anaconda, Montana 59711 | The Anaconda Company Metallurgical Division P.O. Box 1551 Anaconda, Montana 59711 | OME-6651 Contract 2277 J. Howard Sims Pope-Shenon Mine Lemhi County Idaho | Royalty |

(NB. List smelter or mill lot numbers covered by royalties)

Lot No. B545 from Carl Truman, Grand View Metals, Box 155, Minersville, Utah [illegible]

[illegible] truckloads concentrates

[illegible]975
[illegible]pared

Willard P. Puffett
Person Preparing Abstract

[illegible]ived

Person Receiving Remittance

The Anaconda Company, Montana Mines Division
P. O. Box 689
Butte, Montana 59701

Cu Conc Settlement

Lot No. 5545
3 Trucks - Pope Shenon Mine Ore

Carl Truman
Grand View Metals
Box 155
Minersville, Utah 84752

| | |
|---|---|
| Wet Weight | 124,510 |
| Moisture | 11.32 |
| Dry Weight | 110,415 |
| % Cu | 30.26 |
| Opt Ag | 1.57 |
| Opt Au | .028 |
| Lbs Cu Contained | 33,412 |
| Deduction @ 1.2 Units | 1,325 |
| Lbs Cu Purchased | 32,087 |
| Oz Silver Contained | 87 |
| Deduction @ 1.0/OPT | 55 |
| Oz Silver Purchased | 32 |
| Oz Gold Contained | 1.5 |
| Deduction @ 0.03/OPT | 1.7 |
| Oz Gold Purchased | 0 |

Revenue:

| | | |
|---|---|---|
| Copper Value | | |
| $0.63625 - .025 = $0.61125 X 32,087 | | $19,613.18 |
| Silver Value | | |
| $4.1670882 - .055 = $4.1120882 X 32 | | 131.59 |
| Total Gross Value | | $19,744.77 |

Less Treatment Charges:

| | | |
|---|---|---|
| Smelting Base | $52.000 | |
| Labor Escalation | 0.677 | |
| Fuel Escalation | 3.871 | |
| | $56.548 X 55.2075 SDT | 3,121.87 |
| Refining Base | .07500 | |
| Labor Escalation | .00108 | |
| Fuel Escalation | .00137 | |
| Power Escalation | (.00004) | |
| | $0.07741 X 32,087 | 2,483.85 |
| Net Settlement | | $14,139.05 |
| Quinton Snock, Haul @ $11.25 Per Ton | | 700.37 |
| | | $13,438.68 |

1st Royalty: 10% Net Return
C. Walker Lyon
Lyon Building
Salmon, Idaho 83467 — 1,343.87

2nd Royalty: 5% Net Return O.M.E. Loan
United States Geological Survey
656 U.S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201 — 671.93

Net Proceeds Grand View Metals, Inc. — $11,422.88

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 10 1972

| INITIALS | CODE |
|---|---|
| gla | 130 |
| HK | ~~120~~ |
| Raw | BW |
| | |
| | 220 |

October 4, 1972

Dubois and Company
P. O. Box 460
Salmon, Idaho 83467

Re: OME-6651
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Gentlemen:

Recently we received a royalty check for ore you shipped to the Anaconda smelter from the Pope-Shenon mine. Prior to this, the shipper has been Mineral Ventures, Ltd., Box 127, Johannesburg, California.

We need for our records a copy of the document whereby you are authorized to mine and sell ore from the Pope-Shenon mine. Please send us a copy at your earliest convenience.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: DRF
OME
Puffett/at

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 12 1972
INITIALS CODE
gla 130
HK ~~120~~
Kaw RAW
220

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region I

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 10/2/72 | $66.66 | First National Bank, Anaconda, Montana | The Anaconda Company, Anaconda, Montana | Docket No. OME-6651 Contract 2277 J. Howard Sims Pope-Shenon Mine Lemhi Cty Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot. B-295 Vo. #A09166

October 4, 1972
Date Prepared

Willard P. Puffett
Person Preparing Abstract

10/11/72
Date Received

Lorraine E. Edelston
Person Receiving Remittance
Collection Officer

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

RECEIVED FROM: Dubois & Company
Box 460
Salmon, Idaho 83467

ANACONDA, MONTANA September, 1972

ADDRESS:

SMELTER LOT NO: B-295 ( Sept. a/c)

[illegible]: Papa Stanon Ore

DATE RECEIVED: 9/11/72

REGULAR SCHEDULE

| | | | |
|---|---|---|---|
| Cu: | 3.75 - .5 = 3.25 x 2,000 = 65.00 x 46.485¢ | = 30.2153 | = 30.22 |
| Ag: | .55 x 164.518¢ | = .9049 | = .90 |
| Au: | No Payment | = - | - |
| | Total | 31.1202 | 31.12 |
| | Less: Treatment Charge | | 5.22 |
| | = Net Value Per Ton | | 25.90 |

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 67.7 % | |
| - $Al_2O_3$ | 4.7 % | |
| - Fe | 9.9 % | |
| = | 53.1 % | |
| - Base | 70.0 % | |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 3 Trucks | 143,500 | 1.23 | 141,735 | 3.75 | 0.55 | .002 | 5.22 | 25.90 | 1,835.47 |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 502.25 |
| | | | | | | | | | 1,333.22 |
| C. Walker Lyon, Royalty @ 10% | | | | | | | | | 133.32 |
| | | | | | | | | | 1,199.90 |
| U.S. Geological Survey, Royalty @ 5% | | | | | | | | | 66.66 |
| | | | | | | | | | 1,133.24 |

METAL PRICES

Copper: 49.985
- 3.5 ¢
46.485

Silver: 187.9105 ¢
@ 87.5513 %
164.518 ¢

Gold: $ 66.955

Silica: 67.7
Alumina: 4.7
Iron: 9.9
Lime: 2.3

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: | Less 5% @ 49.985¢ less 3½¢ | 30.22 |
| Silver: | 100% @ 164.518¢ | .90 |
| Gold: | @ | |
| Silica: | | |

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | 1.19 |
| Add: 10% of sum of metal payments in excess of $15.00 | 1.61 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.33 |
| TOTAL TREATMENT CHARGE | 5.22 |

[illegible]NOTATIONS: 9/8/72

5/8

# United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 19, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 22 1972
INITIALS CODE
gfa 130
HK 120
220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual Royalty Inspection
OME-6651 (copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I visited the Pope-Shenon mine on Wednesday afternoon, Sept. 13, 1972. No one was at the mine but there was some newly mined ore in the ore bin near the OME portal. A Mr. Light, who had recently constructed his home on the slope about a mile north of the mine told me that Mr. Thomas Green, Salmon, Idaho, had been mining from both the OME adit level and from a new level above the 400 level. Attached is a smelter settlement sheet for ore shipped on Aug. 17, 1972, by Mr. Green from the Pope-Shenon mine--receipts were not enough to fully pay shipping charges, hence no royalty is due to OME from this shipment.

Some mining from the Pope-Shenon mine has been done this past summer by Mineral Ventures, Ltd., and OME has received royalties from sales of ore by this company. Presumably this company is involved with Mines Exploration, Inc., who negotiated a lease for the property with Salmon Copper Mines, Inc. on Nov. 17, 1971.

Total royalties received to date for OME account from the Pope-Shenon mine equals $1,121.49. I know of no unpaid royalties due to the Government. The Government's lien on future production from the mine extends until April 8, 1979.

Willard P. Puffett

Willard P. Puffett

Attachment (settlement sheet)

THE ANACONDA COMPANY — THE ANACONDA SAMPLER

RECEIVED FROM: Thomas Green
Box 420
ADDRESS: Salmon, Idaho 83467

ANACONDA, MONTANA August, 1972

SMELTER LOT NO: B-278 ( Aug- a/c)

NE: Papa Shanon - Special 400 Ft. Level

E RECEIVED: 8/17/72

REGULAR SCHEDULE

| | | | |
|---|---|---|---|
| Cu: | 1.50 - .5 = 1.00 × 2,000 = 20.00 × 46.485¢ | = 9.2970 = | 9.30 |
| Ag: | 0.33 × 158.427¢ | = .5229 = | .52 |
| Au: | No Payment | = — | — |
| | Total | 9.8198 = | 9.82 |
| | Less: Treatment Charge | | 2.97 |
| | = Net Value Per Ton | | 6.85 |

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 77.8 % | 1 |
| - $Al_2O_3$ | 5.2 % | |
| - Fe | 7.2 % | |
| = | 65.4 % | |
| - Base | 70.0 % | |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 2 Trucks | 102,810 | 1.97 | 100,785 | 1.50 | 0.33 | .006 | 2.97 | 6.85 | 345.19 |
| | Quinton Snook, Haul @ $7.00 per ton ($359.84) | | | | | | | | 345.19 |
| | C. Walker Lyon, Royalty @ 10% | | | | | | | | |
| | U.S. Geological Survey, Royalty @ 5% | | | | | | | | |

METAL PRICES

Copper: 49.985
- 3.5 ¢
46.485

Silver: 180.9534 ¢
@ 87.5513 %
158.427 ¢

Gold: $ 66.24

RECEIVED SEP 11 1972 O.M.E. SPOKANE, WASH.

Silica: 77.8
Alumina: 5.2
Iron: 7.2
Lime: 0.3

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: Less 5% @ 49.985¢ less 3½¢ | 9 | 30 |
| Silver: 100% @ 158.427¢ | .52 | |
| Gold: @ | | |
| Silica: | | |

DATE OF QUOTATIONS: 8/11/72

TREATMENT CHARGE

| | | |
|---|---|---|
| Base: | 3 | 75 |
| Add: 12¢ for each 1% Fe | .86 | |
| Add: 10% of sum of metal payments in excess of $15.00 | | |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.64 | |
| TOTAL TREATMENT CHARGE | 2.97 | |

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 12 1972
INITIALS CODE
HK 120
320

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 6/22/72 | $102.56 | First Metals Bank and Trust Co. Butte, Montana | The Anaconda Company | Docket No. OME-6651 Contract 2277 J. Howard Sims Pope-Shenon Mine Lemhi Cty Idaho | Byalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot. No. B-211

7/3/72
Date Prepared

7/5/72
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edelston
Person Receiving Remittance
Collection Officer

571400

RECEIVED
U.S. GEOLOGICAL SURVEY
JUL 5 3 58 PM '72
BUDGET & FINANCE

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

RECEIVED FROM: 1971 Mineral Ventures, Ltd. Box 127 — ANACONDA, MONTANA June, 1972.

ADDRESS: Johannesburg, California. — SMELTER LOT NO: B - 211 ( June a/c).

E: Papa Shenon Ore.

DATE RECEIVED: 6/12/72.

REGULAR SCHEDULE

| | | |
|---|---|---|
| Cu: 2.74 - .50 = 2.24 x 2,000 = 44.8 x 48.449¢ | = | $ 21.7052 = $ 21.71 |
| Ag: 0.38 x 137.195¢ | = | .5213 = .52 |
| Au: No Payment | = | - - |
| Total | | $ 22.2265 = $ 22.23 |
| Less: Treatment Charge | | 3.76 |
| = Net Value Per Ton | | $ 18.47 |

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 74.8 % | |
| - $Al_2O_3$ | 3.8 % | |
| - Fe | 7.3 % | |
| = | 63.7 % | |
| - Base | % | |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 8 Trucks | 359,690 | 0.35 | 358,431 | 2.74 | 0.38 | .001 | 3.76 | 18.47 | 3,310.11 |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | (1,258.92) |
| | | | | | | | | | 2,051.19 |
| C. Walker Lyon, Royalty @ 10% | | | | | | | | | 205.12 |
| | | | | | | | | | 1,846.07 |
| United States Geological Survey @ 5% | | | | | | | | | 102.56 |
| | | | | | | | | | 1,743.51 |

METAL PRICES

Copper: 51.949¢ - 3.5¢ = 48.449¢

Silver: 156.7022¢ @ 87.5513% = 137.195¢

Gold: $

Silica: 74.8
Alumina: 3.8
Iron: 7.3
Lime: 0.1

PAYMENT FOR METALS

| | |
|---|---|
| Copper: Less 5% @ 51.949¢ less 3½¢ | 21.71 |
| Silver: 100% @ 137.195¢ | .52 |
| Gold: @ | |
| Silica: | |

DATE OF QUOTATIONS: 6/9/72.

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | .88 |
| Add: 10% of sum of metal payments in excess of $15.00 | .72 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.59 |
| TOTAL TREATMENT CHARGE | 3.76 |

K. F. Ruckhaus

MINES EXPLORATION, INC.
770 Welch Road, Suite 327
Palo Alto, California 94303

RECEIVED
JUL 28 1972
O. M. E.
SPOKANE, WASH.

July 24, 1972

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 1 1972
INITIALS
Raw
HK

Mr. Willard P. Puffett
Field Officer, Region I
United States Department of the Interior
Geological Survey
Office of Minerals Exploration
656 U. S. Court House
Spokane, Washington 99201

RE: OME-6651 (copper)
J. Howard Sims
Pope Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Puffett:

In response to your letter of July 7, 1971 Mineral Ventures, Ltd., is a California Limited Partnership, of which Mines Exploration, Inc., is the General Partner.

I hope this answers your questions, but if further information is required, please contact us.

Sincerely,

Otto Hackel
Vice President

jq

OFFICIAL COPY
O. M. E.
RECEIVED
UG 8 1972

| INITIALS | CODE |
|---|---|
| HK | 120 |
| Paul Blevins | |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 7/31/72 | $92.35 | Daly Bank and Trust Company, Anaconda, Montana | The Anaconda Company Butte, Montana | Docket No. OME-6651 Contract 2277 J. Howard Sims Pope-Shenon Mine Lemhi Cty Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot. No. B-232

August 2, 1972
Date Prepared

8/7/72
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edwards
Person Receiving Remittance
Collections Officer

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

RECEIVED FROM: 1971 Mineral Ventures, Ltd. Box 127 Johannesburg, California

ANACONDA, MONTANA July, 1972.

ADDRESS:

SMELTER LOT NO: B - 232 ( July a/c).

ORE: Pope Stemon Ore.

DATE RECEIVED: 6/29/72.

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 71.7 % | |
| - $Al_2O_3$ | 4.3 % | |
| - Fe | 8.2 % | |
| = | 59.2 % | |
| - Base | % | |
| = Excess | @ 2.5 | c |
| + Ag | @ | c |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

REGULAR SCHEDULE

| | | |
|---|---|---|
| Cu: 3.02 - .5 = 2.52 x 2,000 = 50.40 x 48.449¢ | = 24.4183. | = 24.42. |
| Ag: .23 x 137.211¢. | = .1356. | = .31. |
| Au: No Payment. | — | — |
| Total | 24.7339. | 24.73. |
| Less: Treatment Charge | | 4.22. |
| = Net Value Per Ton | | 20.51. |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 6 Trucks. | 275,400. | 0.47. | 274106. | 3.02. | 0.23. | .002. | 4.22 | 20.51. | 2,810 96 |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 963 90 |
| | | | | | | | | | 1,847 06 |
| C. Walker Lyon, Royalty @ 10% | | | | | | | | | 184 71 |
| | | | | | | | | | 1,662 35 |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 92 35 |
| | | | | | | | | | 1,570 00 |

METAL PRICES

Copper: 51.949 - 3.5 c = 48.449

Silver: 156.721 c @ 87.5513 % = 137.211 c

Gold: $

Silica: 71.7.
Alumina: 4.3.
Iron: 8.2.
Lime: 0.3.

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: Less 5% @ 51.949¢ less 3½c | 24 | 42. |
| Silver: 100 % @ 137.211¢ | | 31. |
| Gold: @ | | |
| Silica: | | |

DATE OF QUOTATIONS: 6/23/72

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75. |
| Add: 12¢ for each 1% Fe | .98. |
| Add: 10% of sum of metal payments in excess of $15.00 | .97. |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.48. |
| TOTAL TREATMENT CHARGE | 4.22. |

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 27 1972

| INITIALS | CODE |
|---|---|
| HK | ~~120~~ 130 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Filed Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 6/20/72 | $72.56 | First Metals Bank and Trust Company | The Anaconda Company | Docket No. OME 6651 Contract 2277 J. Howard Sims Pope-Shenon Mine Lemhi Cty Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lots No. B-210 and B-197

6/22/72
Date Prepared

6/27/72
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Johnston
Person Receiving Remittance
Collection Officer

ADJUSTED SETTLEMENT

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

RECEIVED FROM: 1971 Mineral Ventures, Ltd. Box 127

ANACONDA, MONTANA May, 1972

ADDRESS: Johannesburg, California

SMELTER LOT NO: B - 197 ( June a/c)

Pope Shenon Ore

DATE RECEIVED: 5/17/72

REGULAR SCHEDULE

| | | | |
|---|---|---|---|
| Cu: | 2.68 - .5 = 2.18 × 2,000 = 43.60 × 48.449 ¢ | = 21.1232 | = 21.12 |
| Ag: | .35 × 138.950 ¢ | = .4863 | .49 |
| Au: | No Payment | 21.6101 | 21.61 |
| Total | | | 9.87 |
| Less: Treatment Charge | | | 17.74 |
| = Net Value Per Ton | | | |

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 72.5 % | |
| - $Al_2O_3$ | 4.5 % | |
| - Fe | 8.0 % | |
| = | 60.0 % | |
| - Base | % | |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 4 Trucks | 181,320 | 0.54 | 180,341 | 2.68 | 0.35 | .0014 | 3.87 | 17.74 | 1,599.62 |
| Quinlan Snook, Haul @ $4.60 per ton | | | | | | | | | 634.62 |
| C. Walter Lyon, Royalty @ 10% | | | | | | | | | 965.00 |
| | | | | | | | | | 96.50 |
| | | | | | | | | | 868.50 |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 48.25 |
| | | | | | | | | | 820.25 |

METAL PRICES

Copper: 51.949 - 3.5 ¢ = 48.449

Silver: 158.707 ¢ @ 87.5513 % = 138.950 ¢

Gold: $

Adjusted for U.S. Geological Survey Royalty Only

Silica: 72.5
Alumina: 4.5
Iron: 8.0
Lime: 0.5

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: Less 5% @ 51.949 ¢ less 3½¢ | 21 | 12 |
| Silver: 100% @ 138.950 ¢ | .49 | |
| Gold: @ | | |
| Silica: | | |

DATE OF QUOTATIONS: 5/12/72

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | .96 |
| Add: 10% of sum of metal payments in excess of $15.00 | .66 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.50 |
| TOTAL TREATMENT CHARGE | 3.87 |

K. P. Ruckhardt

ADJUSTED SETTLEMENT -

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

ANACONDA, MONTANA June, 1972

RECEIVED FROM: 1971 Mineral Ventures, Ltd.
Box 127
ADDRESS: Johannesburg, California

SMELTER LOT NO: 8-210 ( June a/c)

Pope Shenon Ore

DATE RECEIVED: 5/25/72

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 72.1 | % |
| - $Al_2O_3$ | 3.7 | % |
| - Fe | 4.1 | % |
| = | 64.3 | % |
| - Base | | % |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

REGULAR SCHEDULE

| | | |
|---|---|---|
| Cu: | 3.54 - .50 = 3.04 x 2000# = 60.80# x 48.449 ¢ | = 29.4570 = 29.46 |
| Ag: | 0.51 x 139.262 ¢ | = .7102 = .71 |
| Au: | No Payment | - - |
| Total | | 30.1672 = 30.17 |
| Less: Treatment Charge | | 4.15 |
| = Net Value Per Ton | | 26.02 |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| Truck | 51,390 | 0.37 | 51,190 | 3.54 | 0.51 | .0014 | 4.15 | 26.02 | 665.98 |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 179.87 |
| | | | | | | | | | 486.11 |
| C. Walker Lyon, Royalty @ 10% | | | | | | | | | 48.61 |
| | | | | | | | | | 437.50 |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 24.31 |
| | | | | | | | | | 413.19 |

METAL PRICES

Copper: 51.949 ¢
- 3.5 ¢
48.449 ¢

Silver: 139.063 ¢
@ 87.5511 %
139.262 ¢

Gold: $

Adjusted for U.S. Geological Survey Royalty Only

Silica: 72.1
Alumina: 3.7
Iron: 4.1
Lime: 0.4

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: | Less 5% @ 51.949 ¢ less 3½¢ | 29.46 |
| Silver: | 100% @ 139.262 ¢ | .71 |
| Gold: | @ | |
| Silica: | | |

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | .49 |
| Add: 10% of sum of metal payments in excess of $15.00 | 1.52 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.61 |
| TOTAL TREATMENT CHARGE | 4.15 |

DATE OF QUOTATIONS: 5/19/72

K. F. Rickhardt

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash. 99201

July 7, 1972

Mr. Otto Hackel, Vice President
Mines Exploration, Inc.
770 Welch Road, Suite 327
Palo Alto, California 94303

Re: OME-6651 (copper)
J. Howard Sims
Pope-Shenon mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Hackel:

Thank you for sending me a copy of the agreement according to the terms of which your company and Salmon Copper Mines, Inc. have agreed to operate the Pope-Shenon mine.

The smelter settlement sheets for recent shipments, however, are made out to 1971 Mineral Ventures, Ltd., Box 127, Johannesburg, California. Is the latter a subsidiary or operating arm of your company? I'd appreciate an early clarification of this.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: ✓OME/w cy of incoming letter and
Agreement to Acquire Mineral Interest
DRF

WPPuffett/se

MINES EXPLORATION, INC.

770 Welch Road, Suite 327
Palo Alto, California 94304

June 27, 1972

United States Department of the Interior
Geological Survey
Office of Minerals and Exploration
656 U. S. Court House
Spokane, Washington 99201

Attention: Mr. Willard P. Puffett
Field Officer - Region 1

RE: Royalty Payments Under OME-6651

Gentlemen:

At your request, we are enclosing a copy of the agreement whereby we became operator of the Pope-Shenon Mine.

If you require any additional information, please call on us.

Very truly yours,

Otto Hackel
Vice President

jq

Enclosure

# AGREEMENT TO ACQUIRE MINERAL INTEREST

This Agreement to Acquire Mineral Interest, made and entered into this 27th day of November, 1971, by and between Salmon Copper Mines, Inc., a Nevada corporation, party of the first part and hereinafter termed "Salmon Copper", and Mines Exploration, Inc., a Nevada corporation, party of the second part and hereinafter termed "Mines Ex".

WITNESSETH:

THAT, WHEREAS, Salmon Copper has the right to acquire an assignment of a lease and option to purchase from J. Howard Sims and Marjorie B. Sims (See Exhibits "A" and "B"), subject to the paramount title of the United States Government, the hereinafter described mining property commonly known as the Pope-Shenon Mine, situated near Salmon, Idaho, and wish to contract with Mines Ex to explore and mine said premises with an option to acquire an interest in the same; and

WHEREAS, Mines Ex wishes to acquire an interest in the hereinafter described mining premises according to the terms hereof and to explore and work said mine with a view to earning an interest in the same in accordance herewith;

NOW, THEREFORE, Salmon Copper, for and in consideration of the sum of One and No/100 Dollars ($1.00), the receipt whereof is hereby acknowledged, together with the other considerations stated in the terms of this agreement, does agree to let Mines Ex earn an interest and Mines Ex does hereby agree to earn an interest in the herein property, with both parties hereby mutually agreeing as follows, to-wit:

1. That the mining property subject to this agreement to acquire an interest is situated in the McDevitt Mining District, County of Lemhi, State of Idaho, particularly described as follows:

UNPATENTED LODE MINING CLAIMS - Lemhi County Recording:

Grandview No. 1 - 3
Grandview Extension No. 1 - 5
South Salmon Copper
South Salmon Copper No. 1 - 9
North Salmon Copper
North Salmon Copper No. 1 - 10
North Salmon Copper No. 12 and 13
New Pope Shenon

Together with, all and singular, the hereditaments appurtenances, mines, minerals, lodes and veins within the lines of said claims, and their dips and spurs and all rights and rights of way, water and water rights, ditches and ditch rights appertaining thereto or used in connection therewith.

2. It is understood and agreed that some parts of the described mining claims may overlap and that there is no guarantee or agreement herein of any definite acreage of mining property; however, it is agreed that all mining claims adjacent to and contiguous to the above-described claims to which Salmon Copper has rights, whether described herein or not, are to be considered to be a part and portion of the herein contracted mining premises.

3. That the term of this agreement shall be until twelve o'clock noon on the 1st day of May, 1975, unless sooner terminated or extended by the terms and conditions hereof or by those agreements shown as Exhibits "A" and "B"; subject, however, to the right of surrender by the Lessee, as hereinafter stated.

4. That Mines Ex herein is an independent contractor and was so before entering into these presents and there shall be no privity of contract between Salmon Copper and the employees or sub-lessees of Mines Ex, but all such employees or sub-lessees, whether on a wage, partnership or profit-sharing basis shall be selected by Mines Ex, fired by Mines Ex, directed by Mines Ex and paid by Mines Ex and subject only to the specific limitations herein set out. Mines Ex shall have exclusive dominion and control over the leased property and all mining operations therein and thereon during the term hereof.

5. That Mines Ex shall, by December 15, 1971, begin to explore and develop said property in a good and miner-like fashion with due regard to the safety, development and preservation of said mining premises as a profitable working mine.

6. That Mines Ex shall do and perform any and all annual assessment work required by the laws of the United States of America and the State of Idaho to hold possession of unpatented mining property or before the 15th day of July of each and every year during the continuance hereof and shall give proof thereof in writing to Salmon Copper for the purpose of filing any necessary certificates of annual assessment work;

7. That Mines Ex shall pay to Salmon Copper a rent or royalty upon all products produced and mined from said demised premises, and any additions thereof, of fifteen percent (15%) (said fifteen percent to include all royalties due under agreements shown as Exhibits "A" and "B" attached hereto and to the United States Government under OME loan OME 6651) of the net smelter or mint returns, and net smelter or mint returns shall be understood to mean the gross value of the products, ore, concentrates, bullion, refined metal, or other form marketed and/or sold, together with any and all subsidies and/or premiums paid by any governmental agency for the mine products or for the operation or production of a mine excepting, however, any such subsidies which are forbidden by law to be given to mine owners as such, less only the smelter or mint treatment charges thereon and reasonable transportation of the products to market. Five percent of the above-mentioned royalty shall terminate when the obligations to the United States Government under OME loan OME 6651 have been fulfilled.

That on the first day of January, 1972, Mines Ex shall commence to pay a guaranteed rent or royalty of Three Hundred and No/100 Dollars ($300.00) (said $300.00 to include any and all obligations under agreements shown as Exhibits "A" and "B" attached hereto) per each and every calendar month during the continuance of this lease or so long as Mines Ex, its agents or assigns, shall be in possession of the premises, or any part or portion thereof, which said $300.00 guaranteed royalty shall be construed to mean that Mines Ex will pay, in cash lawful money of the United States of America, on or before the 10th day of February, 1972, and on or before the 10th day of each and every month thereafter, any balance remaining between the sum of $300.00 and the amount that Salmon Copper has received as royalties between the first day and on or before twelve o'clock midnight on the last day of the preceding calendar month, provided, however, that such sums shall not accumulate but shall be figured separately as to each month during the continuance of this lease.

8. That Salmon Copper, or its agents, shall have the right and privilege to enter upon the leased premises at any and all times, but at their own risk, for the purpose of inspection, surveying, sampling, and making such records relative to the mining operations of the mine as Salmon Copper shall desire.

9. That Mines Ex shall keep true and correct books of account, showing the amount of all ores mined by Mines Ex, its agent or consent assigns, from the said premises, together with shipping records, to which records Salmon Copper shall have access at any and all reasonable times and Salmon Copper may copy therefrom such part or portion thereof as they desire, and should Mines Ex terminate this agreement, Mines Ex shall at the request of Salmon Copper deliver all maps, assay records and reports, together with other data that they may have in connection with the herein described mining property.

10. That upon expenditures by Mines Ex equalling those previously spent (but not funds from OME loan OME 6651) by Salmon Copper on the said premises, or upon receipt by Salmon Copper of gross revenues from future operations by Mines Ex on the subject premises, Mines Ex will have earned 50 percent of all rights and interests held by Salmon Copper under agreements shown as Exhibits "A" and "B" hereto.

11. That Mines Ex will first recover all of its exploration and development expenditures on the said premises out of 100 percent of the net revenue from mining operations; thereafter revenue will be shared equally by Mines Ex and Salmon Copper.

12. That Mines Ex shall have the right to use any and all equipment and machinery located on the said premises subject only to paying a mutually agreeable charge or rental and keeping the equipment and machinery in reasonable condition subject only to normal wear and tear.

13. That Mines Ex will hold Salmon Copper harmless against all claims and demands of every kind and nature which may be made upon Salmon Copper or against the above described premises for or on account of any acts, debts or expense contracted or incurred by Mines Ex.

14. That Mines Ex will not assign this agreement without the written consent of Salmon Copper.

15. That Salmon Copper grants to Mines Ex, or his consent assigns, the right to purchase the interest earned by Mines Ex under the right, privilege and option to purchase held by Salmon Copper under agreements shown as Exhibits "A" and "B" attached hereto.

16. That Mines Ex has a right and privilege at any time during the term hereof of terminating this agreement after a ten-day written notice delivered to Salmon Copper.

17. That time is the essence hereof and the failure of Mines Ex or its agents, to do and perform each and all of the provisions, obligations and conditions herein contained to be done and performed by it, shall, at the option of Salmon Copper, terminate this agreement, which said option to terminate by Salmon Copper shall be exercised by Salmon Copper giving to Mines Ex a written notice directed to Mines Ex at Red Mountain, California, stating therein the provisions hereof which Mines Ex has failed to uphold and perform, and should Mines Ex not fully correct and perform the provisions within a period of thirty (30) days from the date such written notice is placed in a regular United States Post Office, addressed as above by certified mail, Mines Ex or its assigns shall immediately surrender possession to Salmon Copper of the herein described property.

18. That Mines Ex shall have the right and privilege of removing, within ninety (90) days from the surrender or forfeiture of the premises, any and all personal property placed upon the herein described premises by Mines Ex and his consent assigns.

19. That all of the provisions hereof shall inure to the benefit of and be binding upon the executors, administrators, heirs and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this 27th day of November, 1971.

MINES EXPLORATION, INC.

By _____
Vice President

SALMON COPPER MINES, INC.

_____

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 12 1972
MINERALS CODE
HR 120
new weeks
210

June 8, 1972

General Office
The Anaconda Company
Butte, Montana 59701

Re: Royalty Check (Smelter Lot B-210)
OME-0651 (copper)
J. Howard Sims
Pope-Shenon mine
Lemhi County, Idaho
Contract 2277

Gentlemen:

I am returning your check of $21.88 in payment of royalty on copper ore shipped from the Pope-Shenon mine. The royalty should be 5 percent of the net smelter returns prior to the deduction of the 10 percent royalty payment to C. Walker Lyons. The correct amount is 5 percent of $486.11 or $24.31. Please make the correction in your records and submit a check in the proper amount.

Sincerely,

Willard P. Puffett
Field Officer, Region I

Enclosure

cc: DRF
OME w/xerox of settlement sheet

Puffett/at

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

RECEIVED FROM: 1971 Mineral Ventures, Ltd. Box 127 — ANACONDA, MONTANA June, 1972

ADDRESS: Johannesburg, California — SMELTER LOT NO: B-210 ( June a/c)

1 Pepa Sheron Ore

DATE RECEIVED: 5/25/72

REGULAR SCHEDULE

Cu: 3.54 - .50 = 3.04 x 2000# = 60.80# = 48.449 ¢ = 29.45% = 29.46

Ag: 0.51 x 139.262 ¢ = .710.2 = .71

Au: No Payment — —

Total 30.1672 = 30.17

Less: Treatment Charge 4.15

= Net Value Per Ton 26.02

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 72.1 | % |
| - $Al_2O_3$ | 3.7 | % |
| - Fe | 4.1 | % |
| = | 64.5 | % |
| - Base | | % |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 1 Truck | 51,390 | 0.39 | 51,190 | 3.54 | 0.51 | .004 | 4.15 | 26.02 | 665.98 |
| Quinton Smock, Haul @ $7.00 per ton | | | | | | | | | 179.87 |
| | | | | | | | | | 486.11 |
| C. Walker Lynn, Royalty @ 10% | | | | | | | | | 48.61 |
| | | | | | | | | | 437.50 |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 21.88 |
| | | | | | | | | | 415.62 |

METAL PRICES

Copper: 51.949 ¢
- 3.5 ¢
48.449 ¢

Silver: 159.063 ¢
@ 87.5513 %
139.262 ¢

Gold: $

Silica: 72.1
Alumina: 3.7
Iron: 4.1
Lime: 0.4

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: Less 5% @ 51.949 ¢ less 3½¢ | 29.46 | |
| Silver: 100% @ 139.262 ¢ | .71 | |
| Gold: @ | | |
| Silica: | | |

DATE OF QUOTATIONS: 5/19/72

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | .49 |
| Add: 10% of sum of metal payments in excess of $15.00 | 1.52 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.61 |
| TOTAL TREATMENT CHARGE | 4.15 |

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

June 7, 1972

| OFFICIAL COPY O. M. E. RECEIVED JUN 12 1972 | |
|---|---|
| INITIALS | CODE |
| gla | 130 |
| JJK | 700 |
| Raw | Weeks |
| | |
| | 220 |

1971 Mineral Ventures Ltd.
Box 127
Johannesburg, California 93528

Re: Royalty payment
OME-6651 (copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Gentlemen:

Today we received a royalty payment from the Anaconda Company for a recent shipment of Pope-Shenon ore (Smelter Lot No. B-197). The smelter settlement sheet indicated that a 10-percent royalty payment to C. Walker Lyons had been deducted prior to the calculation of the Government's 5-percent royalty. I am returning the royalty check to the Anaconda Company with a request for them to recalculate the Government's royalty, based on the net smelter settlement prior to deduction of Mr. Lyon's royalty.

We have not been informed that you are now the operator of the Pope-Shenon mine. Please forward to us, or have the Salmon Copper Mines, Inc. to do so, a copy of the agreement whereby you became the operator of the mine.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: OME/w cy of smelter settlement sheet
DRF
Puffett/at

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

RECEIVED FROM: 1971 Mineral Ventures, Ltd.
Box 127
Johannesburg, California

ANACONDA, MONTANA May, 1972

ADDRESS:

SMELTER LOT NO: B - 197 ( June a/c)

Pope Shannon Ore

DATE RECEIVED: 5/12/72

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 72.5 % | |
| - $Al_2O_3$ | 4.5 % | |
| - Fe | 8.0 % | |
| = | 60.0 % | |
| - Base | % | |
| = Excess | @ 2.5 | c |
| + Ag | @ | c |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

REGULAR SCHEDULE

| | | | |
|---|---|---|---|
| Cu: 2.68 - Ka 2.18 x 2.000 | 93.60 x 48.4449 ¢ | = 21.1228 | = 21.12 |
| Ag: 1.35 x 138.950 ¢ | | = 1.4662 | .49 |
| Au: No Payment | | 21.6161 | 21.61 |
| Total | | | 9.87 |
| Less: Treatment Charge | | | 17.74 |
| = Net Value Per Ton | | | |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 4 Trucks | 151,320 | 1.34 | 150,341 | 2.68 | 1.35 | .0014 | 3.87 | 17.74 | 1,599.32 |
| Quinlan Shook, Haul @ $7.60 per ton | | | | | | | | | 634.52 |
| C. Wilkerson, Royalty @ 10% | | | | | | | | | 960.20 |
| | | | | | | | | | 34.50 |
| | | | | | | | | | 262.50 |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 13.13 |
| | | | | | | | | | 320.07 |

METAL PRICES

Copper: 51.9449
- 3.5 c
48.4449

Silver: 138.950 c
@ 87.5813 %
121.6000 c

Gold: $

Silica: 72.5
Alumina: 4.5
Iron: 8.0
Lime: 2.5

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: Less 5% @ 48.4449 ¢ less 3½c | 21.12 | |
| Silver: 100% @ 138.950 ¢ | .49 | |
| Gold: @ | | |
| Silica: | | |

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | .96 |
| Add: 10% of sum of metal payments in excess of $15.00 | .66 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.50 |
| TOTAL TREATMENT CHARGE | 3.87 |

DATE OF QUOTATIONS: 5/12/72

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

June 7, 1972

General Office
The Anaconda Company
Butte, Montana 59701

Re: Royalty check (Smelter Lot B-197)
OME-6651 (copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Gentlemen:

Today we received your check of $43.43 as royalty payment from a recent shipment of Pope-Shenon ore made by 1971 Ventures Ltd., Johannesburg, California. The Government's royalty of 5 percent was calculated after a 10 percent royalty to C. Walker Lyons was deducted.

The Government's royalty should have been based on 5 percent of the net smelter returns of $965.00, before Mr. Lyon's royalty was deducted. Five percent of the net return is $48.25.

I am returning your check with settlement sheet and requesting that you make out a new one in the correct amount. Thank you.

Sincerely,

Willard P. Puffett
Field Officer, Region I

Enclosures

cc: DBP
OME

Puffett/at

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 12 1972

| INITIALS | CODE |
|---|---|
| gla | 130 |
| Rand | B-Walos |
| HK | 120 |
| | 320 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 5/4/72 | $34.50 | First Metals and Trust Company Butte, Montana | The Anaconda Company | Docket No. OME 6631 Contract 2277 J. Howard Sims Pope-Shenon Mine, Lemhi Cty Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot No. B-172

5/8/72
Date Prepared

Willard P. Puffett
Person Preparing Abstract

Date Received

Person Receiving Remittance

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

ANACONDA, MONTANA May - 1972

RECEIVED FROM: 1971 Mineral Ventures, Ltd.

ADDRESS: Box 127 Johannesburg, California 93528

SMELTER LOT NO: B-172 ( May a/c)

MINE: Pope Shenon Ore

DATE RECEIVED: 4/20/72

SILICEOUS ORE SCHEDULE

| | | |
|---|---|---|
| $SiO_2$ | 73.3 % | |
| - $Al_2O_3$ | 4.4 % | |
| - Fe | 7.9 % | |
| = | 61.0 % | |
| - Base | % | |
| = Excess | @ 2.5 | ¢ |
| + Ag | @ | ¢ |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

REGULAR SCHEDULE

| | | | |
|---|---|---|---|
| Cu: | 2.68 - .50 = 2.18 x 2,000 = 43.60 x 48.449 ¢ | = 21.1238 | = 21.12 |
| Ag: | 0.35 x 138.182 ¢ | = .4836 | = .49 |
| Au: | No Payment | = — | — |
| Total | | 21.6074 | = 21.61 |
| Less: Treatment Charge | | | 3.83 |
| = Net Value Per Ton | | | 17.78 |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE | |
|---|---|---|---|---|---|---|---|---|---|---|
| 3 Trucks | 130,890 | 1.34 | 129,136 | 2.68 | 0.35 | .004 | 3.83 | 17.78 | 1,148 | 02 |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 458 | 12 |
| | | | | | | | | | 689 | 90 |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 34 | 50 |
| | | | | | | | | | 655 | 40 |
| C. Walker Lynn, Royalty @ 10% | | | | | | | | | 65 | 54 |
| | | | | | | | | | 589 | 86 |

METAL PRICES

Copper: 51.949 - 3.5 ¢ = 48.449

Silver: 157.830 ¢ @ 87.5513 % = 138.182 ¢

Gold: $ 48.825

Silica: 73.3
Alumina: 4.4
Iron: 7.9
Lime: 0.3

RECEIVED MAY 8 1972 O.M.E. SPOKANE, WASH.

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: | Less 5% @ 51.949 ¢ less 3½¢ | 21.12 |
| Silver: | 100% @ 138.182 ¢ | .49 |
| Gold: | @ | |
| Silica: | | |

DATE OF QUOTATIONS: 4/14/72

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12¢ for each 1% Fe | .95 |
| Add: 10% of sum of metal payments in excess of $15.00 | .66 |
| Deduct: 2.5¢ for each 1% Silica in excess of Alumina + Iron | 1.53 |
| TOTAL TREATMENT CHARGE | 3.83 |

R. T. Rachowitz

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 3 1972

| INITIALS | CODE |
|---|---|
| glo | 130 |
| 4/21/70 | MY |
| Rw | Bwalks |
| | 220 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region I

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 4/25/72 | $78.87 | First Metals Bank and Trust Co. Butte, Montana | The Anaconda Company | Docket No. OMB6651 Contract 2277 | Royalty |

J. Howard Sims

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot B-161

April 27, 1972
Date Prepared

5/1/72
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edenton
Person Receiving Remittance
Collections Officer

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

8

RECEIVED FROM: Thomas L. Green, Box 460 — ANACONDA, MONTANA April, 1972

ADDRESS: Salmon, Idaho — SMELTER LOT NO: B - 161 ( April a/c)

MINE: Papa Stanco Ore

DATE RECEIVED: 4/11/72

| SILICEOUS ORE SCHEDULE | | |
|---|---|---|
| $SiO_2$ | 74.7 % | |
| - $Al_2O_3$ | 4.6 % | |
| - Fe | 7.3 % | |
| = | 62.9 % | |
| - Base | % | |
| = Excess | @ 2.5 | c |
| + Ag | @ | c |
| + Au | @ $ | |
| TOTAL | | |
| + Cu | | |
| TOTAL | | |

REGULAR SCHEDULE

| | | | |
|---|---|---|---|
| Cu: | 2.36 - .50 = 1.86 x 2000 = 37.20 x 48.4419¢ | = 18.0230 | = 18.02 |
| Ag: | .73 x 139.644¢ | = 1.0194 | = 1.02 |
| Au: | .010 x 91% = .009 x $48.625 | = .4375 | = .44 |
| Total | | 19.4800 | = 19.48 |
| Less: Treatment Charge | | | 3.51 |
| = Net Value Per Ton | | | 15.97 |

| Car No. | WEIGHTS Pounds Gross | % $H_2O$ | Pounds Dry | ASSAYS % Cu | Ozs. Ag | Ozs. Au | Treatment Charge | Price Per Ton | VALUE |
|---|---|---|---|---|---|---|---|---|---|
| 8 Trucks | 356000 | 0.66 | 353,579 | 2.36 | .73 | .010 | 3.51 | 15.97 | 2,823,133 |
| Quinton Snook, Haul @ $1.00 per ton | | | | | | | | | 1,246,000 |
| | | | | | | | | | 4,517,133 |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 78,957 |
| | | | | | | | | | 4,498,176 |

METAL PRICES

Copper: 51.949 ¢ - 3.5 c = 48.449 ¢

Silver: 159.500 c @ 87.5513 % = 139.644 c

Gold: $ 48.625

RECEIVED APR 26 1972 O. M. E. SPOKANE, WASH.

Silica: 74.7
Alumina: 4.6
Iron: 7.3
Lime: 0.7

PAYMENT FOR METALS

| | | |
|---|---|---|
| Copper: | Less 5% @ 51.949¢ less 3½c | 16.02 |
| Silver: | 100% @ 139.644¢ | 1.02 |
| Gold: | 91% @ $48.625 | .44 |
| Silica: | | |

DATE OF QUOTATIONS: 4/7/72

TREATMENT CHARGE

| | |
|---|---|
| Base: | 3.75 |
| Add: 12c for each 1% Fe | .58 |
| Add: 10% of sum of metal payments in excess of $15.00 | .45 |
| Deduct: 2.5c for each 1% Silica in excess of Alumina + Iron | 1.57 |
| TOTAL TREATMENT CHARGE | 3.51 |

K. F. Ruckhaus

ORIGINAL COPY
O. M. E.
RECEIVED
JAN 11 1972
INITIALS DATE
gla 1/20
HX 1/20
220

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 1/3/72 | $21.14 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company Butte, Montana | Docket No. OME 6651 J. Howard Sims. Pope-Shenon Mine Contract 2277 | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot No. B-86

January 5, 1972
Date Prepared

Willard P. Puffett
Person Preparing Abstract

1/10/72
Date Received

Person Receiving Remittance

15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 December 20, 1971

SMELTER LOT NO. B - 86 (December a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 2 Trucks | 94,700 | 4.62 | 90,325 | 2.29 | .11 | .003 | | 16.70 | 754.21 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 331.45 | |
| | | | | | | | | | 422.76 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 21.14 | |
| | | | | | | | | | 401.62 | |

SILICA 81.0
ALUMINA 4.6
IRON 5.3
CaO 0.1

COPY

| PAYMENT FOR METALS | | | | |
|---|---|---|---|---|
| Copper | Less .5% | @ | 49.704¢ ~~less 3½c~~ | 16.54 |
| Silver | 100% | @ | 118.492¢ ~~less 6c~~ | .13 |
| Gold | | @ | | |
| Silica | | @ | | .03 |
| Date of Quotations | 12/3/71 | | | |

TREATMENT

BASE

Add – 12¢ for each 1% Iron

Add – 10% of sum of metal payments in excess of $15.00

Deduct – 2.5¢ for each 1% Silica in excess of Alumina

NET TREATMENT

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By K. F. Ruckwardt

ORIGINAL COPY
O. M. E.
RECEIVED
DEC 22 1971
INITIALS | CODE
Jlr | 30
HR | 20
220

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| Dec. 9, 1971 | $16.41 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Co. Butte, Montana | Docket No. OME 6651 J. Howard Sims Pope-Shenon Mine Contract 2277 | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot B-72

December 15, 1971
Date Prepared

Willard P. Puffett
Person Preparing Abstract

12/21/71
Date Received

Lorraine G. Edelston
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 December 8, 1971

SMELTER LOT NO. B - 72 (December a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 3 Trucks | 127,910 | 2.40 | 124,840 | 1.80 | .23 | .004 | | 12.43 | 775.88 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 447.69 | |
| | | | | | | | | | 328.19 | |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 16.41 | |
| | | | | | | | | | 311.78 | |

SILICA 81.6
ALUMINA 4.9
IRON 5.1
CaO 0.1

COPY

| PAYMENT FOR METALS | | | | |
|---|---|---|---|---|
| Copper | Less .5% | @ 50.113¢ | Less 3½c | 12.12 |
| Silver | 100% | @ 115.597¢ | ~~Less 6%~~ | .27 |
| Gold | | @ | | |
| Silica | | @ | | .04 |
| Date of Quotations | 11/26/71 | | | |

TREATMENT

BASE

Add – 12¢ for each 1% Iron

Add – 10% of sum of metal payments in excess of $15.00

Deduct – 2.5¢ for each 1% Silica in excess of Alumina

NET TREATMENT

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By K. F. Ruckwardt

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

ORIGINAL
COPY
O. M. E.
RECEIVED
NOV 12 1971
INITIALS CODE
gla 1 20
HK ~~1 20~~
220

November 10, 1971

The Anaconda Company
General Office
Butte, Montana 59701

Re: Royalty payment
OME 6651 (copper)
J. Howard Sims
Pope-Shenon mine
Lemhi County, Idaho
Contract 2277

Gentlemen:

Today I received your check, No. C24553, in the sum of $8.28 for royalty on Lot No. B-38 of Pope-Shenon ore. No smelter settlement sheet accompanied the check.

Ordinarily, the sellers should instruct you to submit two copies of the smelter settlement sheet with the royalty check. Perhaps they overlooked this item.

We need the smelter settlement sheets to keep our records. Will you please submit them for the above ore sale at an early date.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: Director
OME

WPPuffett/at

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 17 1971

| INITIALS | CODE |
|---|---|
| gla | 130 |
| HR | 120 |
| | |
| | 220 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 11/9/71 | $8.28 | First Metals Bank and Trust Company, Butte, Montana | The Anaconda Company Butte, Montana | Docket No. OME 6651 J. Howard Sims Pope-Shenon Mine Contract 2277 | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot No. B-38

November 12, 1971
Date Prepared

11/15/71
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edelston
Person Receiving Remittance
Collection Officer

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 Nov. 3, 1971

SMELTER LOT NO. B - 38 (Cot. a/c).

| CAR NUMBER | WEIGHTS Pounds Gross | WEIGHTS Per Cent Water | WEIGHTS Pounds Dry | ASSAYS Per Cent Copper | ASSAYS Ounces Silver | ASSAYS Ounces Gold | TREATMENT CHARGE Dollars | PRICE PER TON Dollars | VALUE Dollars | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Truck | 44,570. | 2.34. | 43,527. | 2.31. | .21. | .007. | 3.10. | 14.78. | 321.66. | |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 156.00. | |
| | | | | | | | | | 165.66. | |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 8.28. | |
| | | | | | | | | | 157.38. | |

SILICA 78.7.
ALUMINA 6.0.
IRON 6.1.
CaO 0.2.

RECEIVED NOV 12 1971 O.M.E. SPOKANE WASH.

**PAYMENT FOR METALS**

| | | | | | |
|---|---|---|---|---|---|
| Copper | Less 5% | @ 52.215¢ | Less 3½c | | 17.64. |
| Silver | 100% | @ 115.830¢ | | | .24. |
| Gold | | @ | | | |
| Silica | | @ | | | |

Date of Quotations 10/15/71.

**TREATMENT**

| | |
|---|---|
| BASE | 3.75 |
| Add - 12¢ for each 1% Iron | .73 |
| Add - 10% from of metal payments in excess of $15.00 | .29 |
| Deduct - 2.5¢ for each 1% Silica in excess of Alumina | 1.67 |
| NET TREATMENT | 3.10. |

An extra charge of $5.00 made for sampling all lots under ten tons

Rates subject to change without notice

Extensions and footings correct

The Anaconda Co., Anaconda Sampler

By K. G. Richenwald

Dupl

# United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

October 21, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 29 1971
INITIALS CODE
Cal 120
Gla 130
JHK 120
220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Summary Final Report
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

## INTRODUCTION

This report summarizes an OME project to explore for extension of quartz chalcopyrite veins cutting Precambrian quartzite at the Pope-Shenon mine, about 7 miles southeast of Salmon, Idaho. The contract, dated Apr. 8, 1969, for a total estimated cost of $85,700.00 of which the Government would contribute 50 percent or $42,850.00, was amended once. Work, started in May 1969, and ended in July 1970, consisted of road repair, portal preparation, compressor and change house construction, drifting and crosscutting 1,658 feet, timbering 52 feet, and assaying 16 samples. The contract was terminated, effective July 10, 1970, by an agreement dated Oct. 23, 1970. Total accepted cost of the work was $70,610.00, of which the Government contributed $35,294.00; the Operator forfeited $200.00 by failing to submit a final report. Indicated reserves from the work totals 65,000 tons averaging 0.57 ounces silver per ton and 2.37 percent copper. The Government notified the Operator on Mar. 17, 1971, that metal or mineral production may be possible as a result of the exploration work. Therefore, royalties shall be paid to the Government as provided in the contract on all production from the contract property from Apr. 8, 1969 to Apr. 8, 1979, or until the full amount contributed by the Government is fully repaid with interest at the rate of 8¼ percent per annum, whichever occurs first.

Production between May 8, 1970 and June 11, 1971, was 1,098.7 dry tons from which the Government has received royalties of $694.82; 881.972 tons of this production came from ore exposed by the OME work.

FINAL FIELD REPORT

## OPERATOR

J. Howard Sims
P. O. Box 686
Salmon, Idaho 83467

## PROPERTY

The property consists of 32 unpatented lode mining claims in sec. 9, T. 20 N., R. 22 E., B.M., McDevitt Mining District, Lemhi County, Idaho (figure 1 - Plan map and section with ore reserve estimate, Pope-Shenon mine, sec. 9, T. 20 N., R. 22 E., Lemhi County, Idaho). The claims are recorded in the Lemhi County Recorder's office at Salmon, Idaho, as follows:

| Claim | Book | Page |
|---|---|---|
| Grandview No. 1 | W | 503 |
| Grandview No. 2 | W | 503 |
| Grandview No. 3 | W | 504 |
| Grandview Extension No. 1 | 2 | 10 |
| Grandview Extension No. 2 | 2 | 11 |
| Grandview Extension No. 3 | 2 | 12 |
| Grandview Extension No. 4 | 2 | 13 |
| Grandview Extension No. 5 | Y | 593 |
| North Salmon Copper | 5 | 5 |
| North Salmon Copper No. 1 | 5 | 4 |
| North Salmon Copper No. 2 | 5 | 5 |
| North Salmon Copper No. 3 | 5 | 6 |
| North Salmon Copper No. 4 | 5 | 63 |
| North Salmon Copper No. 5 | 5 | 64 |
| North Salmon Copper No. 6 | 5 | 64 |
| North Salmon Copper No. 7 | 5 | 65 |
| North Salmon Copper No. 8 | 5 | 65 |
| North Salmon Copper No. 9 | 5 | 66 |
| North Salmon Copper No. 10 | 5 | 66 |
| North Salmon Copper No. 12 | 5 | 67 |
| North Salmon Copper No. 13 | 5 | 67 |
| North Salmon Copper | 5 | 4 |
| South Salmon Copper No. 1 | 5 | 59 |
| South Salmon Copper No. 2 | 5 | 59 |
| South Salmon Copper No. 3 | 5 | 60 |
| South Salmon Copper No. 4 | 5 | 60 |
| South Salmon Copper No. 5 | 5 | 61 |
| South Salmon Copper No. 6 | 5 | 61 |
| South Salmon Copper No. 7 | 5 | 62 |
| South Salmon Copper No. 8 | 5 | 62 |
| South Salmon Copper No. 9 | 5 | 63 |
| New Pope Shenon | Instrument No. 107366, recorded Oct. 5, 1967 | |

The Operator was owner of the New Pope Shenon claim and was in possession of the remaining claims under the terms of a Lease and Option to Purchase, dated May 1, 1966, from Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, the owners. The Lease was assigned by the Operator to Salmon Copper Mines, Inc. on July 10, 1970. Mr. J. Howard Sims was killed in an airplane that crashed Jan. 10, 1971.

The Pope-Shenon is an old mine, having been operated intermittently since the early 1900's. Prior to 1953, about 60,000 tons of ore had been mined, and copper produced totalled approximately 2,500,000 pounds (Application, Docket DMEA 3112).

Six adits had explored the main vein over a vertical distance of 700 feet (figure 1). The 100 level is only 120 feet long, whereas the 600 level includes about 3,000 feet of drifts and crosscuts.

Open stopes are continuous for 400 feet from the 600 level to just below the 300 level and some stopes are above the 300 level.

An old mill near the 600 level portal is no longer useable. There are no other production facilities at the mine, other than ore bins at the portal of the 400 level and the OME (700) level.

The property is easily accessible from the town of Salmon, Idaho. Drive four miles south from Salmon on U. S. highway 93, turn east and follow the unsurfaced road past the airport and north and east toward the Salmon Hot Springs. The mine access road branches south from the hot springs road about two miles from the airport. Total road distance from Salmon to the mine is nearly 10 miles. Altitude at the OME adit is about 5,490 feet; that at the 100 level is 6,392 (figure 1).

## GEOLOGY

Geologic details of the mine are in Docket DMEA 3112 and in OME 6190. Bedrock is fine-grained greenish gray, chloritic quartzite that is strongly jointed. Beds strike N. to NE. and dip SE. at moderate angle. A few thin, much altered, light yellowish-gray igneous dikes cut the beds. At least two veins, the Taft and the Pope-Shenon, trend easterly to east-northeasterly and dip steeply north. Other narrow stringers of chalcopyrite in veinlets and joint fillings are crudely parallel to the main veins.

The Pope-Shenon vein has been mined in all of the seven levels of the mine and appears to be persistent along dip; it pinches and swells along strike. The Taft vein was cut by a diamond drill hole on the 500 level and has been opened in drifts on the 600 level and on the OME level; it too appears to be persistent along dip but lensy along strike.

A fault, nearly parallel to the Taft vein, is exposed in the drift on the OME level. This post-mineral fault has offset the vein for several tens of feet along strike; displacement is left-lateral. Another fault, exposed on the 600 level, cuts the Pope-Shenon vein, and here the displacement is right-lateral (see Docket DMEA 3112, final report).

The veins are composed of quartz, chalcopyrite, and minor galena. No oxidized copper minerals are on the OME level, but some are known in the upper adits. Galena, where seen, is generally along the footwall of the vein, and apparently is argentiferous, for assays indicate a consistent ratio of 3 ounces silver to one percent lead. The veins do not fill obvious fractures and in many exposures appear to be replacement of the quartzite. The average vein width is about three feet, although wider and narrower zones can be found.

Copper content is not consistent along strike. Some samples assay as much as 5.9 percent copper but the average is less. Shipping records probably give the best indication of the average content of the vein; 881 tons from the OME level averaged 0.57 ounces silver per ton, 2.37 percent copper, and 76.1 percent $SiO_2$. Ore sold from the 400 level in 1970 and 1970 totalled 216 tons and averaged 0.36 ounces silver per ton, 2.65 percent copper, and 81.1 percent $SiO_2$. From these shipping records, there is a suggestion that perhaps the total copper content is decreasing with depth; however, the ore from the upper level might have been more carefully mined, with less dilution from barren wallrock, than the ore from the OME level.

The source or the controls of the ore are unknown. Perhaps there is a shallow intrusive in the area. Perhaps too, more veins can be found by exploring south from the Pope-Shenon vein; the Taft vein was found somewhat accidentally on the 600 level in a crosscut that had been driven to a proposed diamond drill station.

## PURPOSE OF PROJECT

The project purpose was to explore by crosscutting, drifting, and long-hole drilling for copper-bearing ore bodies that occur in and along the Taft and Pope-Shenon vein structures at a horizon 250 feet below the deepest workings of the Pope-Shenon mine.

## CONTRACT

The contract, No. 2277, dated April 8, 1969, required that work start on or before April 15, 1969, and be completed within 24 months from the contract date.

Initial work was to repair the access road, complete about 500 feet of new road, prepare portal site, and construct a compressor shelter. The portal site was to be about 250 feet below the 600 level adit portal. Crosscut approximately S. 20° E. for 800 feet to the Taft vein and 940 feet to the Pope-Shenon vein. Drift east on the Pope-Shenon vein to the Pope fault, then crosscut to recover faulted segments of the Pope-Shenon vein. With

prior Government approval, drifts were to follow the most favorable veins exposed in the crosscuts. Total length of drifts and crosscuts should not exceed 2,000 feet. Percussion long-holes were to be drilled into walls of the drifts or crosscuts to further test the extent of the mineralization. Long-holes were to be spaced at intervals of not less than 20 feet and aggregate footage of holes was not to exceed 250 feet.

## Estimated Cost of the Work

### Fixed Unit Costs

| | |
|---|---|
| Repair and extend road, prepare portal and compressor site, including labor, materials and supplies | $ 900.00 |
| Construct a 12' x 20' frame compressor and change house | 1,000.00 |
| Mobilization and demobilization of equipment | 150.00 |
| Crosscutting and drifting 2,000 feet at $41/ft | 82,000.00 |
| Timbering in crosscuts and drifts 100 feet at $10/ft | 1,000.00 |
| Long-holes drilling 250 feet at $1.20/ft | 300.00 |
| Assaying samples for copper 140 assays at $2.50/assay | 350.00 |
| Total estimated cost of project: | $85,700.00 |
| Government participation at 50% | 42,850.00 |

The contract was amended on June 9, 1970, to permit drifting to the west on the Pope-Shenon vein, without requiring that the Pope fault be intersected first in drifting to the east along the vein.

## PROJECT WORK

The project started in April 1969 with the road repair and extension and the construction of a 14' x 23' compressor shed. The adit was started near the base of a talus pile and the first heading was about S. 60° W. in an effort to crosscut through the talus. The first 52 feet of the adit required timber. The bearing of the adit was gradually changed to a more southerly course. Progress was on a two shift per day basis, which was reduced to one

shift per day after two miners were injured in mid-November 1969 when they drilled into a misfire. The Taft vein was intersected about 925 feet from the portal in December 1969 and the Pope-Shenon vein was intersected about 1,074 feet from the portal on March 1, 1970.

Drifting east and west on the Taft vein was concurrent with extension of the main crosscut. A work authorization, dated Jan. 29, 1970, permitted 200 feet of drifting on the Taft vein, and another authorization, dated Feb. 25, 1970, permitted 100 feet more of drift on the Taft vein.

The Pope-Shenon vein split up into narrow, uneconomic stringers in the east drift. The contract was amended to permit drifting west on the Pope-Shenon vein rather than drifting to the east to intersect the Pope fault. The Operator drifted west on the Pope-Shenon vein for 128 on his own account because the amendment did not allow Government participation. The west drift was extended another 155 feet with Government participation, and from this work 6 truckloads of ore were shipped to the Anaconda Smelter in May 1970. Drifting to the west along the Pope-Shenon vein continued until the first of July, after which underground activity ceased.

Mr. Sims assigned his lease on the property to Salmon Copper Mines, Inc., P. O. Box 1433, Salmon, Idaho 83467, on July 10, 1970. The new Operators did not want to continue with the OME project, hence the contract was terminated, effective July 10, 1970, by an agreement dated Oct. 23, 1970.

The approved costs of the completed work are as follows:

| Item | Cost |
|---|---|
| Fixed Unit Cost | |
| Repair and extend road, prepare portal and compressor site, including labor, materials and supplies | $ 900.00 |
| Construct a compressor and change house | 1,000.00 |
| Mobilize equipment | 150.00 |
| Drift and crosscut 1,658 feet at $41/ft | 67,978.00 |
| Timbering, 52 feet at $10/ft | 520.00 |
| Assaying samples for copper, 16 samples at $2.50/sample | 40.00 |
| Total cost: | $70,588.00 |
| Government participation | 35,294.00 1/ |

1/ Operator forfeited $200 rather than prepare final report as required in contract.

The Government retains no equity in any of the equipment or materials used.

## REPORTS

The Operator did not submit a final report. The Government prepared a Report of Review in December 1970.

## PROJECT RESULTS

The adit crosscut successfully intersected the Taft and the Pope-Shenon vein in their projected positions. In addition, a few narrow, but richly mineralized, stringers were found near the two main veins.

The Taft vein, 50 inches thick where hit in the crosscut, was followed to the east and west for a total distance of about 280 feet. A fault, marked by as much as 16 inches of sheared rock, cuts the vein at a low angle and offsets it left-laterally. Good ore is exposed in both the east and the west drift faces. The vein is quartz and chalcopyrite with minor galena. Galena in narrow stringers was exposed along the vein footwall in the crosscut, but was not seen in the drifts. The vein was not systematically sampled for assay; however 21 samples were assayed. Copper values range from 0.5 to 6.6 percent across widths of from 1 to 5 feet. Some of the samples were of faulted rock between the offset portions of the vein (figure 1) and hence cannot represent the true character of the vein. Seven samples in the west drift have a weighted average of 0.7 ounces silver per ton and 3.60 percent copper across an average width of 2.34 feet. Thirteen samples in the east drift have a weighted average of 1.0 ounce silver per ton and 3.19 percent copper across an average width of 3.3 feet.

The Pope-Shenon vein, 38 inches thick where exposed in the crossuct, was followed 283 feet to the west but pinched to a narrow stringer about 40 feet east of the main crosscut. Insufficient samples were taken to give a true average value for this vein. Six truckloads of ore taken from the west drift averaged 0.9 ounces silver per ton and 2.29 percent copper. The full thickness of this vein is not known in the western part of the drift as only the hangingwall part of the vein is exposed.

### Ore Reserves

The Taft and Pope-Shenon veins on the OME level appear to be the downward projections of the two veins exposed on the 600 level. For ore reserve calculations, therefore, it can safely be assumed that the veins are continuous through the interval between the two levels and the veins should persist to depth below the OME level. The metal content of the ore is assumed to be similar to the average of that shipped between May and December 1970 (figure 1). Following are the dimensions of the ore reserves indicated from the OME work.

| Vein | Thickness | Length | Depth* | Tons |
|---|---|---|---|---|
| Taft | 3 | 400 | 320 | 32,000 |
| Pope-Shenon | 3 | 400 | 330 | 33,000 |
| | | | Total: | 65,000 |

Assumed metal content: 0.57 ounces silver per ton, 2.37 percent copper.

*Measured from the 600 level along dip to 110 feet below the OME level.

## Future Production

The Salmon Copper Mines, Inc. mined from the Pope-Shenon and Taft veins and sold the crude ore to the Anaconda Smelter, Anaconda, Montana. Shipping charges were $7.00 per ton. Treatment charges averaged $3.44 per ton, and the net price per ton, before shipping, averaged $18.02. During this period the silver price ranged from $1.43 to $1.57 per ounce, averaging $1.51, and the copper price ranged from $0.532 to $0.597 per pound, averaging $0.580. The prices for silver and copper were much higher than they had been for the past ten years. An article in the Northern Miner, dated July 23, 1970, quoted the president of Salmon Copper Mines, Inc. as saying the operating costs were under $25.00 per ton. It is obvious that if the operating costs were close to $25.00 per ton and the net smelter return after paying $7.00 per ton for shipping is $11.02, the ore could not be mined profitably.

If some type of upgrading plant can be erected at the mine without too great an expenditure, the mine might be able to operate profitably. An aid to profitably mining the relatively low grade rock would be to find additional veins so that there would be many working faces and a greater daily production.

## Certification

The Government notified the Operator on March 17, 1971, that it certified that mineral or metal production may be possible as a result of the exploration work. Royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from April 8, 1969, to April 8, 1979, or until the total amount contributed by the Government under the contract ($35,294.00) is fully repaid with interest at the rate of 8¼ percent per annum, whichever occurs first.

## PRODUCTION

Ore has been produced from both the OME level and the 400 level since the start of the OME contract. All ore, with the possible exception of two truckloads stockpiled at the 400 level adit, have been sold. The stockpiled ore could not be sold because of striking copper workers. Shipping records are as follows:

| Date | Dry tons | Au oz/ton | Ag oz/ton | Cu % | $SiO_2$ % | $Al_2O_3$ % | Fe % | CaO % | Net smelter returns |
|---|---|---|---|---|---|---|---|---|---|
| OME Level | | | | | | | | | |
| 5-8-70 | 50.627 | 0.003 | 0.20 | 1.75 | 77.7 | 5.2 | 6.6 | 0.3 | $ 318.60 |
| 5-22-70 | 100.054 | 0.011 | 1.09 | 2.56 | 72.3 | 5.9 | 7.5 | 0.04 | 1,383.53 |
| 9-25-70 | 113.207 | 0.002 | 0.18 | 1.60 | 76.8 | 4.5 | 6.1 | 0.1 | 314.75 |
| 10-2-70 | 170.877 | 0.006 | 0.16 | 2.15 | 78.9 | 3.9 | 6.3 | 0.2 | 1,455.63 |
| 10-16-70 | 111.729 | 0.008 | 0.34 | 2.18 | 75.6 | 4.3 | 6.9 | 0.3 | 996.29 |
| 10-16-70 | 131.155 | 0.003 | 0.20 | 2.54 | 74.4 | 4.0 | 7.0 | 0.2 | 1,611.61 |
| 11-06-70 | 49.550 | 0.005 | 3.66 | 1.98 | 81.0 | 3.0 | 5.5 | 0.2 | 700.89 |
| 11-13-70 | 132.454 | 0.005 | 0.65 | 3.34 | 74.8 | 3.2 | 7.6 | 0.4 | 2,502.52 |
| 12-4-70 | 22.319 | 0.001 | 0.20 | 3.84 | 73.8 | 3.0 | 8.4 | 0.1 | 473.12 |
| Total: | 881.972 | | | | | | | | $9,656.94 |
| | Weighted average: | | 0.57 | 2.37 | 76.1 | 4.1 | 6.8 | | |
| 400 Level | | | | | | | | | |
| 10-30-70 | 43.842 | 0.005 | 0.25 | 2.92 | 80.1 | 3.6 | 5.4 | 0.3 | 1,123.81 |
| 11-27-70 | 27.323 | 0.003 | 1.28 | 2.57 | 80.0 | 3.4 | 6.0 | 0.1 | 784.44 |
| 12-11-70 | 55.455 | 0.001 | 0.19 | 1.91 | 83.6 | 4.4 | 4.7 | 0.1 | 789.13 |
| 2-12-71 | 44.331 | 0.003 | 0.23 | 2.76 | 80.8 | 4.0 | 6.0 | 0.1 | 626.61 |
| 6-11-71 | 45.789 | 0.003 | 0.24 | 3.25 | 79.8 | 5.8 | 5.9 | 0.1 | 915.37 |
| Total: | 216.740 | | | | | | | | $4,239.36 |
| | Weighted average: | | 0.36 | 2.65 | 81.1 | 4.32 | 5.6 | | |

Total tons shipped: 1,098.712

Total net smelter returns: $13,896.30

Total royalties paid: $694.82

## CONCLUSIONS

The OME project was successful in finding the down dip extensions of the Taft vein and the Pope-Shenon vein. The veins appear to be nearly as richly mineralized as they are on upper levels. Present prices for copper and silver are too low for the veins to be considered sources of crude shipping ore. Perhaps additional veins can be found by additional exploration; such veins can be expected to have the same average width, copper content, and persistence as the Taft and Pope-Shenon veins. Government participation and further exploration of the veins at the Pope-Shenon mine is warranted.

Willard P. Puffett

Willard P. Puffett

Enc: Figure 1 - Plan map and section with ore reserve estimate, Pope-Shenon mine, sec. 9, T. 20 N., R. 22 E., Lemhi County, Idaho

# United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 28, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 30 1971
INITIALS | CODE
Cal | 120 NU
gla | 130
HK | 120
| 220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Royalty Inspection
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

The Pope-Shenon mine appeared deserted when I visited it Friday, Sept. 17, 1971. More dump material had been spread on the access road since my last visit on June 10, 1971, and there had been considerable traffic which had compacted the broken rock.

Mr. Jack Sullivan, Salt Lake City, informed me in a telephone conversation on Sept. 28, 1971, that Mr. Thomas Green had about two truckloads of ore to be shipped from the 400 level. The recently settled copper strike had made it impossible for Mr. Green to sell the ore. Perhaps he will now be able to.

Officials of the Salmon Copper Mines, Inc. will be visiting the mine in the near future and, Mr. Sullivan hopes, work will resume underground off the OME level.

Willard P. Puffett

Willard P. Puffett

cc: Director

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 6 1971

| INITIALS | CODE |
|---|---|
| | 120 |
| | 120 |
| | 120 |
| | |
| | 220 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region 4, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 6/28/71 | $89.77 | First Metals Bank and Trust Co. Butte, Montana | The Anaconda Company Butte, Montana | Docket CMB-6651<br>Contract 8277<br>J. Howard Sims Pope-Shenon mine | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

B-19

June 30, 1971
Date Prepared

7/2/71
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Robertson
Person Receiving Remittance

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 June 25, 1971

SMELTER LOT NO. B - 15 (June a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 2 Trucks | 93,400 | 1.95 | 91,579 | 3.25 | 0.24 | .003 | | 27.13 | 1,242.27 | |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 326.90 | |
| | | | | | | | | | 915.37 | |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 45.77 | |
| | | | | | | | | | 869.60 | |

SILICA 79.8
ALUMINA 3.8
IRON 5.9
CaO 0.1

COPY

| PAYMENT FOR METALS | | | | |
|---|---|---|---|---|
| Copper | Less 5% | @ 52.215¢ | Less 3½c | 26.79 |
| Silver | 100% | @ 141.483¢ | ~~XXXX~~ | .34 |
| Gold | | @ | | |
| Silica | | @ | | |
| Date of Quotations | 6/11/71 | | | |

TREATMENT

BASE

Add – 12c for each 1% Iron

Add – 10% of sum of metal payments in excess of $15.00

Deduct – 2.5c for each 1% Silica in excess of Alumina

NET TREATMENT

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By A. J. Jerkins

# United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

June 21, 1971

RECEIVED
JUN 23 1971
CODE
220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual Inspection
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I went underground at the Pope-Shenon mine on Thursday morning, June 10, 1971, to learn if there had been any recent activity. I last visited the mine on November 6, 1970.

There had been little, if any, activity on the OME adit level since last November. Our records show that some ore was shipped by Salmon Copper Mines, Inc. on December 4, 1970. Other shipments of ore from the Pope-Shenon mine by Thomas L. Green in December 1970 and February 1971, came from the 400 level, several hundred feet above the OME level. No ore was in the stockpile area near the OME adit portal. Much of the waste rock had been spread along the mine access road.

I telephoned Mr. Jack Sullivan (Salt Lake City, Utah, 801-266-4404) on Monday, June 21, 1971, to learn what the Salmon Copper Mines, Inc. planned for the Pope-Shenon Mine. Mr. Garrick of Minerals Services, Inc., and former consultant for J. Howard Sims, has compiled maps of all the mine workings and is currently preparing an exploration and development program.

There seems to be many more veins on the property than had hitherto been suspected. The DMEA work on the 600 level found the Taft vein quite accidently in crosscutting to prepare a diamond drill station. Mr. Green, in crosscutting for ventilation on the 400 level discovered a new vein. There is some question now that the vein designated the Pope vein in the OME crosscut has been correlated correctly.

Plans now include extending the OME crosscut at least 100 feet to search for a faulted segment of the Pope vein. Drifts are to be extended to the east and west along both the Taft and Pope vein. A portion of net smelter returns will be used for underground drilling to explore the known veins below the OME adit.

Mr. Sullivan said that the Anaconda Smelter will not accept mill concentrates from the mine as they need the silica in the ore for flux; hence there are no plans to erect a flotation mill. However, Mr. Sullivan said that some thought has been given to putting in a sink-float plant in an effort to upgrade the ore from the 2 or 3 percent copper to about 10 percent copper. He will keep us informed of developments at the mine.

The government's lien on future production from the mine extends to April 8, 1979.

Willard P. Puffett

Willard P. Puffett

cc: Director
Docket

# United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

March 3, 1971

COPY
O. M. E.
MAR 9 1971
INITIALS CODE
alw 1/30
1/20
HK 1/20
WE 1/20

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Final settlement
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Enclosed is a copy of a letter from Sandy H. Sims, Executor for the estate of J. Howard Sims, stating his desire to forfeit the $200 withheld pending receipt of final report. Obviously, the Operator is not going to submit a final report. Mr. J. Howard Sims was killed in a plane crash on January 10, 1971.

I recommend therefore, that the docket be closed and that the Government issue a Certification of Possible Production as a result of the contract. The contract work was successful in finding extensions of the Taft and Pope vein on a level nearly 200 feet lower than older workings. Some ore has been produced and sold; copper content ranged from 1.60 to 3.84 percent and silver content from 0.16 to 1.09 ounces per ton. I will calculate indicated reserves in my final report that should be submitted within a few months from now.

Enclosure

Willard P. Puffett
Willard P. Puffett

see letter to Sandy Sims 3/19/71 left-hand side

OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

February 22, 1971
Salmon, Idaho

RECEIVED
MAR 3 1971
O.M.E.
SPOKANE, WASH.

Dear Mr. Puffitt,

In regards to the final report on the O.M.E. contract for the Pope Shenon mine. I would like to forfeit the money balance due and close the contract.

Thank you—

Sincerely,
Sandy H. Sims
Executor for the estate of
J. Howard Sims

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 9 1971
INITIALS | CODE
rgh | 130
HK
OME

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 3/5/71 | $21.55 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company, Butte, Montana | Docket No. OME 6651 Contract 2277 J. Howard Sims Pope-Shenon Mine Lemhi County Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot No. B-907

Date Prepared 3/5/71

Person Preparing Abstract Willard P. Puffett

3/8/71
Date Received

Person Receiving Remittance

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 March 1, 1971

SMELTER LOT NO. B - 907 (February a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 2 Trucks | 90,630 | 2.17 | 88,663 | 2.76 | .23 | .003 | | 21.29 | 943.82 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 317.21 | |
| | | | | | | | | | 626.61 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 31.33 | |
| | | | | | | | | | 595.28 | |

SILICA 80.8
ALUMINA 4.0
IRON 6.0
CaO 0.1

RECEIVED MAR 5 1971 O. M. E. SPOKANE, WASH.

COPY

| PAYMENT FOR METALS | | | | | |
|---|---|---|---|---|---|
| Copper | Less .5% | @ | 49.85¢ | Less 3½c | 20.95 |
| Silver | 100% | @ | 139.907¢ | Less 6c | .32 |
| Gold | | @ | | | |
| Silica | | @ | | | .02 |
| Date of Quotations | 2/12/71 | | | | |

TREATMENT

BASE

Add – 12¢ for each 1% Iron

Add – 10% of sum of metal payments in excess of $15.00

Deduct – 2.5¢ for each 1% Silica in excess of Alumina

NET TREATMENT

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By A. J. Perkins

1 1971

INITIALS CODE

gla 1/20
Ed 1/20 MN
HK 1/20
WE 1/20

THE WALLACE MINER, WALLACE, IDAHO 83873, FEBRUARY 11, 1970

Re: OME6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

# Prominent Idaho Mine Man Dies In Air Crash

Howard Sims, 66, prominent Salmon, Idaho area mining man and former Lemhi State Senator, was among three persons killed when a plane he was flying crashed January 10, 20 miles southeast of Twin Falls, in southern Idaho. Their bodies were found last weekend.

The three were enroute from Elko, Nev., to Hailey, Idaho. Other occupants were Irl Clayton Duffy, Bellevue, Idaho, and Duffy's son, Carson. Sims had flown to Fallon, Nev., to meet Duffy to check on mining claims they jointly owned there.

Sims was a rancher operating the Sims home ranch just south of Salmon and his mining activities were at Cobalt, which has been a family operation since its origin. He had also operated the Pope Shenon Mine there for several years as well as being active in mines in the Gilmore area, the Hilltop Mine in that section of Idaho being one of his later operations. He had also been identified with mining in the Fallon and Elko sections of Nevada for a number of years.

OFFICIAL FILE COPY

2/2/71 Emerick 120

120

~~130~~

220

120M

**Memorandum**

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

2/3/71 cc

Enclosed is a copy of the Field Officer's letter of January 29, 1971, forwarding a copy of the Report of Review issued in December 1970 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo

Harold Kirkemo

Enclosures

BSLong/1 2/2/71

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Emerick
130

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

January 29, 1971

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

Enclosed is the Operator's copy of a Report of Review issued in December 1970 on the subject contract.

Sincerely,

Willard P. Puffett
Field Officer, Region I
Office of Minerals Exploration

Enclosure

cc: OME (2)

OFFICIAL FILE COPY

1/27/71 120

1/27/71 cae 220

120M

AIRMAIL

JAN 27 1971

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277
and
OME-6772 (Mercury)
Horse Heaven Mine
Horse Heaven West Property
Jefferson County, Oregon
Contract 2286

On your advice of January 21, 1971, Exhibit I for each of the Reports of Review sent you on January 19 for the two cited contracts has been corrected. The correct copies of each are enclosed. Please substitute these pages for the original Exhibit I in each review and, if acceptable to you, send a copy to the Operator as directed in our memorandum of January 19.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME -6651
OME-6772
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 1-27-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 1/18/71 | Emerick | 120 |
| | | 120 |
| | | |
| | | |
| | | |
| | | |
| | | |
| 1/19 | Coe | 220 |
| | | 120M |

JAN 19 1971

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Enclosed are the Field Office's and Operator's copies of a Report of Review issued in December 1970 on the subject contract.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

Harold Kirkemo
g/a

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

BSLong/1 1/18/71

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 23 1970
INITIALS CODE

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 12/16/70 | $39.22 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company Butte, Montana | Docket No. OME 6651 Contract 2277 J. Howard Sims Pope-Shenon Mine, Lemhi County Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot.B-866 Note that the shipper is Thomas L. Green and not Salmon Copper Mines, Inc. Also, note that there is no deduction for shipping ore from mine to smelter

12/18/70
Date Prepared

Willard P. Puffett
Person Preparing Abstract

12/23/70
Date Received

Lorraine G. Eckstein
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore (Special)

ANACONDA, MONTANA, 59711
December 14, 1970
SMELTER LOT NO. B - 866 (Dec. s/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 2 Trucks | 57,030 | 4.18 | 54,646 | 2.57 | 1.28 | .003 | | 28.71 | 784.44 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 39.22 | |
| | | | | | | | | | 745.22 | |

SILICA 80.0
ALUMINA 3.4
IRON 6.0
CaO 0.1

RECEIVED DEC 18 1970 O. M. E. SPOKANE, WASH.

COPY

| PAYMENT FOR METALS | | | | | |
|---|---|---|---|---|---|
| Copper | Less .5% | @ | 55.6¢ | Less 3½c | 26.78 |
| Silver | 100% | @ | 148.837¢ | ~~less~~ | 1.91 |
| Gold | | @ | | | |
| Silica | | @ | | | .02 |
| Date of Quotations | 11/27/70 | | | | |

TREATMENT

BASE

Add – 12¢ for each 1% Iron

Add – 10% of sum of metal payments in excess of $15.00

Deduct – 2.5¢ for each 1% Silica in excess of Alumina

NET TREATMENT

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By A. J. Perkins

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

DEC 14

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I, OME

gl 120
~~120 MT~~
HK ~~120~~
WE ~~120 E~~

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 12/7/70 | $129.13 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company Butte, Montana | Docket No. OME 6651 Contract 2277 J. Howard Sims, Pope-Shenon Mine, Lemhi Cty, Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot No. B-858

December 9, 1970
Date Prepared

Willard P. Puffett
Person Preparing Abstract

12/14/70
Date Received

Lorraine E. Eckenstein
Person Receiving Remittance

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines Inc.
ADDRESS Box 1433
Salmon, Idaho 83467

ANACONDA, MONTANA, 59711 December 3, 1970

MINE Pope Shenon Ore

SMELTER LOT NO. B-858 (November a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 5 Trucks | 268,560 | 1.36 | 264,908 | 3.34 | 0.65 | .005 | 4.62 | 25.99 | 3,142.48 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 939.96 | |
| | | | | | | | | | 2,502.52 | |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 125.13 | |
| | | | | | | | | | 2,377.39 | |
| SILICA 74.8 | | | | | | | | | | |
| ALUMINA 3.2 | | | | | | | | | | |
| IRON 7.6 | | | | | | | | | | |
| CaO 0.4 | | | | | | | | | | COPY |

RECEIVED DEC 9 1970 U.M.E. SPOKANE, WASH.

**PAYMENT FOR METALS**

| | | | | |
|---|---|---|---|---|
| Copper | Less .5% | @ 55.6¢ | Less 3½¢ | 29.59 |
| Silver | 100% | @ 156.673¢ | | 1.02 |
| Gold | | @ | | |
| Silica | | @ | | |

Date of Quotations 11/13/70

**TREATMENT**

| | |
|---|---|
| BASE | 3.75 |
| Add – 12¢ for each 1% Iron | .91 |
| Add – 10% of sum of metal payments in excess of $15.00 | 1.56 |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina | 1.60 |
| NET TREATMENT | 4.62 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By A. J. Jerkins

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
JAN 13 1971
INITIALS CODE
HK 1.00
WEL 1.00
150

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 1/6/71 | $39.46 | First Metals Bank & Trust Company Butte, Montana | The Anaconda Company Butte, Montana | Docket No. OME6651 Contract 2277 J. Howard Sims Pope-Shenon Mine | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)
Lot No. B-876
Apparently the ore shipped by Thoms L. Green is produced from stopes above the No. 4 or No. 5 levels, some distance above the stopes on the OME (No. 7 ) level, from which the ore shipped by Salmon Copper Mines, Inc, is being mined.

1/8/71
Date Prepared

Willard P. Puffett
Person Preparing Abstract

1/12/71
Date Received

Person Receiving Remittance

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho

ANACONDA, MONTANA, 59711
December 31, 1970

MINE Pope Shenon Ore

SMELTER LOT NO. B – 876 (Dec. a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 4 Trucks | 112,680 | 1.57 | 110,911 | 1.91 | .19 | .001 | | 14.23 | 789.13 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 39.46 | |
| | | | | | | | | | 749.67 | |

SILICA 83.6
ALUMINA 4.4
IRON 4.7
CoO 0.1

COPY

| PAYMENT FOR METALS | | | | | |
|---|---|---|---|---|---|
| Copper | Less .5% | @ | 52.6¢ | Less 3½c | 13.85 |
| Silver | 100% | @ | 141.343¢ | XXXX | .27 |
| Gold | | @ | | | |
| Silica | | @ | | | .11 |
| Date of Quotations | 12/11/70 | | | | |

TREATMENT

BASE

Add – 12¢ for each 1% Iron

Add – 10% of sum of metal payments in excess of $15.00

Deduct – 2.5¢ for each 1% Silica in excess of Alumina

NET TREATMENT

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By A. J. Jerkins

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 13 1971
INITIALS | CODE
30
HK 120
WE 120
130

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 1/5/71 | $23.66 | First Metals Bank & Trust Company Butte, Montana | The Anaconda Company, Butte, Montana | Docket No. OME 6651 Contract 2277 J. Howard Sims Pope-Shenon Mine, Lemhi County, Idaho | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot. No. B-868

January 7, 1971
Date Prepared

Willard P. Puffett
Person Preparing Abstract

1/11/71
Date Received

Signed by I. Holiviak
Person Receiving Remittance

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc.
ADDRESS Box 1433
Salmon, Idaho 83467

ANACONDA, MONTANA, 59711 December 30, 1970

SMELTER LOT NO. B - 868 (December a/c)

MINE ~~Pope Shenon Ore~~

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 1 Truck | 46,180 | 3.3% | 44,638 | 3.84 | .20 | .001 | 5.05 | 28.44 | 634.75 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 161.63 | |
| | | | | | | | | | 473.12 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 23.66 | |
| | | | | | | | | | 449.46 | |

SILICA 73.8
ALUMINA 3.0
IRON 8.4
CaO 0.1

COPY

| PAYMENT FOR METALS | | | | |
|---|---|---|---|---|
| Copper | Less .5% | @ 53.2c | Less 3½c | 33.20 |
| Silver | 100% | @ 143.041c | Less 6c | .29 |
| Gold | | @ | | |
| Silica | | @ | | |
| Date of Quotations 12/4/70 | | | | |

| TREATMENT | |
|---|---|
| BASE | 3.75 |
| Add – 12c for each 1% Iron | 1.01 |
| Add – 10% of sum of metal payments in excess of $15.00 | 1.85 |
| Deduct – 2.5c for each 1% Silica in excess of Alumina + Iron | ~~1.56~~ |
| NET TREATMENT | 5.05 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By A. J. Jerkin

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 11/27/70 | $ 35.04 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company Butte, Montana | OME 6651 Contract 2277 J. Howard Sims Pope Shenon Mine | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot No. B-843

12/1/70
Date Prepared

12/4/70
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Eddington
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc.
ADDRESS Box 1433
Salmon, Idaho 83467
MINE Pope Shenon Ore

RECEIVED DEC 1 1970 SPOKANE

ANACONDA, MONTANA, 59711

November 23, 1970

SMELTER LOT NO. B-843 (Nov. a/c)

| CAR NUMBER | WEIGHTS Pounds Gross | WEIGHTS Per Cent Water | WEIGHTS Pounds Dry | ASSAYS Per Cent Copper | ASSAYS Ounces Silver | ASSAYS Ounces Gold | TREATMENT CHARGE Dollars | PRICE PER TON Dollars | VALUE Dollars | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 2 Trucks | 100,020 | 0.92 | 99,100 | 1.98 | 3.66 | .005 | | 21.21 | 1,050.96 | |
| Quinton Snock, Haul @ $7.00 per ton | | | | | | | | | 350.07 | |
| | | | | | | | | | 700.89 | |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 35.04 | |
| | | | | | | | | | 665.85 | |
| SILICA 81.0 | | | | | | | | | | |
| ALUMINA 3.0 | | | | | | | | | | |
| IRON 5.5 | | | | | | | | | | |
| CaO 0.2 | | | | | | | | | | COPY |

| PAYMENT FOR METALS | | | | | |
|---|---|---|---|---|---|
| Copper | Less .5% | @ 55.6¢ | Less 3½c | 15.42 | |
| Silver | 100% | @ 156.673¢ | Less [illegible] | 5.73 | |
| Gold | | @ | | | |
| Silica | | @ | | .06 | |
| Date of Quotations | 11/06/70 | | | | |

| TREATMENT | |
|---|---|
| BASE | |
| Add – 12¢ for each 1% Iron | |
| Add – 10% of sum of metal payments in excess of $15.00 | |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina | |
| NET TREATMENT | |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

by A. J. Perkins

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

November 17, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Interim Inspection
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 20 1970
INITIALS
gla 1 30
bel 1 20 W
HK 1 20
WE 1 20

I visited the Pope-Shenon mine late in the afternoon of Friday, November 6, 1970. The mine was deserted but smokiness underground attested to recent mining activity. Raises and ore chutes had been installed on the Taft vein east of the main crosscut on the OME level; short raises and ore chutes had been installed on the Pope vein west of the main crosscut. Recently blasted rock indicated a raise had been started on the Taft vein west of the main crosscut. The highest raise on the Taft vein was approximately 40 feet above the level; ladders were not installed to its upper part but the vein could be examined to about 30 feet above the level.

Later I visited Mr. Sims at his home to learn of recent developments at the mine. The new owners, Salmon Copper Mines, had hired two contract miners from Salt Lake City to develop the Pope-Shenon mine. I understood that the miners were discouraged at the low copper content of the ore that had been shipped; smelter settlement sheets show that it ranges between 1.60 and 2.56 percent copper and 0.18 and 1.09 ounces silver per ton. The shipping costs of $7.00 per ton are a large percentage of the dollar value of the ore.

Mr. Sims had not returned the Termination Agreements that I had mailed to him on October 27, 1970. For some reason he thought it necessary to submit the final report before signing the Agreements. After I had explained to him that the final report could be submitted later, he signed the Agreements and I brought them back to Spokane with me and forwarded them to your office on November 9, 1970.

Mr. Sims has been having difficulty getting his consultant to prepare the proper reports, particularly the report that accompanied the last voucher. However, he is hopeful that the final report can be prepared within the next month.

Willard P. Puffett

Willard P. Puffett

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 30 1970

| INITIALS | CODE |
|---|---|
| glr | 130 |
| | 170 |
| AK | 120 |
| WE | 120 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region I, OME

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 11/20/70 | $56.19 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company Butte, Montana | OME 6651 Contract 2277 J. Howard Sims Pope Shenon Mine | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

B-844
(Note that the shipper is Thomas L. Green Box 460 Salmon, Idaho, and not Salmon Copper Mines, Inc. Box 1433, Salmon, Idaho, who made recent shipments from the Pope Shenon mine)
Also note that there has been no deduction at the smelter for shipping costs.

11/25/70
Date Prepared

Willard P. Puffett
Person Preparing Abstract

11/30/70
Date Received

Lorraine E. Gedeiter
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Thomas L. Green
ADDRESS Box 460
Salmon, Idaho
MINE Pope Shenon Ore (Special)

ANACONDA, MONTANA, 59711 Nov. 18, 1970

SMELTER LOT NO. B - 844 (Nov. a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 3 Trucks | 89,870 | 2.42 | 87,695 | 2.92 | 0.25 | .005 | | 25.63 | 1,123.81 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 56.19 | |
| | | | | | | | | | 1,067.62 | |
| SILICA 80.1 | | | | | | | | | | |
| ALUMINA 3.6 | | | | | | | | | | |
| IRON 5.4 | | | | | | | | | | |
| CaO 0.3 | | | | | | | | | | COPY |

| PAYMENT FOR METALS | | | | |
|---|---|---|---|---|
| Copper | less 5% | @ 55.6¢ | Less 3½c | 25.22 |
| Silver | 100% | @ 151.149¢ | Less 6c xxxxx | .38 |
| Gold | | @ | | |
| Silica | | @ | | .03 |
| Date of Quotations | | 10/30/70 | | |

| TREATMENT | |
|---|---|
| BASE | |
| Add – 12c for each 1% Iron | |
| Add – 10% of sum of metal payments in excess of $15.00 | |
| Deduct – 2.5c for each 1% Silica in excess of Alumina | |
| NET TREATMENT | |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

BY A. J. Jerkins

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 25 1970

| INITIALS | CODE |
|---|---|
| gla | 120 |
| | 120 |
| AHR | 120 |
| | |
| | 120-M |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM Willard P. Puffett
Field Officer, Region I

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 11/13/70 | $ 80.58 | First Metals Bank and Trust Company Butte, Montana | The Anaconda Company Butte, Montana | OME 6651 Contract 2277 J. Howard Sims Pope-Shenon Mine | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

B-827

November 18, 1970
Date Prepared

Willard P. Puffett
Person Preparing Abstract

11/23/70
Date Received

Lorraine E. Gladston
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc.
ADDRESS Box 1433
Salmon, Idaho
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 November 10, 1970

SMELTER LOT NO. B - 827 ( Oct. s/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 7 Trucks | 265,390 | 1.16 | 262,311 | 2.54 | .20 | .003 | 3.82 | 19.37 | 2,540.48 | |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 928.87 | |
| | | | | | | | | | 1,611.61 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 80.58 | |
| | | | | | | | | | 1,531.03 | |
| SILICA 74.4 | | | | | | | | | | |
| ALUMINA 4.0 | | | | | | | | | | |
| IRON 7.0 | | | | | | | | | | |
| CaO 0.2 | | | | | | | | | | COPY |

**PAYMENT FOR METALS**

| | | | | | |
|---|---|---|---|---|---|
| Copper | less 5% | @ 59.6¢ | Less 3½c | 22.89 |
| Silver | 100% | @ 152.142¢ | xxxxx | .30 |
| Gold | | @ | | |
| Silica | | @ | | |

Date of Quotations 10/16/70

**TREATMENT**

| | |
|---|---|
| BASE | 3.75 |
| Add – 12¢ for each 1% Iron | .84 |
| Add – 10% of sum of metal payments in excess of $15.00 | .82 |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina & Iron | 1.59 |
| NET TREATMENT | 3.82 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

BY A. J. Perkins

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 19 1970
INITIALS | CODE
Jla 1/30
1/20
1/20
120

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 11/11/70 | $49.81 | First Metals Bank and Trust Company | The Anaconda Company Butte, Montana | OME 6651 Contract 2277 (J. Howard Sims Pope-Shenon Mine) | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

B-828

November 16, 1970
Date Prepared

Willard P. Puffett
Person Preparing Abstract

11/17/70
Date Received

Lorraine G. Lodestro
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines Inc.
ADDRESS Box 1433
Salmon, Idaho 83467
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 Nov. 9, 1970

SMELTER LOT NO. B - 828 (Oct. a/c)

| CAR NUMBER | WEIGHTS Pounds Gross | Per Cent Water | Pounds Dry | ASSAYS Per Cent Copper | Ounces Silver | Ounces Gold | TREATMENT CHARGE Dollars | PRICE PER TON Dollars | VALUE Dollars | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 5 Trucks | 224,830 | 0.61 | 223,459 | 2.18 | .34 | .008 | 3.41 | 15.96 | 1,783.29 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 786.97 | |
| | | | | | | | | | 996.29 | |
| United States Geological Survey, Royalty @ 5% | | | | | | | | | 49.81 | |
| | | | | | | | | | 946.48 | |
| SILICA 75.6 | | | | | | | | | | |
| ALUMINA 4.3 | | | | | | | | | | |
| IRON 6.9 | | | | | | | | | | |
| CaO 0.3 | | | | | | | | | | COPY |

**PAYMENT FOR METALS**

| | | | | |
|---|---|---|---|---|
| Copper | less 5% | @ 59.6¢ | Less 3½c | 18.85 |
| Silver | 100% | @ 152.142¢ | [redacted] | .52 |
| Gold | | @ | | |
| Silica | | @ | | |
| Date of Quotations | 10/16/70 | | | |

**TREATMENT**

| | |
|---|---|
| BASE | 3.75 |
| Add – 12¢ for each 1% Iron | .83 |
| Add – 10% of sum of metal payments in excess of $15.00 | .44 |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina & Iron | 1.61 |
| NET TREATMENT | 3.41 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

BY A. J. Jerkin

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

OFFICIAL COPY
OCT 30 1970
INITIALS CODE
1130
1120
HK 1120
WE 1206

October 27, 1970

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-~~7751~~ 66 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

Enclosed are the original and three copies of a proposed Termination Agreement (two pages) to the subject contract, signed for by the Government.

If the proposed agreement is satisfactory to you, please sign all copies, retain the Operator's copy, and return the others to this office.

If you do not approve any part of the proposed agreement, the original and all copies are to be returned to this office, together with your comments for changing the agreement.

Sincerely,

Enclosures

cc: OME

Willard P. Puffett
Field Officer, OME
Region I

WPPuffett/rc
Director's reading file

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 23 1970
INITIALS | CODE
gr | 130
Bal | 120 M
HR | 120
WE | 120E
| 220

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region 1

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 10/16/70 | $72.78 | First Metals Bank &Trust Company Butte, Montana | The Anaconda Company General Office Butte, Montana | OME 6651 Contract 2277 | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

B-823

Oct. 21, 1970
Date Prepared

Willard P. Puffett
Person Preparing Abstract

10/22/70
Date Received

Lorraine E. Edelston
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc.
ADDRESS Box 1433
Salmon, Idaho 83467
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 October 14, 1970

SMELTER LOT NO. B - 823 (October a/c)

| CAR NUMBER | WEIGHTS Pounds Gross | WEIGHTS Per Cent Water | WEIGHTS Pounds Dry | ASSAYS Per Cent Copper | ASSAYS Ounces Silver | ASSAYS Ounces Gold | TREATMENT CHARGE Dollars | PRICE PER TON Dollars | VALUE Dollars | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 9 Trucks | 345.200 | 0.94 | 341.955 | 2.15 | .16 | .006 | 3.17 | 15.58 | 2,663.83 | |
| Quinton Snook, Haul @ $ 7.00 per ton | | | | | | | | | 1,208.20 | |
| | | | | | | | | | 1,455.63 | |
| United States Geological Survey Royalty @ 10% | | | | | | | | | 72.78 | |
| | | | | | | | | | 1,382.85 | |
| SILICA 78.9 | | | | | | | | | | |
| ALUMINA 3.9 | | | | | | | | | | |
| IRON 6.3 | | | | | | | | | | |
| CaO 0.2 | | | | | | | | | | COPY |

**PAYMENT FOR METALS**

| | | | | |
|---|---|---|---|---|
| Copper | Less .5% | @ 59.6¢ | Less 3½c | 18.51 |
| Silver | 100% | @150.886¢ | — | .24 |
| Gold | | @ | | |
| Silica | | @ | | |

Date of Quotations 10/2/70

**TREATMENT**

| | |
|---|---|
| BASE | 3.75 |
| Add – 12c for each 1% Iron | .76 |
| Add – 10% of sum of metal payments in excess of $15.00 | .38 |
| Deduct – 2.5c for each 1% Silica in excess of Alumina + iron | 1.72 |
| NET TREATMENT | 3.17 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Extensions and footings correct.

"Rates subject to change without notice."

The Anaconda Co., Anaconda Sampler

BY A. J. Jerkin

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 10/23/70 | Kirkemo | 120 |
| | Kielsgaard | |
| | | 220 |
| | | |
| | | |
| | | |
| | | 120 |
| 10/23 | cac | 220 |
| | | 120M |

OCT 23 1970

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Enclosed are the original and three copies of a proposed Termination Agreement (two pages) to the subject contract, signed for the Government. An extra copy of the Termination Agreement is also enclosed for field use.

If the proposed agreement is satisfactory to you and the Operator, all four copies should be signed by Mr. Sims and distributed in the usual manner.

If any part of the proposed agreement does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

A copy of a memorandum from the Associate Solicitor, dated October 23, 1970, also is enclosed for your information.

Harold Kirkemo (GLA)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 10-23-70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

OCT 23 1970

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 23 1970

| INITIALS | CODE |
|---|---|
| gea | 30 |
| bel | 120 |
| | 120 |
| | |
| | |

Memorandum

To: Chief, Office of Minerals Exploration

From: Associate Solicitor--Mineral Resources and General Legal Services

Subject: OME-6551 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemki County, Idaho
Contract 2277

We have approved the attached Termination Agreement for the subject contract.

We note that the assignment dated July 10, 1970 by Mr. and Mrs. Sims to Salmon Copper Mines, Inc. (Salmon Copper) of Mr. Sims' interest in the project area does not refer to or provide for the preservation of the Government's right to a royalty on production and lien for the payment thereof as required by the subject contract. However, it is also noted that the Consent to Assignment between Mr. and Mrs. C. Walker Lyons, the lessors, and Salmon Copper, dated December 10, 1968 does contain a reference to the subject contract; that by letter dated July 11, 1970 J. W. Sullivan, Secretary-Treasurer of Salmon Copper, authorized the Anaconda Company, to whom Salmon Copper is selling the ore from the project area, to pay a 5% royalty to the Government; and we understand that at least two royalty payments have already been received by the Government on ore shipped by Salmon Copper to Anaconda. In view of these facts it is our opinion that Salmon Copper has actual notice of the Government's right to royalty and a lien for the payment thereof, and that the Government's interests are sufficiently protected so as to obviate the necessity of seeking to have the assignment amended to include a reference to the Government's right to royalty.

Your file is returned with this memorandum.

Bruce Wright
Associate Solicitor
Mineral Resources and
General Legal Services

Enclosure

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 20 1970

| INITIALS | CODE |
|---|---|
| gh | 130 |
| bal | 120 |
| HK | 120 |
| WE | 120 |
| | 120 |

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance FROM: Willard P. Puffett
Field Officer, Region

ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remittor | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 10/13/70 | $15.74 | First Metals Bank and Trust Company, Butte, Montana | The Anaconda Company, G neral Office Butte, Montana (J. Howard Sims, Pope Shenon Mine-- Salmon Copper Mines, Inc. Salmon, Idaho) | OME 6651 Contract 2277 | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Lot B-819

Ocober 15, 1970
Date Prepared

10/19/70
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edenton
Person Receiving Remittance
Collection Officer

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc.
ADDRESS Box 1433
Salmon, Idaho 83467
MINE Pope Shenon Ore

ANACONDA, MONTANA, 59711 October 8, 1970

SMELTER LOT NO. B - 819 (Oct. a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 5 Trucks | 227,050 | 0.28 | 226,414 | 1.60 | 0.18 | .002 | 2.82 | 9.80 | 1,109.43 | |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 794.68 | |
| | | | | | | | | | 314.75 | |
| United States Geological Survey Royalty @ 5% | | | | | | | | | 15.74 | |
| | | | | | | | | | 299.01 | |

RECEIVED
OCT 15 1970
O. M. E.
SPOKANE, WASH.

SILICA 76.8
ALUMINA 4.5
IRON 6.1
CaO 0.1

| PAYMENT FOR METALS | | | | | |
|---|---|---|---|---|---|
| Copper | less .5% | @ | 59.6¢ | Less 3½c | 12.34 |
| Silver | 100% | @ | 154.896¢ | ~~Less 3½c~~ | .28 |
| Gold | | @ | | | |
| Silica | | @ | | | |
| Date of Quotations | 9/25/70 | | | | |

| TREATMENT | |
|---|---|
| BASE | 3.75 |
| Add – 12¢ for each 1% Iron | .73 |
| Add – 10% of sum of metal payments in excess of $15.00 | |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina & Iron | 1.66 |
| NET TREATMENT | 2.82 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

BY A. J. Zerbin

# SALMON COPPER MINES, SCM INC.

[illegible] MAIN STREET • P. O. BOX [illegible]

MURRAY, UTAH [illegible] [illegible]
262-4676

FIELD OFFICE
[illegible] MAIN STREET
P. O. BOX [illegible]
SALMON, IDAHO [illegible]

October 6, 1970

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 12 1970
INITIALS CODE
130
120 07
120

Mr. Willard P. Puffet
Office of Minerals Exploration
656 U. S. Courthouse
West 920 Riverside
Spokane, Wn. 99201

Re: Pope Shenon Mine O.M.E. Loan 6651
& Howard Sims

Dear Mr. Puffet:

Pursuant to your request, I am enclosing duplicate photo-copies of Consent to Assignment Agreement by and between C. Walker Lyon et ux and Fred Brough, Lessors and Salmon Copper Mines, Inc. as Lessee. This was a necessary document in December, 1968, since the original Lease carried a non-consent clause on assignment, giving us the right from Lessors to acquire the Lease from J. Howard Sims after we had complied with certain financial requirements during the development work.

A copy of letter to C. R. Fish, Chief Ore Buyer of The Anaconda Company, signed by Howard and myself is also enclosed, dated July 11, 1970, authorizing the deduction of ONE 5% royalty. This letter was drafted the day following the assignment date when we had qualified with the terms for purchasing the mine.

I trust this will complete your file. It took us until September, 1970, to get the mine into production. We expect to receive payment on delivery of between 100 and 150 tons ore on the October 15th Anaconda Sampler date. The November 1st payment should be somewhat more; by that time the first ore chute on the Taft vein, which is looking very promising, will be installed and the shipments should run between 1 and 2 loads per day.

Yours very truly,

Jack Sullivan

J. W. Sullivan, Land Mgr.

SALMON COPPER MINES, INC.
AND
J. HOWARD SIMS
P. O. BOX 1433
SALMON, IDAHO 83467

July 11, 1970

Mr. G. R. Fish, Chief Ore Buyer
The Anaconda Company
Anaconda Reduction Department
Anaconda, Montana 59711

Re: Pope Shenon Mine, Salmon, Idaho

Dear Mr. Fish:

Please be advised that as of this date, Salmon Copper Mines, Inc. is the sole Lessee of the captioned copper mine.

Shipments will commence within about a week on a regular basis and should be credited to:

Salmon Copper Mines, Inc.
P. O. Box 1433
Salmon, Idaho 83467

with the payment check being sent direct to Salmon Copper Mines, Inc. account at the Idaho First National Bank, Salmon Idaho Branch.

This letter is your authorization to deduct 5% of Net Smelter Returns of the amount being mailed to our account, after first deducting smelter and transportation charges, to the U.S.O.S., OME Loan #6651, Spokane, Wn., with two copies of the Anaconda Sampler on each smelter lot.

Also, please mail two copies of the Anaconda Sampler on each smelter lot to our Lessor:

C. Walker Lyon
P. O. Box 250
Salmon, Idaho 83467

Thanking you, we remain

Yours very truly,

SALMON COPPER MINES, INC.

J. W. Sullivan

J. W. Sullivan, Secretary-Treasurer

I hereby acknowledge assignment of the Pope Shenon Mine Lease to Salmon Copper Mines, Inc. and consent to the above instructions.

C. Walker Lyon

## CONSENT TO ASSIGNMENT AGREEMENT

THIS CONSENT TO ASSIGNMENT AGREEMENT, made and entered into this 10th day of December, 1968, by and between [illegible] J. [illegible], an unmarried man, and C. WALKER LYON and [illegible] M. LYON, husband and wife, of Salmon, Lemhi County, Idaho, parties of the first part and hereinafter termed LESSORS, and [illegible] COPPER [illegible], a Nevada Corporation and a subsidiary of Secret [illegible], Ltd., (N.P.L.) party of the second part and [illegible] termed LESSEE.

WITNESSETH:

THAT WHEREAS, The Lessors, on M[illegible] 1966, leased the [illegible] Mine, [illegible] Lemhi County, Id[illegible], to J. Howard Sims [illegible], Idaho, as Lessee, and

[illegible], The Lessee, J. Howard Sims, desires to [illegible] and [illegible] said Lease and Option to Purchase to the Lessee herein [illegible] Lessee assuming all of the payments, conditions and [illegible] of said Lease, and requests that the Lessors give [illegible] to such assignment;

NOW, THEREFORE, The Lessors, for and in consideration of [illegible] of ONE AND NO/100 DOLLAR ($1.00), the receipt whereof [illegible] acknowledged, together with the other considerations [illegible] the terms of the [illegible] Consent to Assignment [illegible] hereby mutually agree with [illegible], to-wit:

I. That the Lessors hereby consent that said [illegible]

[illegible]

[illegible] Co[illegible]

[illegible] they shall [illegible] terms and conditions

[illegible] Lease and Option to Purchase

2. That [illegible] payment to Laura [illegible]Potter of [illegible] royalties, that [illegible] Lease payment [illegible] to the date of [illegible] 1, 196[illegible], [illegible] the payment [illegible] advance royalty in the amount of $300. [illegible] as can thereafter, being December [illegible] December 1[illegible]

3. That [illegible] Mineral Exploration Contract, No. [illegible] discovery by their approved government agency shall be promptly paid out of production or [illegible] and the lessors shall be held harmless from any payment whatsoever concerning such loan.

4. That should there arise any dispute between the parties hereto concerning the Lease, such dispute shall be arbitrated before either party may resort to legal action for settlement of the dispute, provided however, no [illegible]ion shall be required for the nonpayment [illegible] royalty, which shall be paid promptly [illegible] of.

5. That all [illegible] conducted in accordance with the arbi[illegible] that, which is at [illegible] time, [illegible] annotated, [illegible] have or [illegible] arbitration [illegible] shall [illegible] in lieu of [illegible]

[illegible] Purchase [illegible] that if on or before [illegible] 1st day of May, 1[illegible], the Lease is in good standing [illegible] Lessee has paid to the Lessors, or their order, a total [illegible] least $100,000.00 and have constructed and are [illegible] least [illegible] ton per day concentrating mill within [illegible] of the Pope Shenon Mine primarily to mill ores [illegible] and if mining is being diligently pursued in a [illegible]like manner on and in the Pope Shenon Mine, the Lessee [illegible] have the option [illegible] the Lease and Option to [illegible] dated May 1, 1[illegible], until May 1, 1980, and upon such [illegible] being exercised, the total [illegible] purchase price of the [illegible] premises of the Lease shall be raised from $300,000.00 [illegible] total of $350,000.00 with all payments made to the date of [illegible] the Option to apply upon such purchase price.

[illegible] That Section Five, page three, of said [illegible] be [illegible] to provide that at least 240 man shifts [illegible] every calendar six month period, in place of the 40 shifts [illegible].

6. That the [illegible] paragraph Seven, page [illegible] of said Lease, [illegible] Lessee will say [illegible] from [illegible] premises before [illegible] concentrate [illegible] the Lessee's cost [illegible] the [illegible] the [illegible] [illegible] shall [illegible]

the original Lease and Option of this Convey

[illegible] be placed of public record, [illegible] as

[illegible] the Lease and Contract Agreement [illegible]

thereof shall be placed in escrow.

[illegible] escrow account shall be [illegible]

[illegible] Zion, Idaho, for [illegible]

[illegible] and production royalties [illegible]

agreements of the parties, and [illegible]

First minimum [illegible] payment of $[illegible] be

[illegible] the [illegible] Lessee. [illegible]

"Cope Shannon" and was recorded as Instrument No. [illegible]

[illegible] records of Lewis County, Idaho, on the

[illegible], 1987, which said claim was [illegible] the

[illegible] and northerly [illegible]

said Lease of May [illegible], 1984.

[illegible] pertaining [illegible]

[illegible] Lessee shall [illegible]

[illegible], covenants [illegible] of [illegible]

[illegible] 1987, [illegible] [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

STATE OF I[illegible],

COUNTY OF [illegible]

On this _____, in the year 1[illegible], before me, the undersigned, a Notary Public in and for said State, personally appeared [illegible] KER LYON and GRACE M. LYON, known to [illegible] [illegible] [illegible]es are subscribed to the within [illegible] [illegible]ckno[illegible] [illegible] they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the [illegible] year in this certificate first above written.

_____

[illegible] for State of Idaho
Residing at [illegible]mon, Idaho

STATE OF IDAHO, )
) ss.
COUNTY OF LEMHI. )

On this ____ day of _____, in the year 1968, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known to me to be the _____ of the corporation and the person who executed the instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____

Notary Public for State of Idaho
Residing at Salmon, Idaho

RM 9-1648
ARCH 1968

HR. 10/6/70

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

# OPERATOR'S MONTHLY VOUCHER

For Month of June, 1970

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road | | | | | | | | |
| Prepare portal and compressor site, this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| Drive Drift and crosscut ~~111~~ | | 4551.00 | 1742 | 71,422.00 | 80 ft. | 3280.00 | 1658 4) | 67,978.00 |
| Assay Costs | | 22.00 | | ~~132.50~~ | | | 16 | 40.00 2) |
| #05966 Suspension | | | | 100.00 | | | | |
| TOTALS | | $ 4573.00 | | $ 74,224.50 | | $ 3280.00 | | $ 70,588.00 3) |

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 15 1970
INITIALS CODE
ga 130
bel
HR
WC

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

Date 9/30/70 *Payee J. Howard Sims

Per _____ Title operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffett 10/2/70
OME Field Officer Date

1640.00 (13) 14X0804
200.00 14X6875(68)

Approved for: $1,440.00
(SUBJECT TO AUDIT)

Signature [illegible]

Date OCT 14 1970 Vou. No. 12901

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

US 90 76

RECEIVED
U.S. GEOLOGICAL SURVEY
7 OCT 70 10 2 49
[illegible] GOVERNANCE

FOR GOVERNMENT USE

REMARKS

1) Total crosscut and drift on July 26, 1970 = 1806 feet
Total allowed: 1658 feet
see interim inspection report dated 8/5/70

~~2) Disallow cost of 9 assays as the bill for 20.00 is dated 8/12/70, whereas the lease was assigned on 7/10/70~~ H. Kirkemo

3) withhold 200.00 pending receipt of Operator's acceptable final engineering report.

2) Withhold payment until Operator reports width of samples. Cost is accrued from sampling & assaying resulting from contract work and is an allowable expense.
H. Kirkemo

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 5 1970
INITIALS | CODE
| 120
bal | 120 m
October 2, 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Final voucher, request for termination, and assignment of lease.
OME 6651 (Copper)
J. Howard Sims
Pope-Shenon mine
Lemhi County, Idaho
Contract 2277

see left side

Enclosed are three copies of the Operator's voucher for June 1970 and one copy of Assignment of Lease and Option to Purchase, executed by J. Howard Sims and Salmon Copper Mines, Inc.

The Operator, in his narrative report accompanying the voucher, states that he has transferred his lease and the remaining part of the OME contract should be cancelled. The Salmon Copper Mines, Inc., are now shipping ore from the property.

I telephoned Mr. Jack Sullivan, Salmon Copper Mines, Inc., 5217 Major St., Murray, Utah, 84107 (telephone: 801-262-4676) and learned that he and Mr. Sims had instructed the Anaconda smelter to deduct the Government's royalty on ore shipped from the Pope-Shenon mine. It is my understanding that ore shipments started September 25, and that about 6 truckloads had been shipped as of October 1, 1970. To date, no royalties for OME have arrived here.

The Assignment of Lease and Option to Purchase does not include a clause wherein the Government's right to royalty is protected. Mr. Sullivan said that an earlier consent to assignment by the property owners ~~did~~ does? contain such a provision. Mr. Sullivan is going to mail me two copies of the earlier agreement.

On the accompanying voucher, Mr. Sims has claimed 1742 feet of drifts and crosscuts. However, on my inspection of July 26, 1970, I measured 1806 total drifts and crosscuts, of which 1658 were allowable under the contract. Hence, I believe that the Government should participate in the costs of only 1658 feet of drifts and crosscuts, and have so indicated on the vouchers. I've disallowed the costs for 9 assays

because the bill is dated August 12, 1970, more than a month later than the date of the Assignment and Option.

O.K. to allow payment. Essential to contract. H. Kirkwood

I recommend that the contract be terminated as of July 10, 1970, the date of the assignment of the lease, and that the enclosed voucher be considered the final voucher on the project. Withhold $200.00 from this voucher pending receipt of the Operator's final engineering report.

The work done has been successful in finding the downward extension of the Taft vein and the Pope vein. Ore averaging between two and three percent copper is present over minable widths; richer ore is confined to narrow portions of the vein. I recommend that the Government issue a Certification of Possible Production.

Enclosures

Willard P. Puffett

Willard P. Puffett

OME (Orig'l and 1 cpy)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

1290F

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: J. Howard Sims
Salmon, Idaho 83467

| Amount Claimed: | Differences (Explained Below) | Amount Approved |
|---|---|---|
| 4,573.00 | 1,293.00 | 3,280.00<br>1,640.00 Gov. Part.<br>Less 200.00 *<br>1,440.00 |
| Bu. Voucher No. | Payee's Invoice No. | Period |
| | Docket #6651 Contract #2277 | June, 1970 |

EXPLANATION

Total crosscut and drift allowed on this contract was 1658ft. at $41. $67.978.00

Claimed 111ft $4551. Allowed 80 at 41. 3,280.00 1,271.00

Claimed 22.00 for samples Allowed NONE - until reports on widths are received 22.00

1,293.00

* Withholding $200.00 pending receipt of final report.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

ms

Branch of Budget and Finance

September 30, 1970

District Director O.M.E.
U.S. Geological Survey
Spokane, Wn.

Narrative report for Fourteenth period ending June 31, 1970.

COPY

Dear Mr. Puffitt:

This is rather late for a progress report for the month of June, but I have had trouble getting the maps made up and finding out what the outcome of a contemplated sale was to be.

By the end of June I was getting short of working capital and found ore in the mine. Although a lot of ore seemed to be pretty marginal for shipping, I am sure I would not be able to build a mill for concentrating.

I had a chance to transfer my lease which I held from the original owners and come out in pretty fair shape, which I thought was the best way for me to go. This I did.

I believe now that we should cancel the remaining part of the O.M.E. contract, as the present company should not need the balance of the exploration money. I am sure O.M.E. should declare a discovery and collect their royalty from the property. The company has started work and is shipping ore.

I made 111 feet of drift in June and took 11 assays as the my will show.

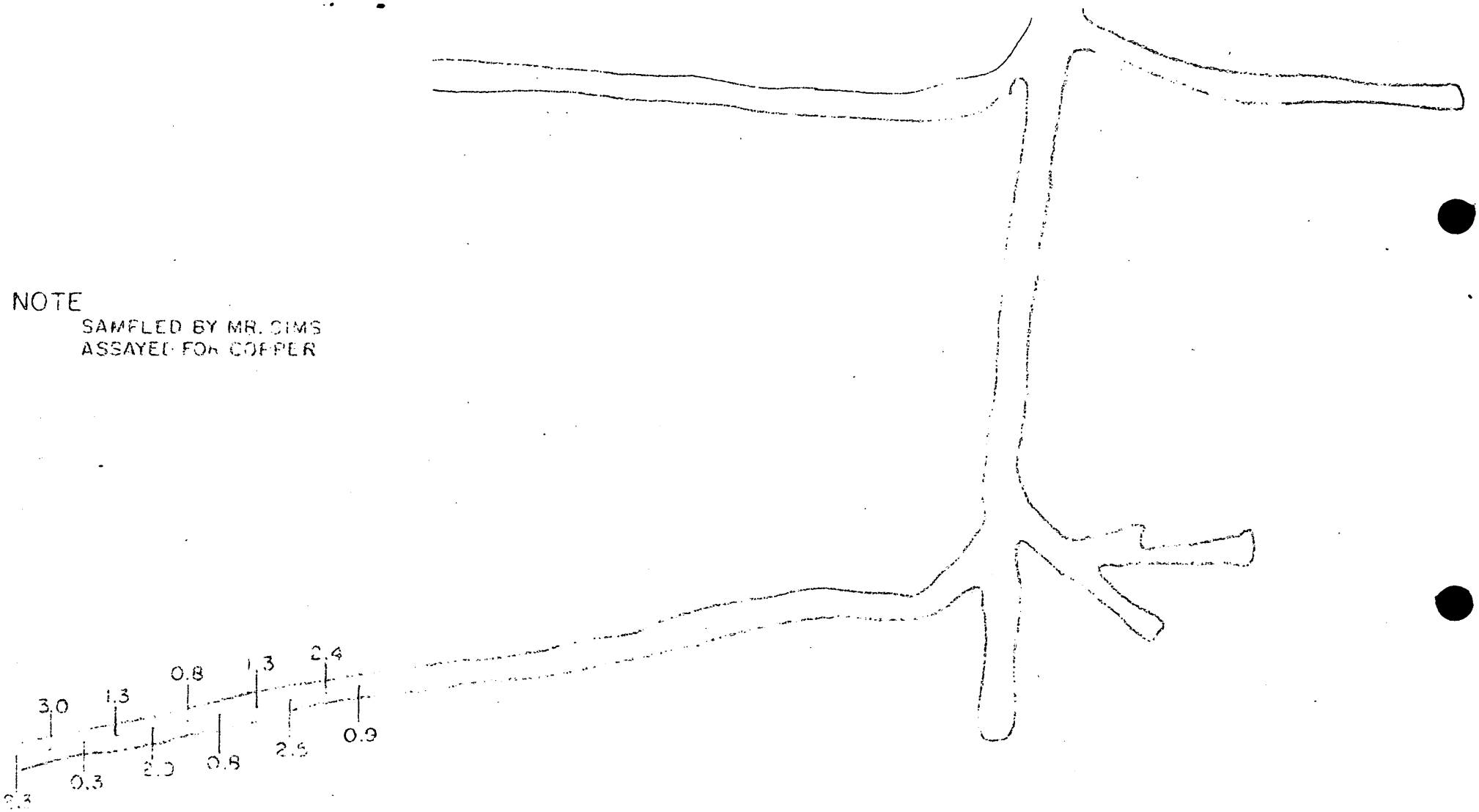
I appreciate the help I have had from your office and the O.M.E. and I hope that I have done a good enough job that I might qualify to do more business with you in the future if the occasion should arise.

Sincerely,

J. Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho.

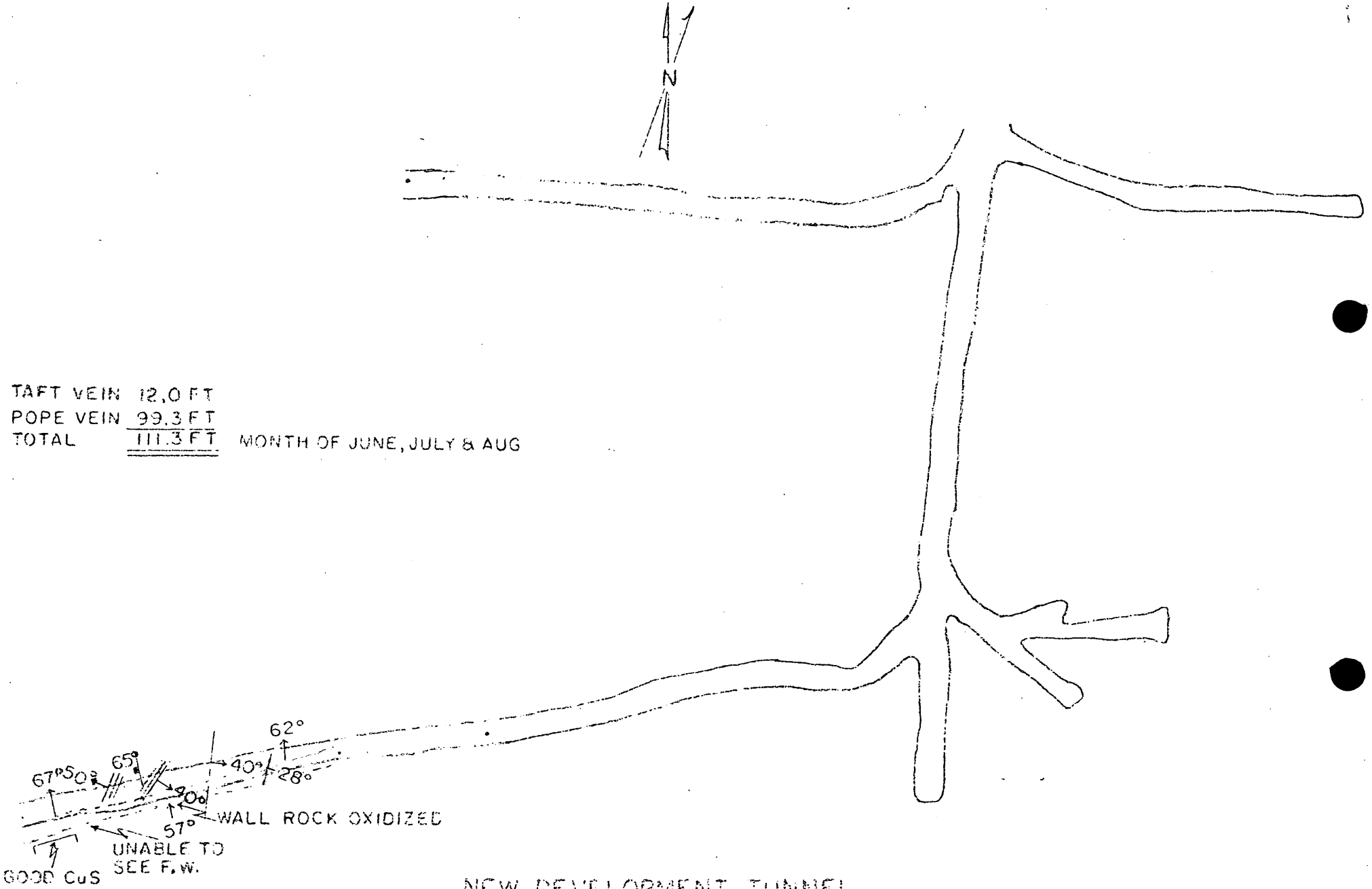
POPE-SHENON MINE
SAMPLES ON POPE VEIN




NOTE
SAMPLED BY MR. SIMS
ASSAYED FOR COPPER

# POPE-SHENON MINE

SHEET NO. 11




| | | |
|---|---|---|
| TAFT VEIN | 12.0 FT | |
| POPE VEIN | 99.3 FT | |
| TOTAL | 111.3 FT | MONTH OF JUNE, JULY & AUG |

NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

# ASSAY REPORT

DATE August 12, 1970

Mr. J. Howard Sims
P. O. Box 686
Salmon, Idaho 83467

NORTH AMERICAN LABORATORIES, INC.
Assayers & Chemists
PHONE 262-5467
5217 MAJOR STREET
P.O. BOX 7305
MURRAY, UTAH 84107

Lab No. 1962 - 72

ASSAY PER TON OF 2000 POUNDS

| DESCRIPTION | GOLD OUNCES | SILVER OUNCES | WET LEAD % | COPPER % | ZINC % | | | | | VALUE OF GOLD PER TON |
|---|---|---|---|---|---|---|---|---|---|---|
| Pope Shenon Mine Samples | | | | | | | | | | |
| #1 | | | | 0.9 | | | | | | |
| #2 | | | | 2.4 | | | | | | |
| #3 | | | | 2.5 | | | | | | |
| #4 | | | | 1.3 | | | | | | |
| #5 | | | | 0.8 | | | | | | |
| #6 | | | | 0.8 | | | | | | |
| #7 | | | | 2.0 | | | | | | |
| #8 | | | | 1.3 | | | | | | |
| #9 | | | | 0.3 | | | | | | |
| #10 | | | | 3.0 | | | | | | |
| #11 | | | | 2.3 | | | | | | |

ON # 1287

CHARGES $ 22.00

BY Hans H. Gassmann

FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY

| | DATE | INITIALS |
|---|---|---|
| O. | | |
| RECEIVED | | |
| AUG | 14 | 1970 |
| INITIAL & CODE | | |
| | 120 | |
| | 12 | |
| | | 20E |
| | 8/10/70 | |

TO: Chief, OME

1.

Re: OME (Copper)

2. J. Howard Sims

Pope-Shenon Mine

3. Lemhi County, Idaho

Ckontract 2277

4.

5. Willard P. Puffett

FROM: Field Officer, Region 1

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS:

Attached is Partial Map of OME Level Pope-Shenon Mine with corrected and added Assay data. A similar map was submitted with my interim inspection report dated 8/5/70

.-DUP. SEC., WASH., D.C. M56300-62

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6651

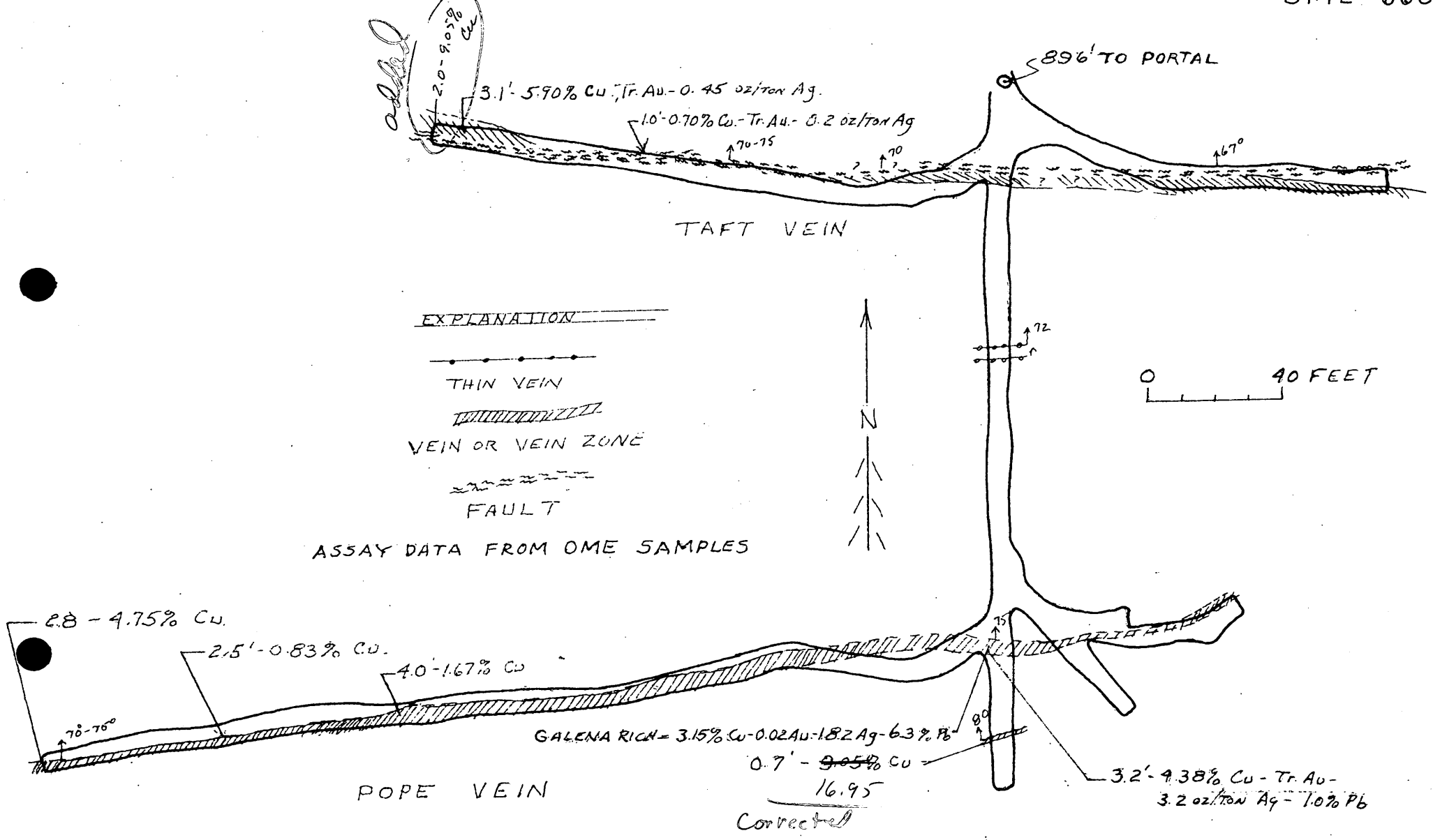



FIGURE 1 - PARTIAL MAP OF OME LEVEL - POPE - SHENON MINE

In red are corrections and additions to map submitted with Interior Inspection report of 8/15/79

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

September 8, 1970

OFFICIAL COPY
G. M. S.
SEP 11 1970
SEC'Y OFFICE
Bel 120 W
HK ~~120~~
120 E

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Interim inspection
OME 6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I visited the Pope-Shenon mine on Saturday, August 29, 1970, and found that there had been no activity there since my last visit on July 26, 1970.

Mr. J. Howard Sims was out of town on a visit to Nevada; however, his son, Sandy, was in Salmon, Idaho, and told me of the current status of the mine. Apparently the mine has been sold to Salmon River Mines, Inc., but the formal agreement had not been signed. It was hoped by Mr. Sims that the new company would be taking possession on Monday, August 31, 1970.

The voucher for the work done in June has not been submitted because the new work had not been mapped by Sims' consultant, who was expected at an early date.

The Salmon River Mines, Inc., apparently are not interested in completing the work outlined in the OME contract. Hence, I told Sandy Sims to request a termination of the contract when he mails to the Government the required two copies of the sales agreement.

The OME work has been successful in finding downward projections of the Taft and the Pope veins, and a Certification of Possible Production should be issued after the contract is terminated.

Willard P. Puffett

Willard P. Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave
Spokane, Wash. 99201

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 7 1970
INITIALS | CODE

August 5, 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Interim Inspection
OME 6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I made an interim inspection of the Pope-Shenon mine on Sunday, July 26, 1970. I mapped the east and west drifts on the Pope vein and the west drift on the Taft vein. Mine cars and a mucking machine were in the east drift on the Taft vein, preventing my making an accurate brunton and tape survey there. I had originally intended to use the drift outline from the maps submitted with the Operator's monthly vouchers but found that my brunton bearings did not adequately match those shown on the Operator's map. After mapping the drifts I measured the length of the main crosscut from the Taft vein to the portal. Figure 1 (Partial Map of OME level, Pope-Shenon Mine) shows the outlines of the workings as I determined them. The Operator has been reporting 1113 feet of main crosscut; however, I was able to measure only 1108 feet. My measurements of the OME workings are as follows:

| | | Allowed |
|---|---|---|
| Main crosscut | 1108 feet | 1108 |
| Taft drift west | 177 " | 177 |
| Taft drift east | 116 " | 116 |
| Pope drift west | 283 " | 155 |
| Pope drift east | 122 " | 102 |
| Total | 1806 " | 1658 feet. |

The contract allows 2,000 feet of drifting and crosscutting; hence, there remains 342 feet of drifting and crosscutting that can be done as part of the project.

Mr. Sims visited me at the mine and disclosed that the mine had been inactive since July 1, 1970. Mr. Sims had been negotiating to sell the mine; presumably the purchaser is to be Salmon River Mines, Inc., a wholly owned subsidiary of Deseret Peak mines of Vancouver, British Columbia. The transaction was to take place soon after August 1, 1970. Mr. Sims was told that the Government should be furnished with two copies of the transaction and that the new owners were to be notified of the Government's interest in the property.

Mr. Sims said that he wanted to complete the contract if the sale was not finalized. His finances weren't sufficient to carry on with the work immediately and he might request a recess of a few months. The contract allows 24 months for completion of the work and I'm sure that the work could be completed within that time even though a recess of 6 months were granted.

I called Mineral Services, Inc., Salt Lake City, Utah (telephone no. 801-266-9079) on Tuesday, August 4, to learn from E. M. Garrick, consultant for Mr. Sims, if the mine had been sold. Mr. Garrick told me that probably the sale would take place on August 15, 1970. I also discussed with Mr. Garrick my problem in making my tape and brunton survey of the workings match the one had had made; I had wondered if his map were from a transit survey. Mr. Garrick said that he would make a transit survey and compile a new map with all the data for transmittal to us.

Sufficient work on the Taft vein has now been done to get a clearer picture of its relationship to the faulting. In the east drift the vein has veered to the right away from a strong fault; in the west drift, the vein reappears along the north side of the fault zone. The fault, a zone of crushed rock about 2 feet thick, appears to have cut and offset the vein and trends nearly due east whereas the vein trends about N. 80° W. Slickensides on the fault surfaces suggest a rake of 55°-60° to the west. The drift to the east should be turned more southeasterly and the drift to the west should be turned more northwesterly. Assay data indicate that the vein contains 2-5 percent copper; however, the full width of the vein cannot be sampled in the east drift as only the hangingwall (north) part of it is exposed.

The west drift on the Pope Vein appears to be gradually pulling away from the main part of the vein; only the north margin of the vein is exposed in the drift (fig. 1). The Operator has failed to systematically sample this vein but the few OME samples show assay values of 0.83-4.75 percent copper. Here again the full width of the vein cannot be sampled as part of it is obscured in the drift wall. The shipments of 150 tons of crude ore made by the Operator in May 1970 presumably were from rock removed from the west drift on the Pope Vein, and these contained 1.75-2.56 percent copper--this might reflect the average copper content of the vein. It is my understanding, however, that the shipped ore was material that had been sorted on the dump.

There is no doubt but that the work completed to date has been successful in proving the downward extension of both the Taft Vein and the Pope Vein. Other thin veins exposed in the crosscut might also be potential sources of ore.

If Mr. Sims sells the mine, I recommend that there be issued a Certification of Possible Production, even though the contract is not completed.

Willard P. Puffett

Willard P. Puffett

Enclosure:
Figure 1 - Partial map of OME Level, Pope-Shenon Mine

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6651

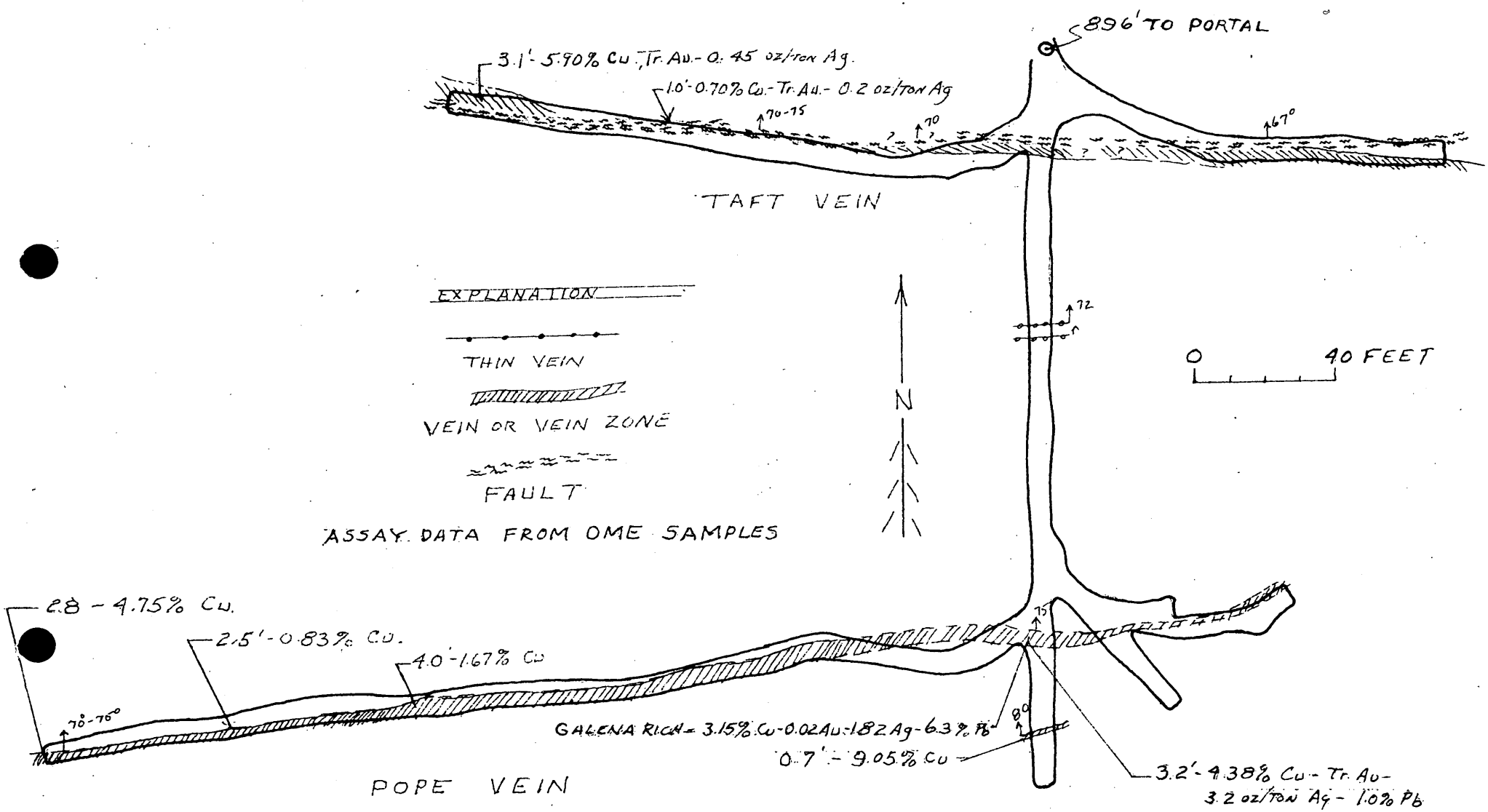



FIGURE 1 - PARTIAL MAP OF OME LEVEL - POPE - SHENON MINE

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERAL XPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Chief, OME | | |
| 2. Re: OME 6651 (Copper) | | |
| 3. ~~J. Howard Sims~~ Pope-Shenon mine ~~Lemhi County, Idaho~~ | | |
| 4. Contract 2277 | | |
| 5. Willard P. Puffett | WPP | |
| FROM: Field Officer, Region I | 7/28/70 | |

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Attached is zerox copy of clipping from Northern Miner (7/23/70) re subject property. Conversation with J. H. Sims on Sunday, July 26-learned that he is hoping to sell the mine-will know for certain by August 1. He realizes that we need two copies of the transaction. My interim report will follow after assays from samples taken 7/26/70 are received. Mine has been inactive since July 1.

INT.-DUP. SEC., WASH., D.C. M56300-62

Northern Miner JULY 23RD, 1970

# Commence shipping at Deseret Peak Idaho property

VANCOUVER — Salmon River Mines Inc., at Salmon, Idaho, a wholly-owned subsidiary of Deseret Peak Mines, commenced shipments on May 5 to the smelter at Anaconda, Montana, according to a progress report by Marvin L. Judd, Deseret Peak president.

Shipments are averaging about 25 tons per day and it is anticipated that this rate will be increased to 100 tons daily. Price received for copper is currently 60¢ per lb. and average grade of material shipped is better than 4% copper.

Operating costs are under $25 per ton, including mining, shipping, smelter charges and administrative expenses, indicating an operating profit of $23 per ton, before taxes, the report states.

Source of the shipments is the Pope Shenon vein, opened by some 1,200 ft. of lateral work completed this past year at a level 250 ft. below earlier workings. This lateral work intersected another parallel vein, known as the Taft vein, estimated to run about 6% copper over minable widths.

Work was directed by D. D. Campbell, of Dolmage and Campbell, consulting geologists, and E. M. Garrick, consultant. Dr. Campbell projected a tonnage of 75,000 tons of over 4% copper. Work is progressing along the Pope vein, which is producing shipping material.

### Other interests

It is planned to examine other properties in the region which have been offered to the company.

No further work is planned at present on the property of Cascade Silver Mines Inc., 85% controlled by Deseret Peak. Further metallurgical work is in progress on material from Davenport Canyon Mines Inc., another 100%-owned subsidiary, towards concentration and separation of platinum group values.

Working capital deficiency of Deseret Peak increased to $303,687 at Apr. 30, 1970, from $217,221 six months earlier, through expenses of $87,466, while income was only $950.

Re: OME 6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

OFFICIAL COPY
O. G. E.
RECEIVED
JUL 30 1970
INITIALS | DATE
gla 1/30
gla 1/20

OME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 7/30/70 | | 120 |
| | Fenwick | 120E |
| | | |
| | | 120M |
| | | |
| | | |
| | | |
| | | |
| | | |

July 30, 1970

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

The Field Officer, Region I, in a telephone call to this office on July 29, 1970, reported as follows on the subject property:

1. The Operator has received financial assistance from either Salmon River Mines, a wholly-owned subsidiary of Deseret Peak Mines, a Canadian firm, or Deseret Peak Mines to help meet its share of costs on the subject contract.

2. Funds were not on deposit to support a check given to the Operator by the assisting firm, so the Operator has had to borrow money to guarantee payment of bills first paid with insufficient funds.

3. As a consequence, the Operator had to stop operations temporarily on July 1, and is trying to obtain additional funds to continue work. If funds are not obtained very soon, Operator will request a recess in contract operations.

4. There is a possibility the Operator may sell the mine to one of the above firms. The decision may be known by August 1, 1970.

5. The Operator understands that two copies of any transaction must be furnished to the Government.

6. Results of work completed on the contract to date warrant issuing a Certification of Possible Production.

7. If the mine is sold, the buyer would have to qualify for the OME program, if the plan is to continue with the OME project.

8. An article from the Northern Miner of July 23, 1970, attached to this memorandum, describes operations by Salmon River Mines, Inc., and shipments of ore from the Pope-Shenon mine.

In view of the foregoing comments, if the mine is sold:

(a) The Operator should furnish the Government with two copies of the papers of transaction;

(b) The buyer, if it wishes to continue operations on the OME contract, would have to qualify for assistance by submitting evidence of its eligibility (bank letters, financial statement, rights to property, etc.);

(c) If buyer qualifies for OME program, an assignment of contract is required; and

(d) If buyer does not qualify to assume responsibility for the OME contract, or if he is not interested in OME assistance, the contract will be terminated effective the last day of operation by the present operator.

(e) Irrespective of whatever actions transpire under items (a) through (d), a Certification of Possible Production is warranted.

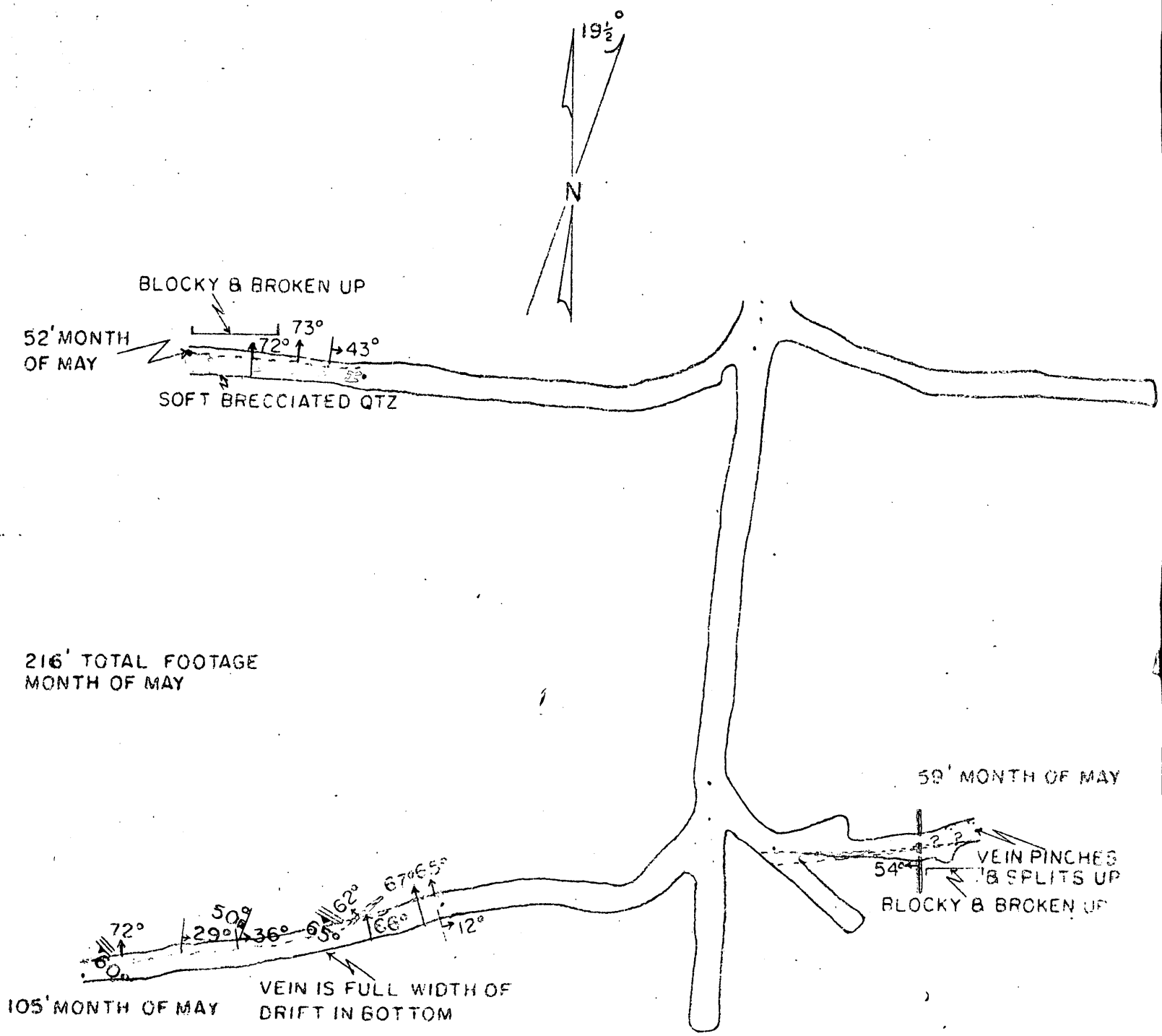
Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 7-30-70

# POPE-SHENON MINE




NEW DEVELOPMENT TUNNEL
SCALE 1" = 40'

June 29, 1970

Contract # 2277

District Director O.M.E.
U.S. Geological Survey
Spokane, Washington.

Narrative Report for Thirteenth period ending May 31, 1970

Dear Sir:

We started the month running both east and west on the Pope vein. Going east, the vein practically disappeared, the ground was broken up and blocky, with just a little pod of pyrite now and then. We ran 59 feet on the east vein and decided to postpone further work at the present time.

We ran 105 feet west on the Pope vein and shipped six truck loads of ore from the drift. The enclosed shipping reports should serve as assays. The ore shipped was tunnel width and had the coarse waste sorted out. Under the last amendment - 61 feet should qualify for O.M.E.

We drifted 59 feet west on the Taft vein and started to get some ore the last 15 or 20 feet.

In all 172 feet should qualify for O.M.E. for the month of May.

I can't see the justification of disallowing 20 feet in the month of April. It was good prospecting.

I am enclosing smelter returns on West Pope vein assays ~~and~~ on West Taft vein - work sheet bill for assays and 5% check for ore shipped.

Sincerely,

J. Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho. 83467

STATEMENT

NORTH AMERICAN LABORATORIES, INC.
5217 MAJOR STREET · P. O. BOX 7305 · MURRAY, UTAH 84107
TELEPHONE: (801) 262-5467

May 23 19 70

MR. J. HOWARD SIMS
POPE SHENON MINE
P. O. BOX 686

SALMON, IDAHO 83467

For: Assays

| | |
|---|---|
| March 4th-Lab Nos 1696-98 | $22.50 |
| May 6th-Lab Nos 1759-74 | 88.00 |
| From 800 Level sampling | $110.50 |

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
JUL 20 1970

HK 7/13/70

# OPERATOR'S MONTHLY VOUCHER

Month of May, 1970

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sins
Address Salmon, Idaho. 83467

| COST ITEMS (FROM EXHIBIT A) | FOR OPERATOR'S USE: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | FOR GOVERNMENT USE ONLY: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
|---|---|---|---|---|---|---|---|---|
| | | $ | | $ | | $ | | $ |
| Extend and repair road | | | | | | | | |
| Prepare portal and compressor site, this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| Drive Drift and crosscut | 172 | 7052.00 | 1631 | 66,871.00 | 172 ft. | 7,052.00 | 1578 ft. | 64,698.00 1 |
| Assay Costs | | 110.50 | | 110.50 | 16 | 40.00 | 16 | 40.00 2 |
| ~~#05966 Suspension~~ | | ~~100.00~~ | | ~~100.00~~ | | 100.00 See below | | ~~100.00~~ 3 |
| | | | | | | 7,092.00 | HK. | 67,308.00 HK. |
| TOTALS | | $ 7,262.50 | | $69,651.50 | | $ 7,192.00 X | | $ 67,408.00 X |

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

Date 7/8/70 *Payee J Howard Sins

Per _____ Title operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffer 7/10/70
OME Field Officer Date

3546.00 (63) 14 X0804
100.00 14 X6875(08)

Approved for: $3,646.00
(SUBJECT TO AUDIT)

Signature MO

Date JUL 16 1970 Vou. No. 10317

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |
| | 1.) Drifting Allowed:<br>For May:<br>Pope Vein West = 77 ft. (205 - 128)<br>Pope Vein East = 43 ft.<br>TAFT Vein West = 52"<br>Total for May 172 ft<br>Total on April Voucher 1406 "<br>Total to date 1578 ft.<br><br>2). Assays allowed only for copper at $2.50/assay<br>Lab. No's. received are 1759-1774 (16)<br>None received for lab. No. 1696-98 (See Bill from North American Laboratories, Inc.)<br><br>3) Receipt of assay data allows payment of $100.00 suspended from February 1970 voucher. |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

10317

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: J. Howard Sims
Salmon, Idaho 83467

| Amount Claimed: | Differences (Explained Below) | Amount Approved |
|---|---|---|
| 7,262.50 | ~~XXXXX~~ 70.50 | 7,092.00<br>3,546.00 Gov. Part.<br>Plus 100.00 *<br>3,646.00 |
| Bu. Voucher No. | Payee's Invoice No. | Period |
| | Docket #6551 Contract #2277 | May 1970 |

EXPLANATION

Claimed $110.50 for Assaying. Allowed for Copper Assays only.
16 Assays at 2.50 $40.00

*Allowing $100.00 disallowed in February.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 14 1970
INITIALS CODE
gh 130
~~120M~~
HK ~~120~~
120M
~~220~~

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Branch of Budget and Finance

FROM: Willard P. Puffett
Field Officer, Region I

- ABSTRACT OF REMITTANCES

| Date | Amount | Bank, City and State | Name of Remitter | Docket & Contract Numbers | Purpose |
|---|---|---|---|---|---|
| 7/8/70 | $80.11 | Idaho First Nat'l Bank, Salmon, Idaho | J. Howard Sims | OME-6651 Contract 2277 | Royalty |

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lots No.s B 743 and B 753

July 10, 1970
Date Prepared

Willard P. Puffett
Person Preparing Abstract

7/13/70
Date Received

Lorraine E. Edenton
Person Receiving Remittance

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc. & J. Howard Simms

ADDRESS Box 686 ANACONDA, MONTANA, 59711 June 2, 1970

Salmon, Idaho

MINE Pope Shenon Ore SMELTER LOT NO. B - 753 (May a/c)

| CAR NUMBER | WEIGHTS Pounds Gross | WEIGHTS Per Cent Water | WEIGHTS Pounds Dry | ASSAYS Per Cent Copper | ASSAYS Ounces Silver | ASSAYS Ounces Gold | TREATMENT CHARGE Dollars | PRICE PER TON Dollars | VALUE Dollars | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 4 Trucks | 202,170 | 1.02 | 200,108 | 2.56 | 1.09 | .011 | 4.19 | 20.90 | 2,091.13 | |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 707.60 | |
| | | | | | | | | | 1,383.53 | |

| | |
|---|---|
| SILICA | 72.3 |
| ALUMINA | 5.9 |
| IRON | 7.5 |
| CaO | 0.4 |

COPY

**PAYMENT FOR METALS**

| | | | | | |
|---|---|---|---|---|---|
| Copper | less 5% | @ 59.7¢ | Less 3½c | | 23.19 |
| Silver | 100% | @ 144.985¢ | ~~xxxxx~~ | | 1.55 |
| Gold | | @ | | | |
| Silica | 91% | @ $35.938 | | | .36 |

Date of Quotations 5/22/70

**TREATMENT**

| | |
|---|---|
| BASE | 3.75 |
| Add – 12¢ for each 1% Iron | .90 |
| Add – 10% of sum of metal payments in excess of $15.00 | 1.01 |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina & Iron | 1.47 |
| NET TREATMENT | 4.19 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

BY [signature]

181-P-15645

# The Anaconda Company, Anaconda Sampler

RECEIVED FROM Salmon Copper Mines, Inc. & J. Howard Simms

ADDRESS Box 686
Salmon, Idaho

ANACONDA, MONTANA, 59711

May 21, 1970

MINE Pope Shenon Ore

SMELTER LOT NO. B - 743 (May a/c)

| CAR NUMBER | WEIGHTS | | | ASSAYS | | | TREATMENT CHARGE | PRICE PER TON | VALUE | Draft No. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pounds Gross | Per Cent Water | Pounds Dry | Per Cent Copper | Ounces Silver | Ounces Gold | Dollars | Dollars | Dollars | |
| 2 Trucks | 103,310 | 1.99 | 101,254 | 1.75 | 0.20 | .003 | 2.89 | 11.46 | 580.19 | |
| Quinton Snook, Haul @ $7.00 per ton | | | | | | | | | 361.59 | |
| | | | | | | | | | 218.60 | |
| SILICA | 77.7 | | | | | | | | | |
| ALUMINA | 5.2 | | | | | | | | | |
| IRON | 6.6 | | | | | | | | | |
| CaO | 0.3 | | | | | | | | | COPY |

| PAYMENT FOR METALS | | | | |
|---|---|---|---|---|
| Copper | less 5% | @ 59.7¢ | Less 3½c | 14.05 |
| Silver | 100% | @ 148.399¢ | [redacted] | .30 |
| Gold | | @ | | |
| Silica | | @ | | |
| Date of Quotations | 5/8/70 | | | |

| TREATMENT | |
|---|---|
| BASE | 3.75 |
| Add – 12¢ for each 1% Iron | .79 |
| Add – 10% of sum of metal payments in excess of $15.00 | |
| Deduct – 2.5¢ for each 1% Silica in excess of Alumina | 1.65 |
| NET TREATMENT | 2.89 |

An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

BY [signature]

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

July 9, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 13 1970
INITIALS | CODE
HK 120

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Interim Inspection
OME 6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I made an interim inspection of the OME workings in the Pope-Shenon mine on Tuesday morning, June 16, 1970. Mr. J. Howard Sims accompanied me underground. On the previous night I visited with Mr. Sims at his home at which time I delivered Amendment No. 1 to him for signing.

Mr. Sims told me that it had been necessary to recess operations at the mine for a couple of weeks in early June, but that work had resumed by June 15. He recessed the work for he was concerned that his funds would be insufficient to meet a complete payroll for the month. The miners work under contract and are guaranteed a minimum of $500.00 per month by Mr. Sims. I mentioned to Mr. Sims that his two previous monthly vouchers had been incorrectly totaled but I had approved them for payment; I did caution him to correctly total the columns on subsequent vouchers.

Mr. Sims showed me the settlement sheets for two shipments of crude ore from the Pope-Shenon mine. One shipment contained less than 2 percent copper and the other less than 3 percent copper. He was advised to submit a check for royalty on the ore sold and to inform the smelter to make direct submittal of royalty to our office.

Underground, I examined the faces of the east and west drift on the Pope vein and the west face on the Taft vein. The Pope vein is 35 inches thick in the west face and is estimated to contain 3 to 4 percent copper in the form of chalcopyrite. The east drift on the Pope vein has veered from following the vein and appears to me to be paralleling the south side of the vein. There are several narrow stringers of quartz and chalcopyrite in the north wall of the drift. Progress had stopped in the east drift, but I advised Mr. Sims that, when work there was resumed, the heading should be turned to more closely follow the vein.

The vein in the west drift on the Taft vein looks very encouraging. The last 15 feet of drift has exposed rich-appearing ore for nearly the full drift width. A bleached (?) light gray dike cuts the vein at a low angle and appears to be post ore. Chalcopyrite is abundant. A sooty black mineral was seen in a few pieces on the muck pile--the material rubbed off on my fingers similar to molybdenite--perhaps it is sooty chalcocite. A sample I cut across the face assayed 0.45 ounces silver per ton and 5.90 percent copper.

The Operator submitted a voucher around the first of July for work that had been done in May. With this voucher was a single map showing results of sampling the Taft vein. The voucher was returned for correction of addition and the maps for extra copies. However, I did copy the assay data and these are shown on the accompanying figure 1 (Partial map OME workings, Pope-Shenon mine).

A royalty check was submitted with the monthly voucher. This was returned to the Operator for correction as it was made out to Office of Minerals Exploration rather than U. S. Geological Survey, and the total remittance was in error.

Willard P. Puffett

Willard P. Puffett

Enclosure:
Fig. 1 - Partial map OME workings, Pope-Shenon mine

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6651 (Cop

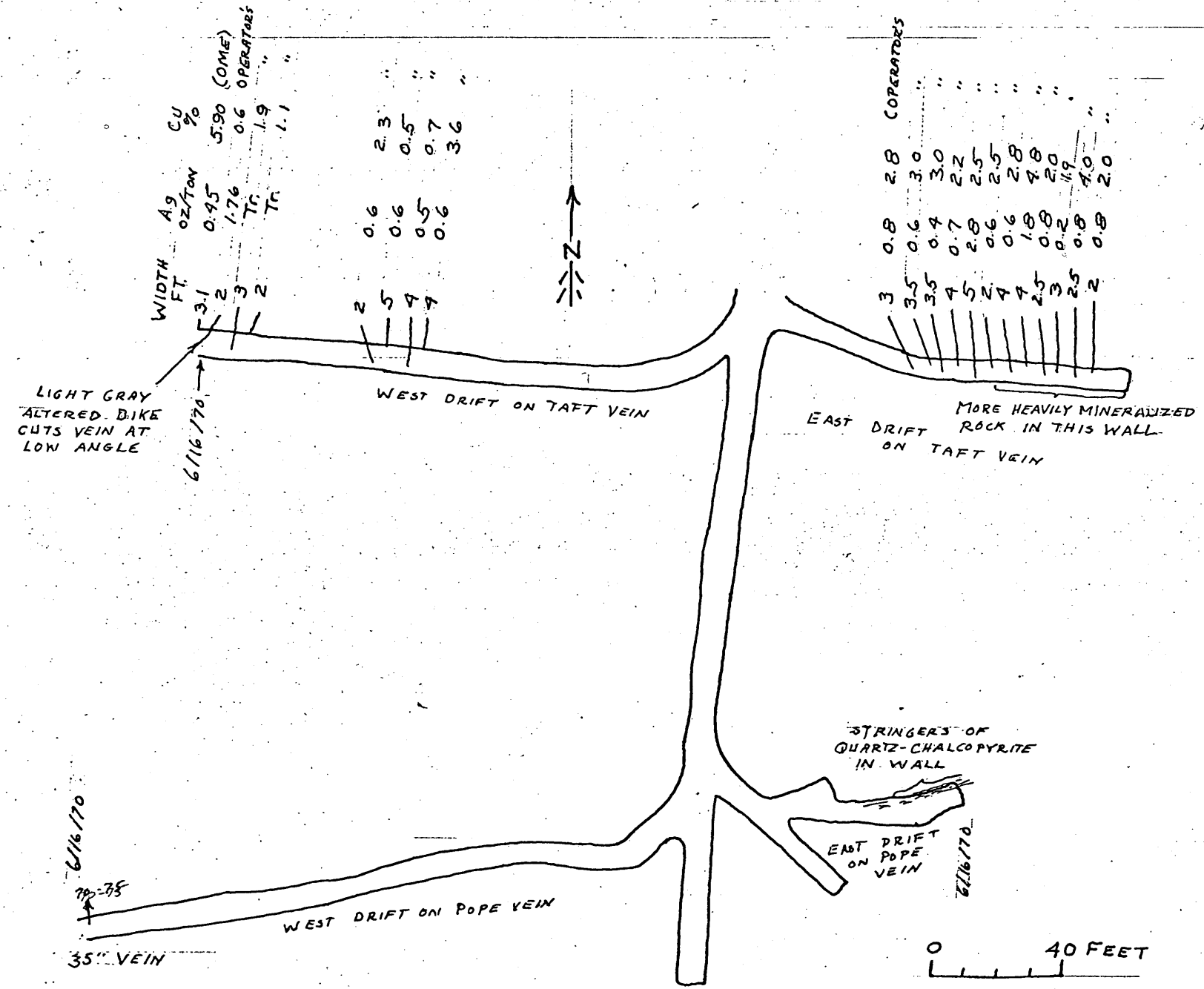



FIGURE 1 — PARTIAL MAP OME WORKINGS- POPE-SHENON MINE
LEMHI COUNTY, IDAHO

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 6 1970

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

July 1, 1970

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

HK 130
gla 120 M
~~120~~

Re: May Voucher
OME 6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. 2277

Dear Mr. Sims:

I am returning your voucher and supporting documents for the work done at the Pope-Shenon mine during May 1970. Also enclosed are 4 unused copies of Form 9-1648 that you might need in resubmitting your voucher.

On your voucher form, please complete the date (May 1970) and correctly total the Costs to Date column. The total you show is only the sum of the last two items but should be the total of all the items shown in the column.

The contract requires that 4 copies of all documents be submitted with the monthly voucher. Heretofore you have been submitting only 2 copies of the map showing the new advance. We have been able to make xerox copies and have not requested the additional 2 copies needed. However, the single map you have submitted showing the location of the samples assayed cannot be reproduced on our xerox machine. Therefore I am returning the map for you to make 3 additional copies.

I appreciate your sending in the check for royalty payment on the shipments of crude ore. The check should be made out to: U. S. Geological Survey. My calculations show that the total amount subject to royalty is $1,602.13, of which 5 percent is $80.11, and not $80.90 as you have indicated on your check. We need 2 copies of the smelter settlement sheet for each shipment. The ones you mailed can be reproduced on our xerox machine; however, please advise the smelter to submit 2 copies hereafter.

There might be some question as to why the ore was shipped by Salmon Copper Mines, Inc. & J. Howard Sims. I call your attention to Article 2(c) of the contract wherein it states that 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."

The disallowance of the 20 feet of drifting in the southeast drift for the month of April was because it was essentially as you state--"prospecting." The vein had been cut and there was no reason to continue, but instead the heading should have been changed to follow the vein. Contract miners, if not adequately supervised, are sometimes more interested in making footage than in following a vein structure.

I urge you to reread your contract and pay particular attention to the provisions regarding documents to be supplied with monthly vouchers and with report of sales. The evidence indicates that you have been careless in adding on your voucher form and have been remiss in not furnishing us with the required copies of maps, etc.

When you resubmit your voucher, if you will include the suspension statement 05966, wherein $~~11.00~~ 100.00 was withheld on your February 1970 voucher pending receipt of assay data, I will be able to credit your voucher for the suspended amount. It is necessary, as shown on the Administrative Suspension Statement, that you return the original, in order for credit to be authorized.

Sincerely,

Enclosures

Willard P. Puffett
Field Officer, Region I
OME

cc: OME

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Assoc. Sol.-MR, Rm. 6554, Interior (Through Rm. 6042 Interior) | | |
| 2. Mr. Kirkemo, Rm. 4460, Interior | | |
| 3. | | |
| 4. | | |
| 5. | | |
| FROM: Chief, OME | 6/2/70 | |

FOR: Check items for action desired

| | | | | | |
|---|---|---|---|---|---|
| x | Action | | Reply for signature of | | |
| x | Approval | | Investigate | | Surname |
| | Comment | | Recommendations | | Signature |
| | Conference | x | Rewrite | | File |
| | Instructions | | Your information | | |

REMARKS:

OME-6651 J. Howard Sims

(Proposed Amendment No. 1 for retyping)

TMO :oo

INT.-DUP. SEC., WASH., D.C. M56300-62

9-1648
RCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

RECEIVED
MAY 18 1970
O. M. E.
SPOKANE, WASH.

OFFICIAL COPY
O. M. E.
JUN 10 1970
FILE CODE

# OPERATOR'S MONTHLY VOUCHER

For Month of April

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| Extend and repair road. | | $ | | $ | | $ | | $ |
| Prepare portal and compressor site, this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 Ft. | 520.00 |
| Drive Drift and crosscut | 56 | 2296.00 | 1459 | 59,819.00 | 36 Ft. 4 | 1476.00 | 1406 Ft. 3 | 57,646.00 |
| TOTALS | | $ 2296.00 | | $ 59,819.00 | | $ 1,476.00 | | $ 60,216.00 31 |

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

Date 5/11/70 *Payee J. Howard Sims

Per _____ Title _____

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Welland O. Pugsley 5/18/70
OME Field Officer Date

(63) 14X0804

Approved for: $ 738.00
(SUBJECT TO AUDIT)

Signature [redacted]

Date [redacted] 8 1970

Vou. No. 071321

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |
| 0927 RECEIVED U.S. GEOLOGICAL SURVEY MAY 26 9 00 AM '70 BUDGET & FINANCE | 1) Disallow 20 feet crosscutting southeast of Pope vein in crosscut branching from main crosscut.<br>2) continue to disallow 33 feet drift to west that was claimed on voucher for March, 1970.<br>3) continue to withhold 100.00 until assay map is submitted that shows location of samples taken on Taft Vein.<br>(Assay data are attached to this voucher)<br>Note that total exceeds total shown on Operator's column due to error in addition by Operator. |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

071321

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: J. Howard Sims
Salmon, Idaho 83467

| Amount Claimed: | Differences (Explained Below) | Amount Approved |
|---|---|---|
| 2,296.00 | 820.00 | 1,476.00<br>738.00 Gov. Part. |
| Bl. Voucher No. | Payee's Invoice No. | Period |
| | Docket #6651 Contract 2277 | April 1970 |

EXPLANATION

Disallowed 20ft crosscutting southeast of Pope vein in crosscut branching from main crosscut.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

May 11, 1970

District Director O.M.B.
U.S. Geological Survey
Spokane, Wn.

Narrative Report for Twelth period ending April 30, 1970.

COPY

Dear Sir:

The month of April was a bad month for forward progress. We experienced numerous minor troubles - but major enough to slow down work. The drift to the east is badly broken up and is hard to determine a definite structure to follow.

We have 109 feet of drift - 56 of which will qualify for O.M.B. participation.

I am enclosing an assay sheet on the Taft vein, both east and west. I have not had anything worthy of an assay on the Pope vein going east.

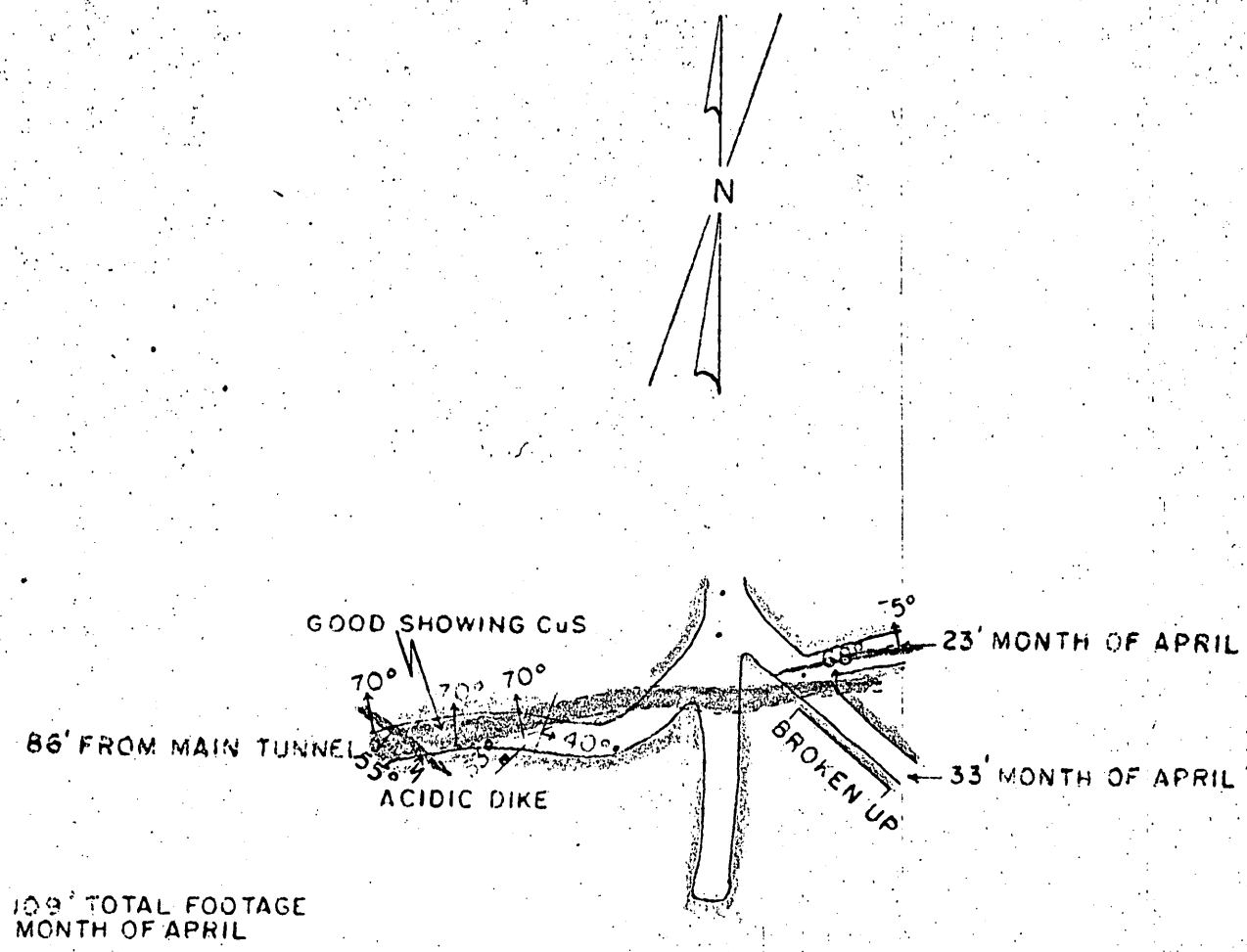
Sincerely,

J. Howard Sims

J. Howard Sims
Box 686
Kellogg, Idaho. 83267

# POPE-SHENON MINE

SHEET NO 9




NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

# ASSAY REPORT

DATE MAY 6, 1970

SALMON COPPER MINES
c/o HOWARD SIMS
P.O. BOX 686
SALMON, IDAHO. 83467

**NORTH AMERICAN LABORATORIES, INC.**
Assayers & Chemists
PHONE 262-5467
5217 MAJOR STREET
P.O. BOX 7305
MURRAY, UTAH 84107

Lab No. 1759 - 1774

ASSAY PER TON OF 2000 POUNDS

| DESCRIPTION | GOLD OUNCES | SILVER OUNCES | WET LEAD % | COPPER % | ZINC % | | | | | VALUE OF GOLD PER TON |
|---|---|---|---|---|---|---|---|---|---|---|
| T.E.- 1 3' | | 0.8 | | 2.8 | | | | | | |
| T.E. - 2 3.5' | | 0.6 | | 3.0 | | | | | | |
| T.E. - 3 3.5' | | 0.4 | | 3.0 | | | | | | |
| T.E. - 4 4' | | 0.7 | | 2.2 | | | | | | |
| T.E. - 5 5' | | 2.8 | | 2.5 | | | | | | |
| T.E. - 6 2' | | 0.6 | | 2.5 | | | | | | |
| T.E. - 7 4' | | 0.6 | | 2.8 | | | | | | |
| T.E. - 8 4' | | 1.8 | | 4.8 | | | | | | |
| T.E. - 9 2.5' | | 0.8 | | 2.0 | | | | | | |
| T.E. - 10 3' | | 0.2 | | 1.9 | | | | | | |
| T.E. - 11 2.5' | | 0.8 | | 4.0 | | | | | | |
| T.E. - 12 2' | | 0.8 | | 2.0 | | | | | | |
| T.W. - 1 4' | | 0.6 | | 3.6 | | | | | | |
| T.W. - 2 4' | | 0.5 | | 0.7 | | | | | | |
| T.W. - 3 5' | | 0.6 | | 0.5 | | | | | | |
| T.W. - 4 2' | | 0.6 | | 2.3 | | | | | | |

CHARGES $ 88.00

BY Hans N. Gunnersen

DRAFT 6/2/[illegible]
HKirkemo/bsl

EXPLORATION CONTRACT
J. HOWARD SIMS
OME-6651

AMENDMENT No. 1

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and J. Howard Sims hereinafter called the "Operator," that Exploration Contract No. 2277 (OME-6651), dated April 8, 1969, is amended effective March 1, 1970, as follows:

In Exhibit A, under the heading Description of the Work, the second paragraph is revised to read as follows:

"The elevation of the portal site shall be about 5,450 feet (or approximately 250 feet below the 500 level adit portal). From the portal site drive a crosscut in an approximately S. 20° E. direction as shown on Figure 1. It is estimated that the crosscut will intersect the Taft vein and the west segment of the Pope-Shenon vein at distances of approximately 800 and 940 feet, respectively from the portal as shown on Figure 2, entitled "[illegible] Pope-Shenon [illegible] Workings and [illegible] Exploration" attached hereto and made part hereof. Drifts shall be driven to the east and west on the west segment of the Pope-Shenon vein. Faulted segments of the vein south of the Pope fault may be recovered by crosscutting and/or by long hole drilling."

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

J. HOWARD SIMS

By_____

Title_____

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/9/70 | Kirkemo | 120 |
| 4/9 | Kirkemo | 120 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | 220 |
| | | 120M |

JUN 9 1970

**AIRMAIL**

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Enclosed are the original and three copies of proposed Amendment No. 1 (one page), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME XX - Mr. Kirkemo
130

BSLong/1 6/9/70

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

May 19, 1970

ORIGINAL COPY
O. M. E.
RECEIVED
MAY 22 1970

| INITIALS | CODE |
|---|---|
| gla / | 30 |
| Bal / | 120 |
| | 120 |
| | |
| | 120 |

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Interim inspection and request for Amendment
OME 6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I visited the Pope-Shenon mine on Thursday morning, May 14, 1970, in the company of Mr. J. Howard Sims and his son. The drifts and crosscuts exploring the Pope vein were examined. Figure 1 shows the extent of the new workings and their location relative to higher levels of the mine.

The drift to the west from the OME crosscut has followed the Pope vein for 128 feet. In the face the vein was about 2 feet thick and composed of quartz and chalcopyrite--no galena was seen. Dirt obscures the vein along much of the drift, but the Operator's map shows that the vein is continuous. Two truckloads of ore had been shipped to the Anaconda smelter and a third shipment is planned. A telephone conversation with Mr. Sims on May 18 revealed that after two more rounds advance to the west the vein widened to the full width of the drift and ten mine-car loads of ore had been recovered.

The crosscut to the southeast went through the vein and into barren wall rock for 20 feet beyond the vein. The Operator claims that the vein was not recognized in the crosscut. A drift to the east followed a thin altered dike for about 3 rounds. At that time, the Operator's geologist arrived at the mine and redirected the east drift to follow the narrow vein that had been crossed. When I inspected the drift, a narrow, sparsely mineralized, quartz-filled joint was near the central part of the drift face; the miners thought this was the vein to be followed. A brief inspection disclosed that the true vein was exposed along the north wall of the drift about 5 feet back from the face. This vein can be traced westward in the back and walls of the drift and undoubtedly is the eastern extension of the vein being followed in the west

drift. The Operator was advised to redirect the bearing of the east drift to follow the vein. The later telephone conversation revealed that two more rounds along the vein had failed to expose more than a few narrow stringers of chalcopyrite and quartz.

As of May 14, 1970, the total footage completed in the OME adit was as follows:

| | Completed | Allowed |
|---|---|---|
| Main crosscut | 1,113 feet | 1,113 feet |
| Taft drift east | 116 " | 116 " |
| Taft drift west | 115 " | 115 " |
| Pope drift west | 128 " | 0 " |
| Pope drift east | 101 " (55 crosscut, 46 drift) | 81 " * |
| | | 1,425 " |

* 20 feet of crosscut to the southeast disallowed.

The work authorization dated February 25, 1970, permits a total of 300 feet of drift along the Taft vein; there remains 69 feet of drift on this vein under the contract if the Operator desires to do so.

The Operator has asked that drifting to the west on the Pope vein be allowed as part of the contract. The vein is strong and ore-bearing and appears to be along the down-plunge projection of an ore shoot mined on the 600 and 500 level. Drifting to the east has revealed that the vein is narrow, somewhat indefinite, and definitely sub-ore grade.

The last sentence in the second paragraph under Description of the Work specifically states that the Pope vein be drifted on to the east until the Pope Fault is intersected, after which a crosscut should be made to the offset portion of the vein.

I recommend that the wording be amended to permit drifting to the west and to the east on the Pope vein and, if the Pope Fault is intersected, a crosscut may be driven to explore offset portions of the vein. This will permit the Operator to more fully explore the western part of the vein under terms of the contract.

The Operator was advised to drill one or two longholes into the face of the main crosscut to search for the fault and for possible offset segments of the Pope vein. He was also advised to drill longholes to the south from the west Pope vein drift to explore for extensions of the rich vein exposed near the sill of the main crosscut. Figure 1 shows that the face of the east drift is now near to the downward projection of the Pope Fault; also the face of the main OME crosscut is near to the projected position of the fault. If the longhole drilling is successful in finding offset portions of the Pope vein, a short extension of the main crosscut to the south would be of greater advantage than extending the east drift to follow narrow, low-grade stringers.

Pending receipt of a decision regarding an amendment, the Operator plans to discontinue the drift to the east on the Pope vein and to continue drifting to the west on both the Taft and Pope veins.

Enclosure

Willard P. Puffett

Willard P. Puffett

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6651 (COPPER)

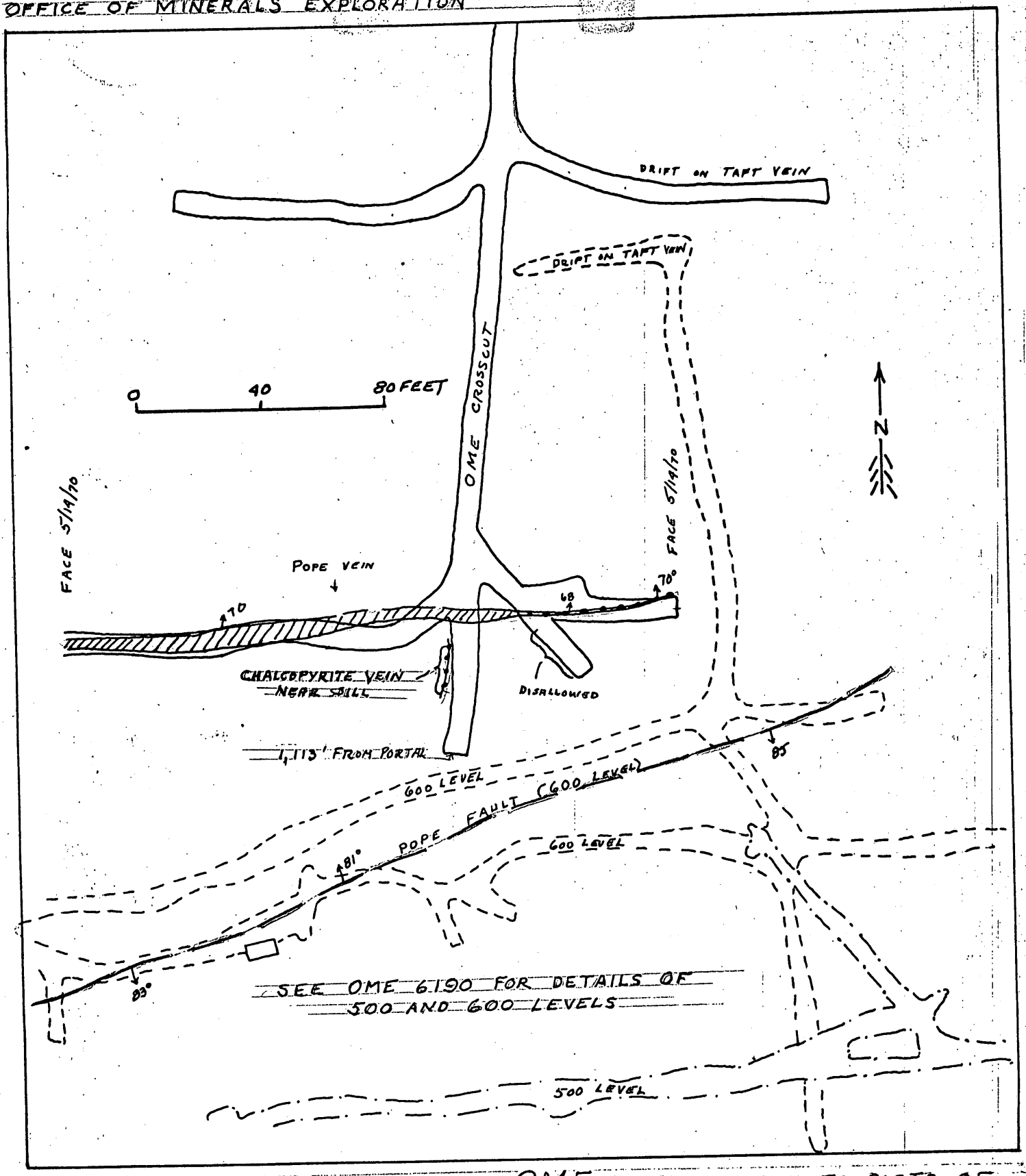



FIGURE 1 - MAP SHOWING VEINS ON OME LEVEL RELATIVE TO PARTS OF 600 AND 500 LEVELS - POPE-SHENON MINE, LEMHI COUNTY, IDAHO

9-1648
1968

APR 20 1970
O. M. E.
RECEIVED

INITIALS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

RECEIVED
APR 7 1970
O. M. E.
SPOKANE, WASH

# OPERATOR'S MONTHLY VOUCHER

For Month of March

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road prepare portal and compressor site - this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| Drive Drift & crosscut | 98' | 4018.00 | 1403 | 57,523.00 | 65 ft. 1/ | 2 665.00 | 1370 ft. | 56,170.00 |
| TOTALS | | $ 4018.00 | | $ 57,523.00 | | $ 2,665.00 | | $ 58,740.00 2/ |

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

Date 4/3/70 *Payee J. Howard Sims

Per _____ Title Operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Ruffett 4/7/70
OME Field Officer Date

(63) 14X0804

Approved for: $ 1332.50
(SUBJECT TO AUDIT)

Signature MS

Date APR 17 1970 Vou. No. 06197

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

FOR GOVERNMENT USE

REMARKS

1/ disallowed 33 ft drifting; can be reclaimed at later date.

2/ continue to withhold $100 from assaying costs.

0 6 7 5 0 8

RECEIVED U.S. GEOLOGICAL SURVEY APR 14 10 31 AM '70 SUCCEL, WASHINGTON

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Vouch

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: J. Howard Sims
Salmon, Idaho 83467

| Amount Claimed: | Differences (Explained Below) | Amount Approved |
|---|---|---|
| 4,018.00 | 1,353.00 | 2,665.00<br>1,332.50 Gov. Part. |
| **Bu. Voucher No.** | **Payee's Invoice No.** | **Period** |
| | Docket #6651 Contract #2277 | March, 1970 |

EXPLANATION

Claimed 98ft. Drift & Crosscut
Allowed 65ft at 41.00,ft.

4,018.00
2,665.00
1,353.00

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

April 3, 1970

RECEIVED
APR 7 1970
O. M. E.
SPOKANE, WASH.

District Director O.M.E.
U.S. Geological Survey
Spokane, Wn.

Narrative Report for Eleventh period ending March 31, 1970.

COPY

Dear Sir:

Our forward progress has been slow this month due to the fact that we needed some outside work and our ventilation system was becoming inadequate. So we put one shift outside and only worked one shift in the mine which drove ahead from the Pope vein to be sure we were not missing anything. We also side-swiped the drift preparatory to drifting and installed switches, etc.

I appreciate your position about drifting west on the Pope vein, but it was necessary that we side-swipe both sides and prepare for future work before we could economically bring up our installations such as air vent and water lines. I will let you be the judge whether or not all of this complies with the O.M.E. contract.

I am sure the prospect justifies the installation of a new ventilation system and expect to install one next week.

Sincerely,

J. Howard Sims

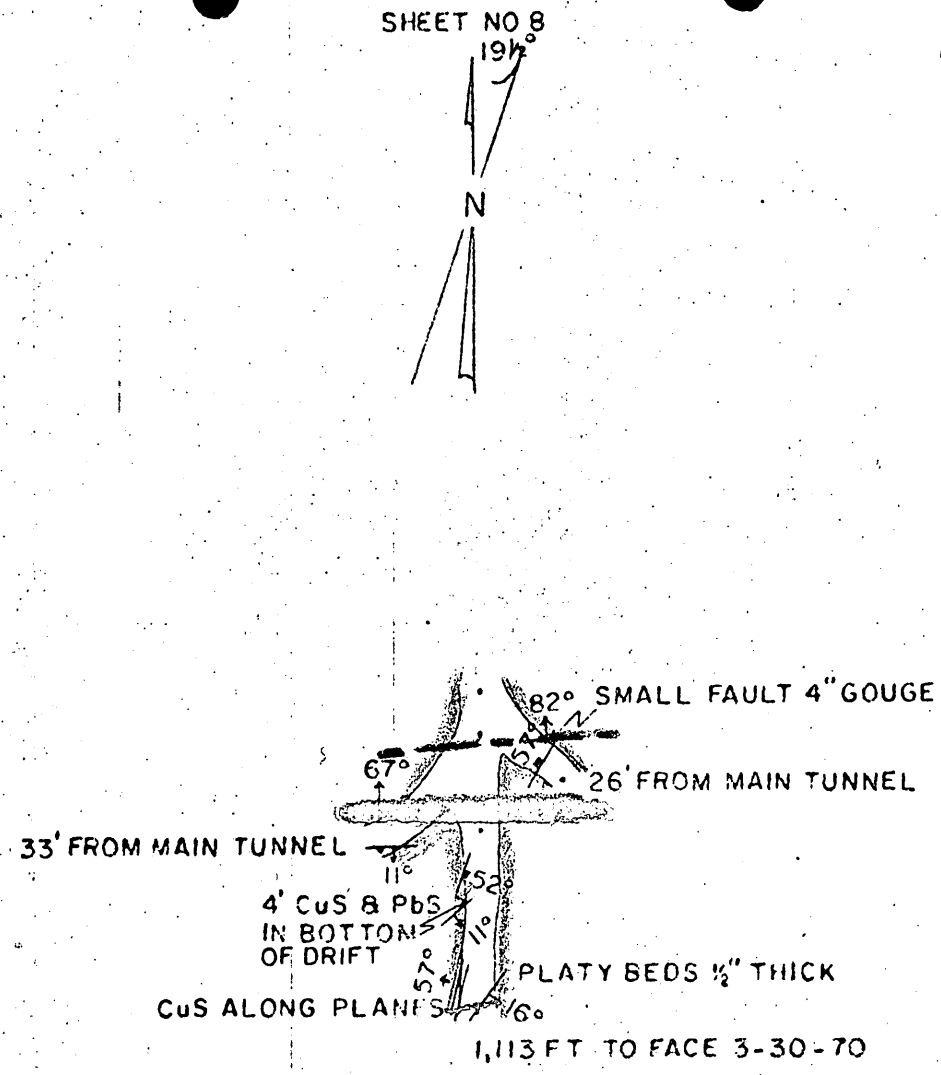
J. Howard Sims
Box 686
Salmon, Idaho. 83467

# POPE-SHENON MINE

SHEET NO 8

RECEIVED
APR 7 1970
O. M. E.
SPOKANE, WASH.

06197




NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

# OPERATOR'S MONTHLY VOUCHER

For Month of February

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| COST ITEMS (FROM EXHIBIT A) | FOR OPERATOR'S USE: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | FOR GOVERNMENT USE ONLY: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
|---|---|---|---|---|---|---|---|---|
| | | $ | | $ | | $ | | $ |
| Extend and repair road prepare portal and compressor wite - this includes lobor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 feet | 520.00 |
| Drive Drift | 191 | 7831.00 | 1305 | 53,505.00 | 191 ft. | 7831.00 | 1305 feet | 53,505.00 |
| TOTALS | | $ 7831.00 | | $ 53,505.00 | | $ 7,831.00 [1] | | $ 56,075.00 [2] |

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

Date 3/9/70 *Payee J. Howard Sims

Per _____ Title Operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard R. Puffett 3/16/70
OME Field Officer Date

3,915.50 (63) 14X0804
100.00 14X6875(08)

Approved for: $ 3,815.50
(SUBJECT TO AUDIT)

Signature mo

Date APR 8 1970 Vou. No. 05966

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS<br>1 Withhold $100.00 Contract requires samples every 5 feet in significantly mineralized areas. Two samples collected and assayed (see January 1970 voucher). Samples required = 42. 40 x $2.50 (allowed per sample) = $100.00 This can be reinstated if samples are collected and assayed.<br>2 Operator incorrectly added totals for costs to date. |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: J. Howard Sims
Salmon, Idaho 83467

05966

| Amount Claimed: | Differences (Explained Below) | Amount Approved |
|---|---|---|
| 7,831.00 | 100.00 | 7,831.00<br>3,915.50 Gov. Part.<br>- 100.00<br>3,815.50 |
| Bu. Voucher No. | Payee's Invoice No. | Period |
| | Docket 6651 Contract #2277 | Feb. 1970 |

EXPLANATION

Withholding $100.00 for Samples. Contract requires samples every 5 feet in significantly mineralized areas.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

March 9, 1970

District Director O.I.E.
U.S. Geological Survey
Spokane, Wn.

O.I.E. 6651-Copper
Contract #2277

Narrative Report for Tenth period ending February 28, 1970

COPY

Dear Sir:

We had a much more interesting month in February than we have had for some time. We drifted both east and west on the Taft vein and finally intercepted the Pope Shenon vein. Although there was no profit, prospects look much brighter, which the enclosed maps should indicate.

Our project engineer, Mr. Garrick, said he would call on the phone and explain the assay situation to you.

We had 191 feet of forward progress.

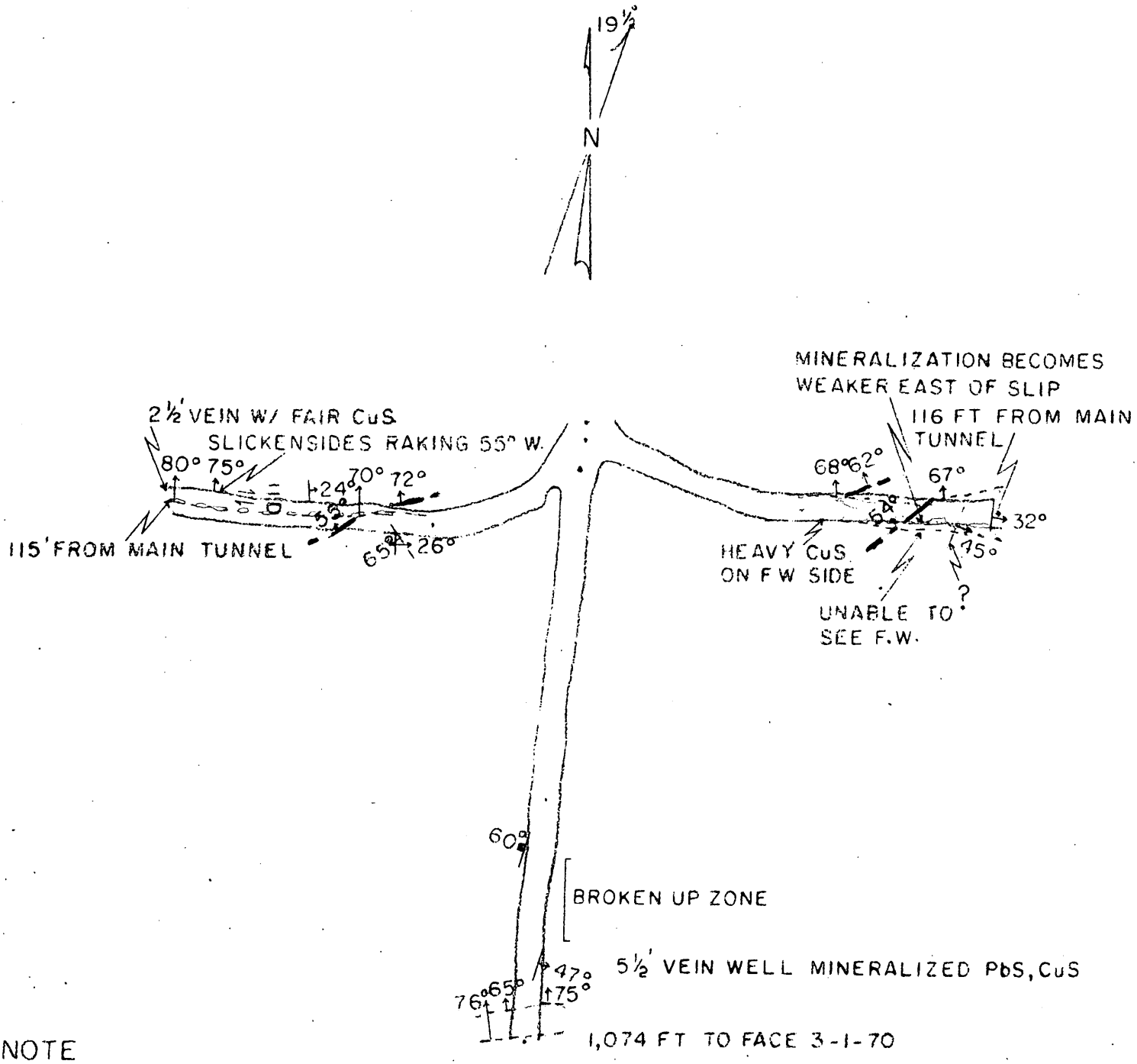
Sincerely,

J. Howard Sims

J. Howard Sims
Box 606
Salmon, Idaho. 83467

# POPE-SHENON MINE

SHEET NO. 7




NOTE

TOTAL FOOTAGE
MO. OF FEB. 191'

NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 31 1970
INITIALS | CODE
glo | 130
Geol | 120
WC | 120
ej | 120

March 25, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Interim inspection
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I made an interim inspection of the OME work at the Pope-Shenon mine on Thursday, March 12, 1970. Prior to going to the mine from Salmon, Idaho, I visited Mr. Sims at his home in Salmon and discussed the current status of the project work. His son, "Sandy," accompanied me underground at the mine. For the following discussion, reference should be made to the maps that accompanied the Operator's monthly vouchers for January and February 1970 and to geologic maps accompanying the application of Western Mineral Corporation (OME 6190) and the final field team report on Centrida Mines, Inc. (DMEA 3112).

Four miners were working at the mine; two were working underground and the other two were preparing an ore bin near the dump. Only one shift per day was working underground, but after a larger fan is installed for increased ventilation, two shifts per day will be reinstated.

The OME crosscut had been extended to 29 feet south of the Pope Shenon vein or to a total length of 1105 feet. The east and west drifts on the Taft vein had not been extended since the first of March (see Operator's monthly report for February 1970).

The Taft vein in the east drift consists of several stringers of quartz and chalcopyrite in siliceous quartzite. There is 10-15 inches of bleached (sericitized?) quartzite along the footwall of the vein. The hangingwall is limonite-stained and brecciated and contains fragments of bleached and sericitized quartzite. At the face the vein is at least 5 feet thick, and the footwall is not exposed. The lower (footwall) part of the vein is the most heavily mineralized. Bright red clay is common on many of the fracture surfaces; according to Mr. Sims, this red clay indicates richer ore. Although some galena was seen in the vein where it was crossed by the OME crosscut, no galena was seen in the east drift.

The Taft vein in the west drift is not as continuous as in the east drift and consists of lenses of chalcopyrite-rich material either along the footwall of a fault or as lenses in dark gray quartzite separated from the fault by 1-6 feet of barren quartzite. The fault, a brecciated zone at least 16 inches thick, is marked by slickensides that rake 50° W. (Mr. Sims believes that the ore shoots in the upper levels of the mine have a similar rake).

The Pope Shenon vein in the OME crosscut is similar to the Taft vein in having galena in its lower or footwall portion. The vein consists of about 4 feet of quartz stringers in quartzite, underlain by a 3-foot zone of sulfides. The mapped strike and dip is shown on the Operator's monthly report map.

Three samples were taken for assay. Sample 851 B is a channel cut across the Pope Shenon vein on the west wall of the crosscut. Sample 852 B is selected galena-rich material from near the footwall of the Pope Shenon vein on the west wall of the crosscut. Sample 853 B is a channel cut across the brecciated and limonite-stained fault zone on the hangingwall of the Taft vein in the west drift face. Assay results are as follows:

| Sample No. | Width inches | Au oz/ton | Ag oz/ton | Pb Percent | Cu Percent |
|---|---|---|---|---|---|
| 851 B | 38 | Tr | 3.2 | 1.0 | 4.38 |
| 852 B | - | 0.02 | 18.2 | 6.3 | 3.15 |
| 853 B | 12 | Tr | 0.2 | nil | 0.70 |

These assay data indicate that the silver-lead ratio in the Pope Shenon vein is 3 ounces of silver to 1 percent lead, and that the fault on the hangingwall of the Taft vein is only sparsely mineralized.

Examination of maps with the application for OME 6190 indicates that the faulted segment of the Pope vein might be cut if the OME crosscut is extended a few more feet. The contract specifies, however, that the vein should be explored by drifting to the east until the Pope fault is intersected, and then a crosscut would explore the offset part of the vein.

The Operator was advised to discontinue the OME crosscut and to start drifting on the Pope Shenon vein. He might drift both to the east and to the west simultaneously, for the vein does look good in both walls of the drift. He has been advised in writing, however, that no drifting to the west on the vein can be authorized until the Pope fault is crossed in the east drift.

There is good reason to believe that the exploration project is successful and will result in a Certification of Possible Production. The two veins that were targets of the exploration have been intersected and appear to be of ore grade. (The Operator believes that he can ship 4 percent copper ore at a profit.)

Willard P Puffett

Willard P. Puffett

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

OFFICIAL COPY
U. M. E.
RECEIVED
MAR 23 1970
MILLS/CODE

March 16, 1970

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME 6651 (Copper)
Pope-Shenon mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

I cannot authorize drifting to the west on the Pope vein before the drift on the vein to the east has cut through the Pope fault. The purpose of the contract is to explore the Pope vein on the new level and to explore its offset segment east of the Pope fault. Drifting on the Pope vein westerly from the OME crosscut might be authorized after the other exploration is complete, providing that footage remains.

The contract requires that significantly mineralized areas traversed by the exploratory workings shall be sampled at linear intervals of not more than 5 feet. It is implicit that these samples be taken during the advance of the workings in order for the assay data to be used in appraising the project, as work progresses. According to my calculations, there should have been a total of at least 42 samples. Your voucher for January lists two samples; your voucher for February indicates no more samples. Rather than disallowing credit for the entire drift on the Taft vein, I am requesting that the allowable $100.00 for the needed 40 samples be withheld until such samples have been taken, assayed, and reported.

Sincerely,

Willard P. Puffett
Field Officer, Region I
OME

cc: OME

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

February 27, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1970
INITIALS CODE
gla 30
bsl 20
HK 120
GP 120P

Mr. Jack Sullivan, Salmon Copper Mines, P.O. Box 7305, Murray, Utah 84107, telephoned me today to discuss the current status of the exploration project at the Pope-Shenon mine. According to a brief article in the February 6, 1969, issue of the Northern Miner, Salmon Copper Mines is a subsidiary formed by Deseret Peak Mines, a Canadian firm, to develop the Pope-Shenon mine.

Mr. Sullivan advised me that Salmon Copper Mines had been providing the capital for Mr. Sims to finance his share of the OME exploration project at the Pope-Shenon mine. Apparently no formal agreement had been made according to which Mr. Sims transferred title or interest in the land to Salmon Copper Mines, and repayment by Mr. Sims will be as royalties on smelter returns of future production.

Some ore is blocked out on the 400 level and the company plans to start shipments soon. They plan to drive a raise on the Taft vein to the 600 level from the OME crosscut and this will be used as an ore pass for production from higher levels. Mr. Sullivan advised me that the smelter will be instructed to mail us royalties.

Willard P. Puffett
Willard P. Puffett

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

February 25, 1970

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

COPY
O. M. E.
RECEIVED
MAR 2 1970
INITIALS CODE
~~1130~~
~~1120~~
~~1120~~
~~1120~~

Work Authorization
Re: OME 6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

This will authorize you to continue drifting on the Taft vein an additional 100 feet, making a total of 300 feet of drift along the vein. According to our telephone conversation this morning, the Taft vein continues west from the OME crosscut and at 100 feet is about 3 feet thick and contains 2 to 3 percent copper; east from the crosscut the Taft vein is continuous and at 100 feet is about 3 feet thick and contains about 10 percent copper.

This authorization will permit you to extend both the east and west drifts on the Taft vein an additional 50 feet; however, should the vein pinch out in either drift before the 50 feet is reached, the unused footage can be applied to the other drift.

Sincerely,

Willard P. Puffett
Field Officer, Region I
OME

cc: OME (2)

Telephone 363-3302

Hand Sample Serial 2672

Mine J. Howard Sims
Box 686
Salmon, Idaho 83467

ASSAY REPORT

# UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

RESULTS PER TON OF 2000 POUNDS Jan. 26, 1970

| NUMBER | GOLD Ozs. per Ton | SILVER Ozs. per Ton | LEAD Wet on Ore | COPPER Per Cent | INSOL. Per Cent | ZINC Per Cent | SULPHUR Per Cent | IRON Per Cent | LIME Per Cent | Per Cent | Per Cent |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 16" ore on main tunnel on Taft Vein | | 1.72 | 1.9 | 5.56 | | | | | | | |

*Remarks* White Material appears to be Quartz. Charges: $8.00 Paid Check $6.00 Balance Due $2.00

*Charges $* 8.00

Glen P. Williams

# ASSAY REPORT

DATE Feb. 7, 1970

Pope Shenon Mine
J. Howard Sims
P. O. Box 686
Salmon, Idaho 83467

**NORTH AMERICAN LABORATORIES, INC.**
Assayers & Chemists
PHONE 262-5467
5217 MAJOR STREET
P.O. BOX 7305
MURRAY, UTAH 84107

Lab No. 1685 - 86

ASSAY PER TON OF 2000 POUNDS

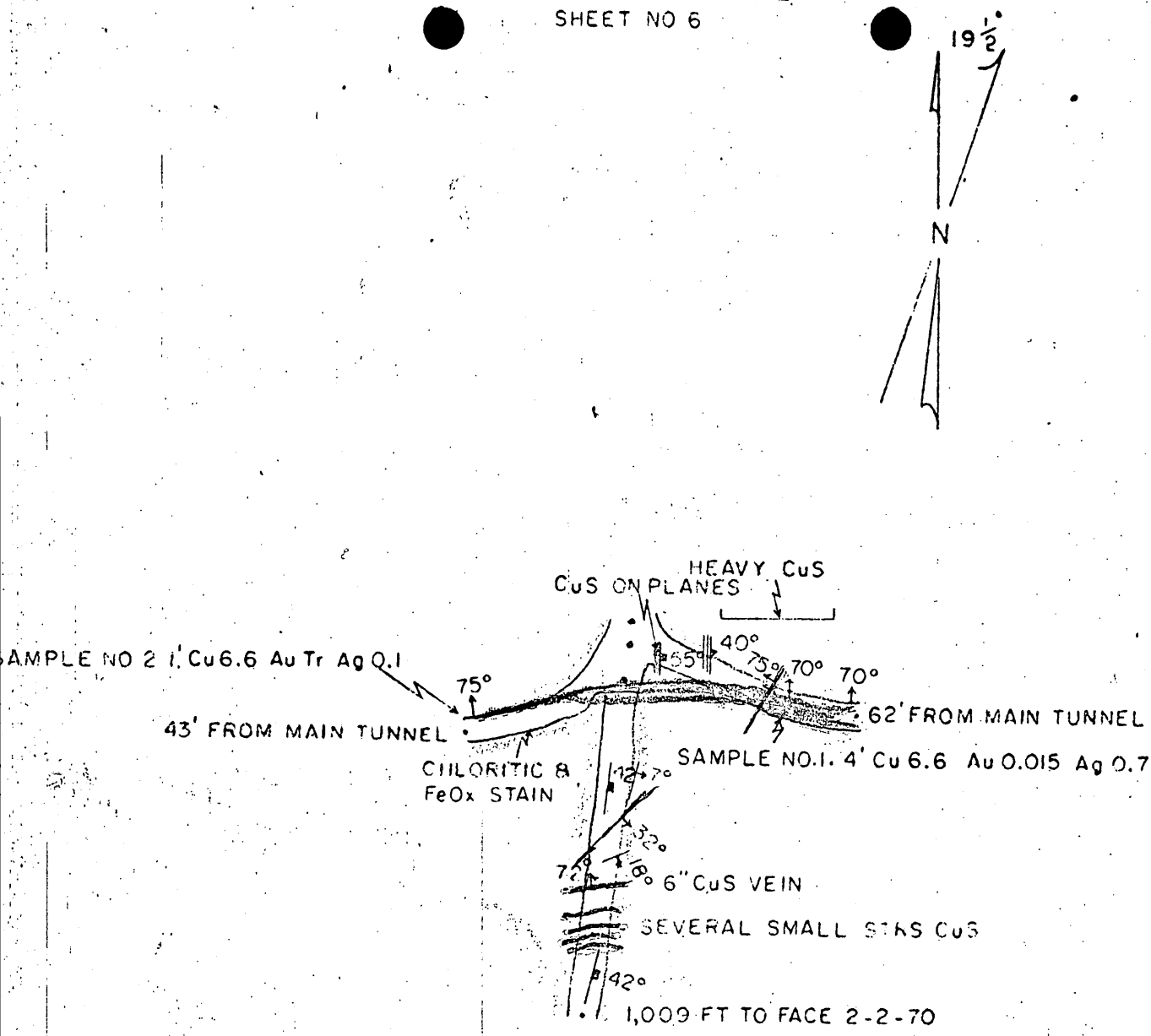
| DESCRIPTION | GOLD OUNCES | SILVER OUNCES | WET LEAD % | COPPER % | ZINC % | | | | | VALUE OF GOLD PER TON |
|---|---|---|---|---|---|---|---|---|---|---|
| Taft Vein | | | | | | | | | | |
| 4 Feet Across Back-E. X Cut | 0.015 | 0.7 | | 6.6 | | | | | | |
| 1 foot in Face West X Cut | Tr | 0.1 | | 2.6 | | | | | | |

CHARGES $ 11.00

BY Hans W. Gamusson

# POPE-SHENON MINE

SHEET NO 6




NOTE

TOTAL FOOTAGE
MO. OF JAN. 176'

NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

Feb. 13, 1970

District Director O.M.E.
U.S. Geological Survey
Spokane, Wn.

O.M.E. 6651 - Copper
Contract # 2277

COPY

Narrative Report for Ninth period ending January 31, 1970

Dear Sir:

We intersected the Taft vein late in December as our last narrative report indicates and applied for an amendment to our contract to drift 100 feet both east and west on it, which you granted.

We made 62 feet on the east side and had some pretty good ore. This ore does not show any where else in the mine, Going west we found less ore but the vein is strong and we should hit the ore shoot that shows on the #6 level if we continue on to the west.

Going ahead on the main cross cut, we crossed several small stringers of high grade calcopyrite of no commercial value.

Sincerely,

J Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho. 83467

FORM 9-1648
MARCH 1968

ORIGINAL COPY O. K. E. RECEIVED MAR 2 1970 MINERALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of January

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road. | | | | | | | | |
| Prepare portal and compressor site - this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| Drive Drift | 176 | 7216.00 | 1114 | 45,674.00 | 176 ft. | 7216.00 | 1114 ft. | 45,674.00 |
| TOTALS | | $ 7,216.00 | | $ 48,244.00 | | $ 7216.00 | | $ 48,244.00 |

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

Date 2/13/70 *Payee J Howard Sims

Per _____ Title _____

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P Puffett 3/30/70
OME Field Officer Date

(63) 14X0804

Approved for: $ 3,608.00
(SUBJECT TO AUDIT)

Signature [illegible]

Date FEB 27 1970 Vou. No. 05145

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

RECEIVED
JAN 19 1970
O. M. E.
SPOKANE, WASH.

ORIGINAL COPY
O. M. E.
RECEIVED
FEB 3 1970
INITIALS COUN

# OPERATOR'S MONTHLY VOUCHER

For Month of December

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road prepare portal and compressor site - this includes labor, materials & supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| Drive Drift | 132 | 5412.00 | 938 | 38,458.00 | 132 ft. | 5412.00 | 938 ft. | 38,458.00 |
| TOTALS | | $ 5412.00 | | $ 41,028.00 | | $ 5412.00 | | $ 41,028.00 |

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

Date 1/16/70 *Payee J. Howard Sims

Per _____ Title _____

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Ruffell 1/19/70
OME Field Office Date

(63) 14X0804

Approved for: $ 2,706.00
(SUBJECT TO AUDIT)

Signature MO

Date FEB 3 1970 Vou. No. 045

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |

0 1 3 6 4 9
RECEIVED
U.S. GEOLOGICAL SURVEY
JAN 22 11 35 AM '70
BUDGET & FINANCE

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

Jan. 16, 1970

District Director O. .E.
U.S. Geological Survey
Spokane, Wn.

O.A.E 6651 - Copper
Contract # 2277

COPY

Narrative Report for Eighth period ending December 31, 1969

Dear Sir:

In spite of severe cold weather which took it's toll in total footage, we were quite enthused. We crossed several small veins or stringers which showed good mineralization, and finally hit the Taft vein which looks good. The Taft vein should be explored at least 100 feet both east and west and the setup should be made before we have to put our lines by it.

Sincerely,

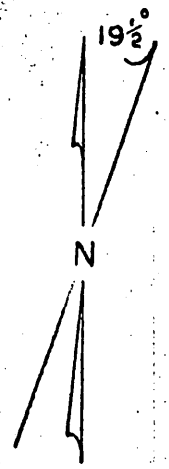
J Howard Sims

J. howard Sims
Box 686
Salmon, Idaho. 83467

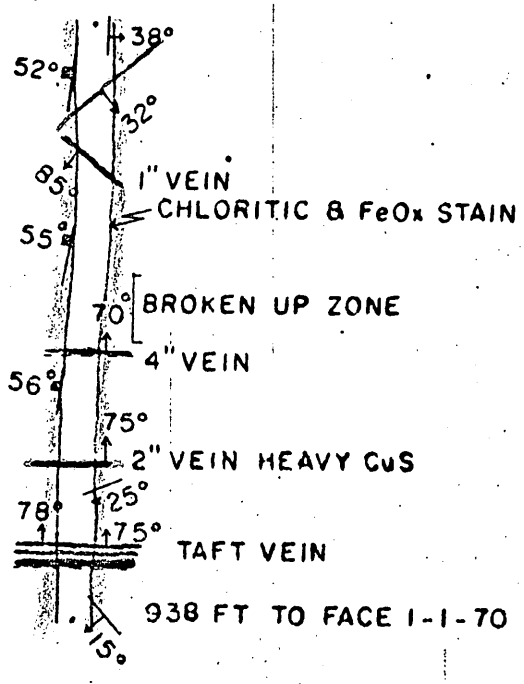
RECEIVED
JAN

# POPE-SHENON MINE

SHEET NO. 5




RECEIVED
JAN 19 1970
O. M. E.
SPOKANE, WASH.




NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

January 29, 1970

OFFICIAL COPY
W. E.
RECEIVED
2 1970

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Work Authorization

Re: OME 6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

This will authorize you to explore the Taft vein under the OME contract by drifting to the east and to the west from the OME crosscut; drifting is to be done concurrent with extending the crosscut to the Pope-Shenon vein. Drifting on the Taft vein is to be limited to 200 feet, divided equally between the east and west drifts; however, if the vein pinches out before either drift is 100 feet long, the footage remaining can be applied to the other drift.

The general provisions of the contract require you to cut channel samples across the vein at linear intervals of not more than 5 feet. These samples should be cut at right angles to the margin of the vein and should not include barren material of the hanging wall or footwall. Bulk samples, such as muck car samples, are not an acceptable substitute for channel samples. The sample length should be submitted with the assay data in your monthly report.

The forms that I mailed you were for submitting a new application. It was my understanding that you planned to ask for OME assistance in your project near Gilmore.

Sincerely,

Willard P. Puffett
Field Officer, Region I

WPPuffett:my

OME(2)
Director's reading file

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

Jan. 24, 1970

RECEIVED
JAN 28 1970
O. M. E.
SPOKANE, WASH.

Mr. Wellard Puffett
District Director O.M.E.
Spokane, Wn.

Docket # 6651
Contract # 2277

Dear Mr. Puffett:

The forms you sent for an amendment to the contract which I have do not seem to me to be applicable. I believe they would be asking for a new contract, which I didn't have in mind.

When I had the other contract with O.M.E., I simply wrote a letter requesting change of direction or permission to follow a vein and a letter would come from your office in the form of an amendment to the contract granting or authorizing such change.

I sent an assay off the day after you called and we have had no answer as yet.

Sincerely,

J. Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho. 83467

RECEIVED
JAN 28 1970
O. M. E.
SPOKANE, WASH.

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 2 1970
IN. MANS CODE
1130
1120M
1120

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

RECEIVED
JAN 28 1970
O.M.E.
SPOKANE, WASH.

Jan. 24, 1970

Dept. of the Interior - O.M.E.
Geological Survey
U.S. Court House - Room 656
W. 920 Riverside Ave.
Spokane, Wn. 92201

O.M.E. 6651
Cont. 2277

Dear Sirs:

When we hit the Taft vein we had quite a wide zone with real high grade stringers in it. In the more concentrated area, or what appeared to be the vein there was from 20 to 30 inches of heavy calcopyrite with a considerable amount of white metal which looked like lead, but as of this date has not been identified. I have a sample out, but for some reason I have not had a report. I will forward this report as soon as I get it.

Inasmuch as there has never been any exploration on this vein and the chance that it could be a whole new mine, I would like to ask for an amendment to my present contract that would permit 100 feet of drifting both east and west on the Taft vein and cut the drifting on the Pope Shenon vein to 700 feet instead of the proposed 900 feet.

Mr. Wellard Puffett, your District Director, on his latest inspection trip was here shortly after we intersected the Taft vein and I believe he would agree that this work should be authorized.

Sincerely,

Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho. 83467

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

January 16, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Interim inspection
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon mine
Lemhi County, Idaho
Contract No. 2277

I visited the Pope-Shenon mine on Thursday, January 8, 1970. Mr. E. M. Garrick of Minerals Services, Salt Lake City, a consultant hired by Mr. Sims, accompanied me on the inspection. We examined the new workings and then returned to Salmon, Idaho, where we discussed the project with Mr. Sims at his residence. There was no mining activity at the mine because the compressor was broken.

The crosscut was extended 132 feet during December, 1969; total length is 938 feet. Two veins are exposed; one, 2 inches thick, is 906 feet from the portal and the other, 50 inches thick, is 921-925 feet from the portal. Vein material is glassy quartz, chlorite, chalcopyrite, possibly bornite, and, near the footwall of the thicker vein, galena in short stringers less than 1/4 inch thick. Limonite streaks are along the vein boundaries. Wallrock is more sericitic near the veins than elsewhere in the crosscut.

The veins are downward projections of the Taft vein, and the thicker vein contains promising quantities of copper minerals. No assay data are available but I estimate that much of the vein contains about 10 percent chalcopyrite. Galena has never been reported from other parts of the mine; perhaps the Taft vein will be richer in silver than the Pope-Shenon mine.

Mr. Sims wants to drift on the Taft vein concurrent with crosscutting to the Pope-Shenon vein. The vein is certainly promising enough to be further explored. Mr. Sims was advised to request this work in a letter and then a work authorization could be prepared.

Ventilation is becoming a problem. A larger compressor is to be installed. After the Pope-Shenon vein is reached, a raise will be driven (on ore, and at the Operator's sole expense) to the 600 level.

Willard P. Puffett
Willard P. Puffett

9-1648
CH 1968

UNITED STATES
ARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
DEC 22 1969
RECEIVED
INITIALS CODE

OPERATOR'S MONTHLY VOUCHER For Month of November

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation 50% $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road - prepare portal and compressor site - this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Drive Drift | 101' | 4141.00 | 806 | 33,046.00 | 101 ft. | 4,141.00 | 806 ft. | 33,046.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| TOTALS | | $ 4141.00 | | $ 35,616.00 | | $ 4,141.00 | | $ 35,616.00 |

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

Date Dec. 8, 1969 *Payee J. Howard Sims

Per _____ Title operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffer OME Field Officer Date 12/9/69

(63) 14X0804

Approved for: $ 2,070.50 (SUBJECT TO AUDIT)

Signature mo

Date 12/19/69 Vou. No. 3821

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

1 4 6 1 - 5

RECEIVED
U.S. GEOLOGICAL SURVEY
DEC 16 8 37 AM '69
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

December 8, 1969

District Director O.M.B.
U.S. Geological Survey
Spokane, Wn.

O.M.B. 6652 - Copper
Contract #2277

Narrative report for Seventh period ending November 30, 1969.

Dear Sir:

As far as the tunnel is concerned there was very little change in the rock or formation. We had an accident which cut down our footage considerable. We worked only one shift.

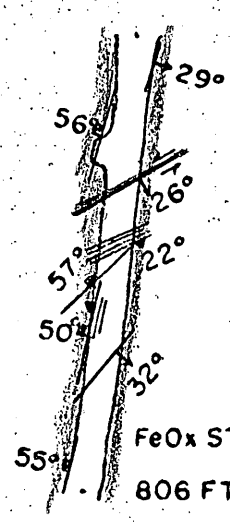
Sincerely,

J Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho. 83467

# POPE-SHENON MINE

SHEET NO. 4




806 FT TO FACE 12-1-69

NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

File

## WO MINERS AT SALMON HURT IN DYNAMITE BLAST

Two Salmon, Idaho, miners are being treated for facial injuries in an Idaho Falls hospital after an accidental dynamite explosion at the Pope Shenon Mine near Salmon.

Paul Bauwerth, Sr., 57, and Cleo Ziegler, 22, both of Salmon, are the injured men.

The two were drilling and apparently hit a stick of dynamite that had misfired. The work was in connection with digging a tunnel.

The two men were struck in the face by flying pieces of rock.

~~120~~

~~120P~~

FORM 9-1648
MARCH 1968

OFFICIAL CODE
O. M. E.
RECEIVED
NOV 24 1969
INITIALS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

# OPERATOR'S MONTHLY VOUCHER

For Month of October

Docket No. OME- 6651
Contract 14-08-0001 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road prepare portal and compressor site - this includes labor, materials and supplies. | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Drive Drift | 175' | 7175.00 | 705 | 28,905.00 | 175 ft. | 7,175.00 | 705 ft. | 28,905.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| TOTALS | | $ 7,175.00 | | $ 31,475.00 | | $ 7,175.00 | | $ 31,475.00 |

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

Date 11/11/69 *Payee J. Howard Sims

Per _____ Title _____

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffer OME Field Officer 11/14/69 Date

(63)14X0804

Approved for: $ 3587.50 (SUBJECT TO AUDIT)

Signature mo

Date NOV 20 1969 Vou. No. 03186

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |

RECEIVED
U.S. GEOLOGICAL SURVEY
NOV 18 3 38 PM '69
BUDGET & FINANCE

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

November 11, 1969

District Director O.M.E.
U.S. Geological Survey
Spokane, Wn.

O.M.E. 6651 - Copper
Contract # 2277

COPY

Narrative report for Sixth period ending October 31, 1969.

Dear Sir:

There was nothing of any significance in the month of October, except the last twenty or thirty feet, in which the rock changed some. There was no fault or slip visible, but the quartsite seemed to change. It became a little softer and a better color, indicating that mineral could exist in it.

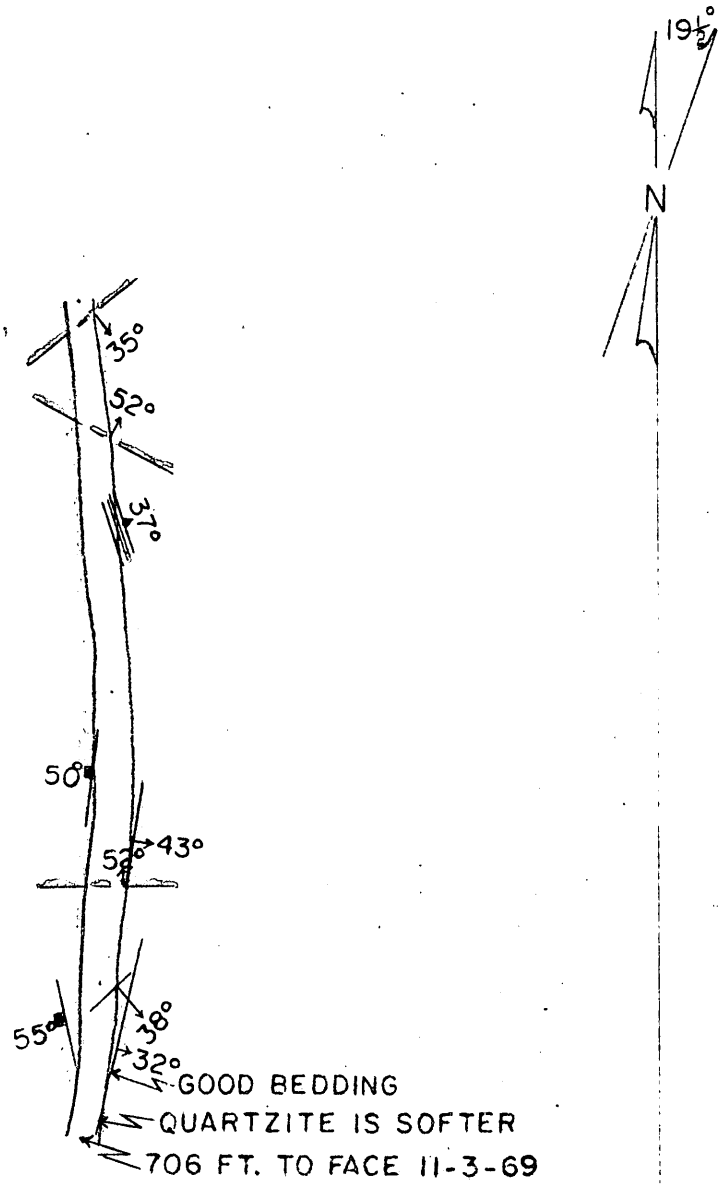
Sincerely,

J. Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho.

# POPE-SHENON MINE

SHEET NO. 3




NEW DEVELOPMENT TUNNEL

SCALE 1" = 40'

FORM [illegible]68
MARCH 1968

RECEIVED
OCT 8 1969
O. M. E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 15 1969
IRRIGATE CODE 430

# OPERATOR'S MONTHLY VOUCHER

For Month of September

Docket No. OME-[illegible]6651
Contract 14-08-0001-2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| COST ITEMS (FROM EXHIBIT A) | FOR OPERATOR'S USE: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | FOR GOVERNMENT USE ONLY: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
|---|---|---|---|---|---|---|---|---|
| | | $ | | $ | | $ | | $ |
| Extend and repair road prepare portal and compressor site - this includes labor, materials and splys. | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Drive Drift | 150' | 6150.00 | 530 | 21,730.00 | 150 ft. | 6150.00 | 530 ft. | 21,730.00 |
| Timbering | | | 52 | 520.00 | | | 52 ft. | 520.00 |
| TOTALS | | $ 6150.00 | | $ 24,300.00 | | $ 6,150.00 | | $ 24,300.00 |

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

Date 10/6/69 *Payee J. Howard Sims

Per _____ Title _____

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffett 10/8/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 3075.00
(SUBJECT TO AUDIT)

Signature mo

Date OCT 15 1969 Vou. No. 02340

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

October 6, 1969

Assistant Treasurer, U.S.
Geological Survey
Spokane, Wash.

MS 6051 - Report
Samples 5477

COPY

Narrative report for field project ending September 20, 1969.

Dear Sir:

Last month I had a new experience. I was sure we were getting close ahead of a change in formation, but it turned out to be that my uncle call a mable zone. This is the first time I've run into anything like it, and it was more costly in time and material. We had lost 62 feet of hole in September, if it had not been for that.

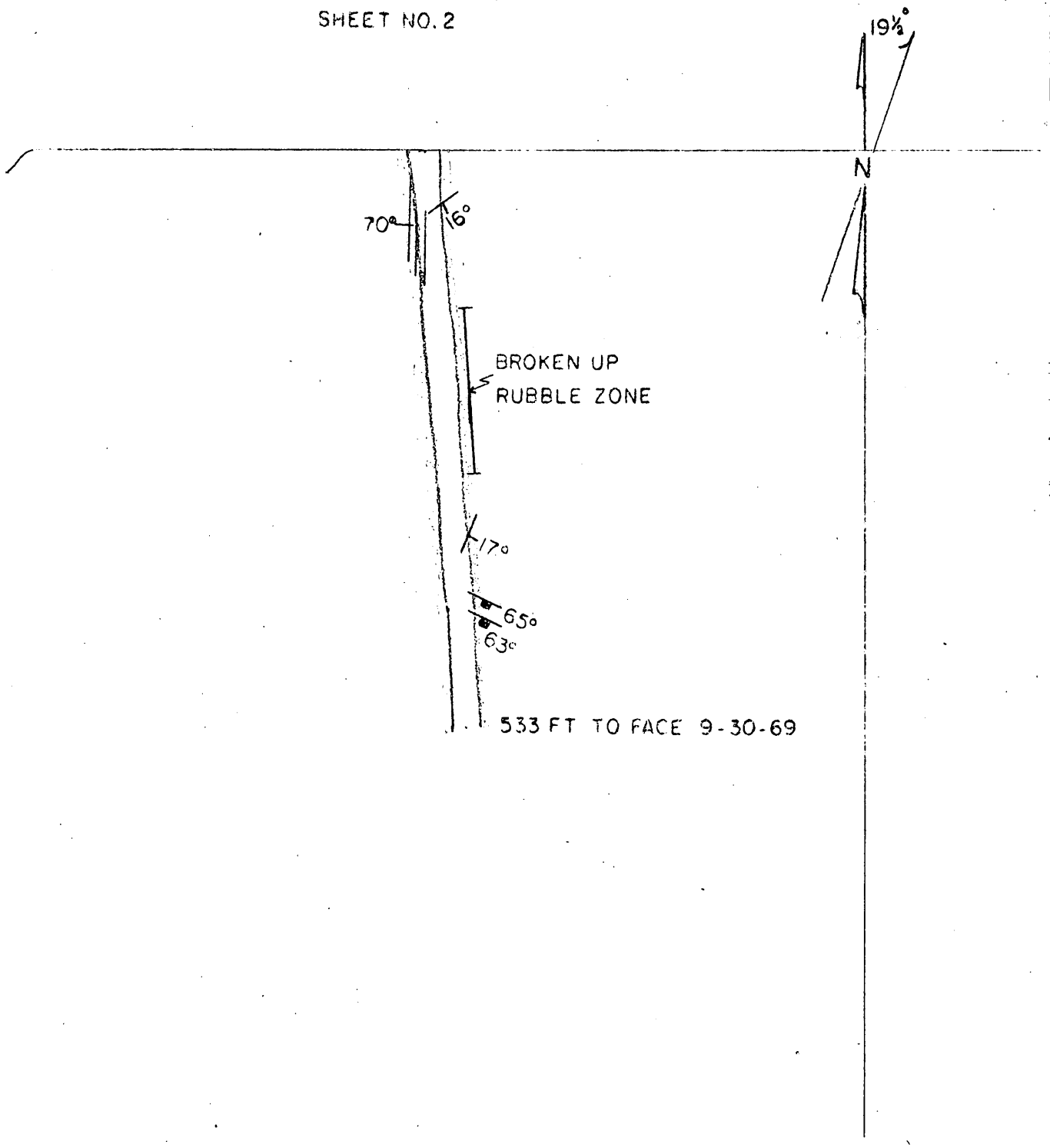
Sincerely,

J. Howard Sims

J. Howard Sims
Box 636
Salmon, Idaho.

RECEIVED
OCT 8 1969
G. M. E.
SPOKANE, WASH.

POPE-SHENON MINE
SHEET NO. 2




NEW DEVELOPMENT TUNNEL
SCALE 1" = 40'

RECEIVED
OCT 8 1969
U.M.E.
SPOKANE WASH.

FORM 9-1648
MARCH 1968

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 26 1969

| INITIALS | CODE |
|---|---|
| | 130 |
| | 140 |
| | 150 |
| | 160 |

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

RECEIVED
SEP 15 1969
O. M. E.
SPOKANE, WASH.

Work Sheet

# OPERATOR'S MONTHLY VOUCHER

For Month of August, 1969

Docket OME- 6651
Contract 14-08-0001 (2277)
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road prepare portal and compressor site - this includes labor, materials and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Drive Drift | 150' | 6150.00 | 380 | 15,580.00 | 150 ft. | 6150.00 | 380 ft. | 15,580.00 |
| Timbering | | | 52' | 520.00 | | | 52 ft. | 520.00 |
| TOTALS | | $ 6150.00 | | $ 18,150.00 | | $ 6150.00 | | $ 18,150.00 |

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

Date 9/12/69 *Payee J. Howard Sims

Per _____ Title _____

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffett 9/15/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 3,075.00
(SUBJECT TO AUDIT)

Signature Sg

Date SEP 25 1969 Vou. No. 01859

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

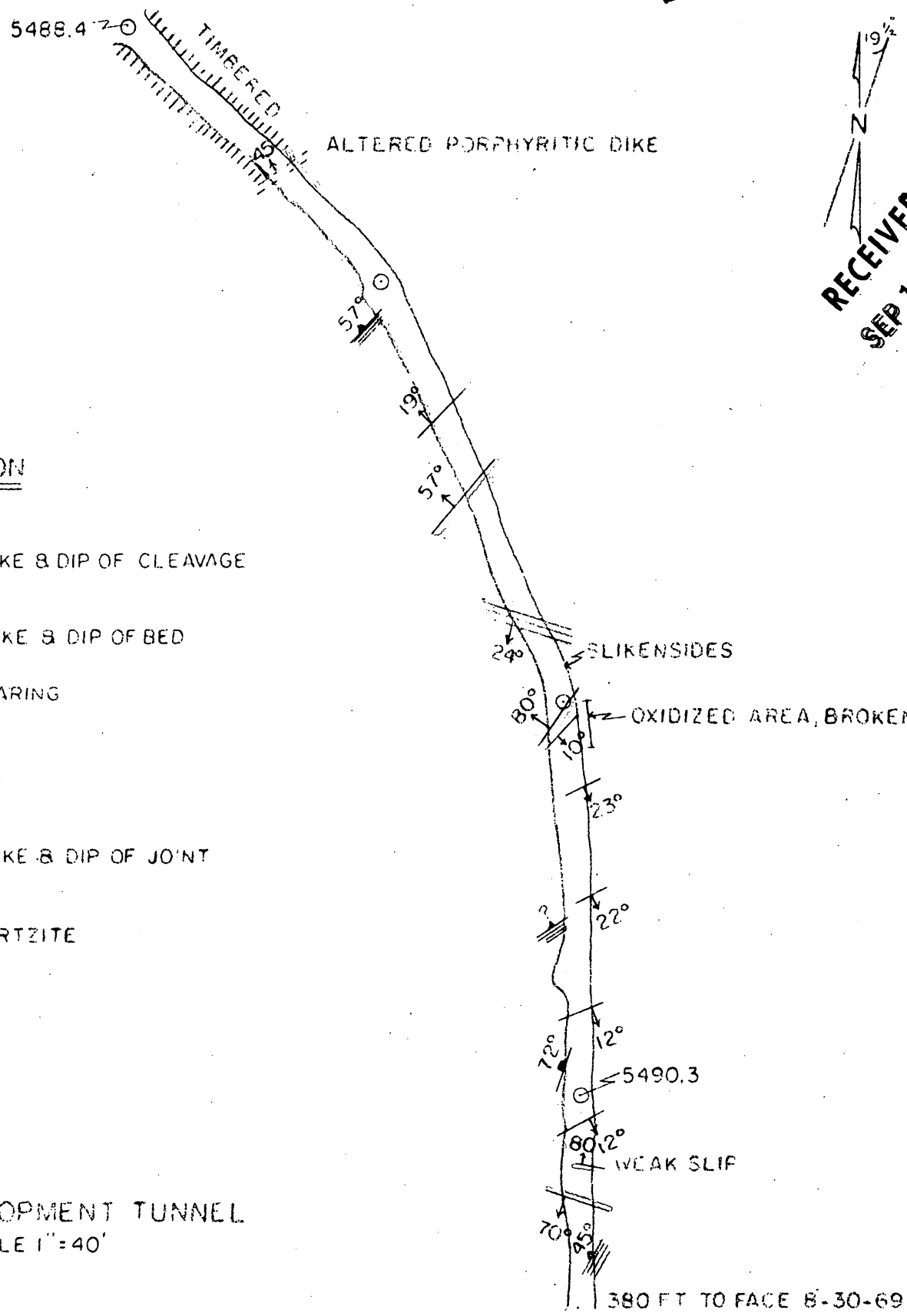
RECEIVED
SEP 15 1969
O. M. E.
SPOKANE, WASH.

COPY

[illegible]

J Howard Sims

# PE - SHENON MINE




RECEIVED
SEP 15 1969
O. M. E.
SPOKANE, WASH

## EXPLANATION

- 10° — STRIKE & DIP OF CLEAVAGE
- 10° — STRIKE & DIP OF BED
- 15° — SHEARING
- 12° — SLIP
- STRIKE & DIP OF JOINT
- QUARTZITE

NEW DEVELOPMENT TUNNEL
SCALE 1" = 40'

[redacted]48
[redacted]CH 1968

RECEIVED
AUG 8 1969
O. M. E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 1969
INITIALS

# OPERATOR'S MONTHLY VOUCHER

For Month of July 1969

Docket No. OME- 651
Contract 14-08-0001 2377
Contract Amount $ 25,700.00
Gov't. Participation % 50 $ 12,850.00

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
| | | $ | | $ | | $ | | $ |
| Extend and repair road | | | | | | | | |
| storage portal and | | | | | | | | |
| compressor site - this | | | | | | | | |
| includes labor, material | | | | | | | | |
| and supplies | | | | 900.00 | | | 1 Job | 900.00 |
| Contract compressor | | | | | | | | |
| and change house | | | | 1000.00 | | | 1 Job | 1,000.00 |
| Oblique equipment | | | | 150.00 | | | 1 Job | 150.00 |
| Drive drift | 100' | 4100.00 | 230 | 9430.00 | 100 ft. | 4,100.00 | 230 ft. | 9,430.00 |
| Timbering | | | 52' | 520.00 | | | 52 ft. | 520.00 |
| TOTALS | | $ 4100.00 | | $ 12,000.00 | | $ 4,100.00 | | $ 12,000.00 |

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

Date 8/1/69 *Payee J Howard Sims

Per _____ Title Operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffert 8/20/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 2050.00
(SUBJECT TO AUDIT)

Signature [illegible]

SEP 8 1969
Date

01496
Vou. No.

(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS | REMARKS |

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

August 5, 1969

District Director S.A.E.
U.S. Geological Survey
Spokane, Wn.

S.A.E. 6651 - Copper
Contract # 2277

Narrative Report for third period ending July 31, 1969:

We chiseled out another 100 feet during the month and nothing much of note happened except the rock got harder and we had to buy a new drill - heavy duty, and the trammer went over the end of the dump and we had to buy a new battery.

We don't have much water in the drift, yet the water seems to come in each face we drill and to enough that we have been forced to use overnight powder instead of prills which has more than doubled the cost of blasting. Also, the District Director came and caught us with our sign down.

Outside of this - things were just sort of routine.

Yours truly,

J Howard Sims

J. Howard Sims
Salmon, Idaho.

RECEIVED
AUG 8 1969
O. M. E.
SPOKANE, WASH.

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
August 8, 1969

O. M. B.
RECEIVED
AUG 11 1969

| INITIALS | CODE |
|---|---|
| | 130 |
| Gal | 120 |
| HK | 120 |
| | |
| | 120 |

Mr. Howard Sims
P. O. Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. 2277

Dear Mr. Sims:

I am enclosing the print of the map you submitted with your voucher for the month of July 1969. On the map I have made a couple of notes that you may find of interest. Obviously, the one who plotted the data made an error in plotting the horizontal distance of the bearing south from the new adit. Also, you will see that I believe the bearing of the adit near its face is different than that plotted on your map.

The map I have used for comparison with the one you submitted is one that I compiled after making a Brunton and tape survey between the two adits on my last visit there. I was pleased to find that our two maps agree closely after the horizontal distance is corrected on your map.

I suggest that you bring the errors to the attention of Mineral Services, Inc., and have them make the necessary corrections. It is necessary that you submit four copies of the map with your voucher. After the necessary corrections have been made and the required number of maps submitted, I will process your voucher.

It will only be necessary to submit the map of the new work with subsequent vouchers. We will add the new information to the larger map which will be correct. It is also very necessary that you have someone map the geology in the new adit and the geologic data should be put on the map that accompanies each monthly voucher.

Sincerely yours,

Willard P. Puffett
Field Officer, OME
Region I

Enclosure

WILLARD P. PUFFETT:mls
cc: OME(2)
Voucher file
Director's Reading File

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
September 4, 1969

ORIGINAL COPY
O. M. E.
RECEIVED
SEP 8 1969
INITIALS | CODE
gfa | 120
HPK | 120
EJ | 120 P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Interim Inspection Report
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I visited the Pope-Shenon mine on Wednesday morning, August 27, 1969. On the previous evening, I had talked to Mr. J. Howard Sims on the telephone and had arranged to meet him at the mine. However, other duties apparently prevented Mr. Sims from going to the mine during my visit.

The face of the crosscut was 360 feet from the portal. There are now two shifts working and advance per month should be more than 200 feet. No new timbering has been necessary. The wall rock is uniformly gray-green medium-grained quartzite; bedding is not very conspicuous, but where evident it strikes N. 35°-45° E. and dips 50°-55° N. The crosscut has not intersected any zones containing ore sulfides; a few tiny grains of pyrite or pyrrhotite are in some of the broken rock on the dump.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME(Orig.&1)
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
July 29, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 31 1969

| INITIALS | CODE |
|---|---|
| gla | 130 |
| bal | 120 |
| HK | 120 |
| | |
| CR | 120 |

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Interim inspection report
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I visited the Pope-Shenon mine on Thursday evening, July 24, 1969. No one was at the mine as the day shift had left a few minutes before I arrived. I made a Brunton and tape traverse from the portal of the new workings (700 level) to the portal of the 600 level. After doing this, I measured the underground workings. I spent about 2-1/2 hours at the property.

According to the traverse, the portal of the new work is 765 feet on a bearing of N. 30° E. from the portal of the 600 level; the new portal is 200 feet lower than the 600 level (in my previous interim inspection report, I stated that hand-levelling had indicated an elevation difference of 222.6 feet). The total length of the underground work on the 700 level is 214 feet. The face of the adit is 680 feet on a bearing of N. 44° E. from the portal of the 600 level. The bearing of the adit has been turned to S. 8° E. If the adit is continued on this bearing, it should cross the downdip extension of the Taft vein in another 650 feet.

The only timbering that has been necessary has been the first 52 feet of the adit. The rest of the adit is of adequate dimensions and appears to stand well. The walls are very dirty and exposures are poor. Bedding or foliation of the rock about 100 feet from the portal is N. 35° E., 50° N. Much of the rock is a greenish-gray siliceous slate.

I tried unsuccessfully to call Mr. Sims to discuss the progress on the contract. I did leave him a note instructing him to

submit maps with his next monthly voucher and also to state whether or not he had posted the literature concerning antidiscrimination. It is vital soon to have an accurately surveyed map of the new adit to determine its exact position in relation to the old workings.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME(Orig.&1)
Docket

FORM 9-1648
MARCH 1968

RECEIVED
JUN 4 1969
O. M. E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 25 1969

# OPERATOR'S MONTHLY VOUCHER

For Month of May, 1969

Docket No. OME- 6651
Contract 14-08-0001- 2277
Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

Operator's Name J. Howard Sims
Address Box 686, Salmon, Idaho 83467

| FOR OPERATOR'S USE | | | | | FOR GOVERNMENT USE ONLY | | | |
|---|---|---|---|---|---|---|---|---|
| COST ITEMS (FROM EXHIBIT A) | THIS MONTH | | TO DATE | | THIS MONTH | | TO DATE | |
| | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS | UNITS | COSTS |
| Extend & repair road | | $ 900.00 | | $ 900.00 | 1 Job | $ 900.00 | 1 Job | $ 900.00 |
| Construct compressor bldg. | | 1000.00 | | 1000.00 | 1 Job | 1000.00 | 1 Job | 1000.00 |
| Mobilize equipment | | 150.00 | | 150.00 | 1 Job | 150.00 | 1 Job | 150.00 |
| Drive Drift | 30' | 1230.00 | | 1230.00 | 30' | 1230.00 | 30' | 1230.00 |
| Timber Drift | 30' | 300.00 | | 300.00 | 30' | 300.00 | 30' | 300.00 |
| TOTALS | | $ 3,580.00 | | $ 3,580.00 | | $ 3,580.00 | | $ 3,580.00 |

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

Date 6/2/69 *Payee J. Howard Sims

Per _____ Title operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard O Ruffert 6/9/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 1,790.00
(SUBJECT TO AUDIT)

Signature mo

JUN 19 1969
Date

Vou. No. 97501
(SEE OTHER SIDE)

| FOR OPERATOR'S USE | FOR GOVERNMENT USE |
|---|---|
| REMARKS 0 2 2 6 1 6 | REMARKS |

RECEIVED
U.S. GEOLOGICAL SURVEY
JUN 10 3 26 PM '69
BUDGET&FINANCE

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

June 3, 1969

U.S. Department of Interior
Geological Survey
Spokane, Washington

OUR 6651 - Copper
Contract 2277

Narrative Report for first period ending May 31, 1969:

I have completed the first stages of my contract and started on the tunnel. The tunnel is started in loose talus and is going to be slow until we reach the solid rock. It was impossible to take the proper bearing at the start but will make the necessary correction as soon as the ground will permit.

We have had several little holdups - such as waiting for a bulldozer, waiting for rail, getting the rail and no fish plates or bolts. Just enough to drive a sane person nuts, but you have to be nuts to start so you can't be driven any place.

Yours, Truly,

J Howard Sims

J. Howard Sims

RECEIVED
JUN 4 1969
O. M. E.
SPOKANE, WASH.

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
June 25, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 27 1969

| INITIALS | CODE |
|---|---|
| | 130 |
| | 120 |
| | 120 |
| | 120 |
| | |

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Interim inspection
OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

I visited the Pope-Shenon mine with Mr. E. C. Peterson on Friday, June 20, 1969. Mrs. Sims accompanied us from Salmon, Idaho, to the mine. Mr. Sims was absent on other business at the time and could not be at the mine during the inspection.

The road to the new portal had been bulldozed and all other preparations for the underground work had been satisfactorily completed. A compressor shed, 14' x 23', had been erected and was partially covered with galvanized sheeting.

The new adit had been started in a talus pile on a steep slope. Bulldozing had failed to remove the talus to bedrock and consequently the first 52 feet of the adit was timbered because it had been necessary to spile through the talus. The face of the adit was 83 feet from the portal; no timbering had been necessary after bedrock was reached. The bearing of the adit is S. 60° W., but the miners plan to turn it to a more southerly bearing. The map with the contract indicates that it should be driven on a bearing of about S. 20° E.

I hand-leveled from the new portal to the portal of the 600 level and found the vertical distance between the two to be 222.6 feet. The contract specifies that the portal site should be about 250 feet below the 600 level. It is possible that I might have made an error of 5-10 feet in the leveling as I had to cross a steep talus pile over much of the interval between the two adits. I do believe the new portal site is considerably less than 250 feet below the 600 level but is within the limits suggested in the contract.

I talked to Mr. Sims on the telephone on Friday evening and understood that he was to visit Mr. Peterson and me at our motel room; however, he never arrived there. Mr. Sims said that he thought the new adit was about 238 feet below the 600 level. I did not learn if he had carefully surveyed the relative position between the two portals; this will be very necessary if the new adit is to be driven on the correct bearing to reach its objective.

Mr. Sims was advised to post in a conspicuous place the poster concerning "Nondiscrimination in Employment." This had not been posted at the time of the inspection.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME
Docket

FORM 9-164
MARCH 1963

RECEIVED
JUL 14 1969
O. M. E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 23 1969

INITIALS | CODE

# OPERATOR'S MONTHLY VOUCHER

For Month of June, 1969

Docket No. OME- 6651
Contract 14-08-0001 2277

Operator's Name J. Howard Sims
Address Salmon, Idaho. 83467

Contract Amount $ 85,700.00
Gov't. Participation % 50 $ 42,850.00

| COST ITEMS (FROM EXHIBIT A) | FOR OPERATOR'S USE: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS | FOR GOVERNMENT USE ONLY: THIS MONTH UNITS | THIS MONTH COSTS | TO DATE UNITS | TO DATE COSTS |
|---|---|---|---|---|---|---|---|---|
| Drive Drift | 100' | $ 4100.00 | 130 | $ 5330.00 | 100 | $ 4,100.00 | 130 | $ 5,330.00 |
| Timbering | 22' | 220.00 | 52 | 520.00 | 22 | 220.00 | 52 | 520.00 |
| Extend and repair road, prepare portal and compressor site - includes labor, material and supplies. | ) | | | 900.00 | | | 1 Job | 900.00 |
| Construct compressor and change house | | | | 1000.00 | | | 1 Job | 1000.00 |
| Mobilize equipment | | | | 150.00 | | | 1 Job | 150.00 |
| TOTALS | | $ 4320.00 | | $ 7900.00 | | $ 4,320.00 | | $ 7,900.00 |

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

Date 7/2/69 *Payee J Howard Sims

Per _____ Title Operator

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature Willard P Ruffett 7/14/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 2,160.00
(SUBJECT TO AUDIT)

Signature ms

Date JUL 22 1969 Vou. No. 00530

(SEE OTHER SIDE)

| REMARKS 0 5 3 1 8 | FOR OPERATOR'S USE | REMARKS | FOR GOVERNMENT USE |
|---|---|---|---|

RECEIVED
U.S. GEOLOGICAL SURVEY
JUL 18 12 09 PM '69
BUDGET & FINANCE

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

July 2, 1969

U.S. Department of Interior
Geological Survey
Spokane, Washington.

OME 6651 - Copper
Contract 2277

Narrative Report for Second period ending June 30, 1969:

About the only thing of significance that happened this month was a visit by the District Director, otherwise all effort was concentrated on the tunnel which we are bending to the south. I figure we will have to turn another ten degrees or so.

Respectfully submitted,

J Howard Sims

J. Howard Sims
Salmon, Idaho.

RECEIVED
JUL 14 1969
O. M. E.
SPOKANE, WASH

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
April 14, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
APR 16 1969

| INITIALS | CODE |
|---|---|
| | ~~130~~ |
| bel | 120 |
| HK | ~~130~~ |
| | |
| ~~Ed~~ | ~~120~~ |

AIR MAIL

Mr. J. Howard Sims
P. O. Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

We are enclosing a three-month supply of the Operator's Monthly Voucher, Form 9-1648. The original and three copies of the completed report forms as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice of Nondiscrimination in Employment." In accordance with Executive Order 11246, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment. The enclosed poster should be*exhibited in a conspicuous place available to both employees and applicants for employment.

We would appreciate your advising us when the OME contract work has started.

*kept

Sincerely,

Mary L. Smelser for
D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser:mls
cc: OME
Director's Reading File

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
April 11, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
APR 14 1969
INITIALS CODE

AIR MAIL

Mr. J. Howard Sims
P. O. Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

Dear Mr. Sims:

Enclosed is your copy of Exploration Contract No. 2277, dated April 8, 1969, for the subject property. The contract consists of MME Form 51 (five pages), Annex I (three pages), one Lien and Subordination Agreements, one Lien or Subordination Agreement, Exhibit A (four pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government and by you as the Operator. The date of April 15, 1969, has been inserted for commencement of the work.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications. Your attention is specifically directed to Article 10 and Exhibit B. Appropriate forms to meet the compliance requirements will be sent with forms for reporting monthly progress and vouchering.

The 8¼ percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

Sincerely,

Mary L. Smelser
For: D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser:mls
cc: OME
Director's Reading File

Northern Miner 2/6/69

# Deseret Peak Acquires Idaho Copper Prospect

Deseret Peak Mines has acquired a copper property near Salmon, Idaho, and formed a subsidiary, Salmon Copper Mines, to develop it. Under the purchase agreement, $300,000 is to be paid out of 10% of smelter returns.

The U.S. Office of Mineral Exploration has approved a loan of $45,000 to assist exploration and development work, including the driving of a crosscut adit on the 750-ft. level where a 7-hole diamond drill program has already returned values ranging from 2% to 5% copper. The loan is repayable only if minable quantities and values are successfully uncovered.

Davenport Canyon Mines, a wholly-owned subsidiary, has received a letter of intent from a U.S. company confirming its interest in participating in a platinum recovery project on its platinum-gold-silver prospect located about 40 miles southeast of Salt Lake City, Utah.

Development of the company's base-metal prospect in Iowa acquired through another subsidiary, Cascade Silver Mines, will begin shortly.

The company is presently studying a gold-silver property near Cle Elum, about 50 miles southeast of Seattle, Washington.

---

V[illegible] Pl[illegible]

MME FORM 6 REFERENCE SLIP

REV. 9 OFFICE OF MINERALS EXPLORATION

| | DATE | INITIALS |
|---|---|---|
| TO: Chief, OME | 2/10/69 | |
| 1. Re: OME-6651 (Copper) | | |
| 2. J. Howard Sims | | |
| Pope-Shenon Mine | | |
| 3. Lemhi County, Idaho | | |
| 4. | | |
| 5. Willard P. Puffett | | |
| FROM: Geologist | | |

OFFICIAL COPY O. M. E. RECEIVED FEB 12 1969

| INITIALS | CODE |
|---|---|
| | 130 |
| | 120 |
| | File |
| | 120 P |

FOR: Check items for action desired

____ Action ____ Reply for signature of ____ Surname

____ Approval ____ Investigate ____ Signature

____ Comment ____ Recommendations ____

____ Conference ____ Rewrite ____

____ Instructions X Your information ____

REMARKS:

This obviously refers to the new contract on the Pope-Shenon mine. Possibly, Mr. Sims should be contacted about this.

Willard P Puffett

~~120~~

120-P

INT.-DUP. SEC., WASH., D.C. M56300-62

File

Kirk

OME-6651
J. Howard Sims
(Pope-Shenon Mine)
Proposed contract sent out for signature of appl. 12/18/68, but all copies to be returned for execution by Government
glo

Idaho Falls, Idaho
Post Register
(Cir. D. 21,772)

FEB 9 - 1969

Allen's P. C. B. Est. 1888

**MINE PURCHASED**

340

**SALMON, Feb. 9 — Deseret Peak Mines, Ltd., Vancouver, British Columbia, announced this week that it has acquired the Pope Shenon Mine near Salmon, an historically productive copper property.**

A new subsidiary to advance is development also was announced called Salmon Copper Mines, Inc.

The announcement said that a substantial exploration program, both underground and on the surface, is recommended.

Deseret Peak Mines, Ltd., said it has taken over the mine under a buy-out contract payable out of 10 per cent of smelter returns.

The property is owned by Fred Brough and C. Walker Lyon, Salmon, with Howard Sims, also Salmon, having held a lease option on the property the past 1½ years.

The Pope Shenon Mine on Sal Mountain started producing at the turn of the century and was an active producer during the teens and 20s and in the period 1948-58.

While under lease to Sims, copper ore was shipped out last summer.

Since the firm acquired the holdings in December it has been working the mine and stockpiling the ore.

The firm announced that an immediate benefit to the company's exploration and development work on this property lies in the fact that the U.S. Office of Mineral Exploration recently approved a loan of $45 thousand to assist such a program including the driving of a cross-cut adit on the 750 foot level where a seven-hole diamond drill program already has returned values ranging from two per cent to five per cent copper.

The firm said that its "acquisition of the Pope Shenon operation considerably strengthens the diversified interests" of the company in the related fields of exploration, develop-

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 4/9/69 | Peterson | 120 |
| | | 120 |
| | | 220 |
| | | 120M |
| | | |
| | | |
| | | |
| | | |
| | | |

**AIRMAIL**

APR 9 1969

**Memorandum**

**To:** Field Officer, Region I

**From:** Chief, Office of Minerals Exploration

**Subject:** OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho
Contract 2277

The Operator's and Field Office's copies of Exploration Contract No. 2277, dated April 8, 1969, for the subject property are enclosed. The contract consists of MME Form 51 (five pages), Annex I (three pages), one Lien and Subordination Agreements, one Lien or Subordination Agreement, Exhibit A (four pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government and by the Operator. Please insert the date for commencement of the work and forward the Operator's copy to him. Also, please advise this office of the date for commencement of the work for insertion on the Government's and Budget and Finance's copies of the contract.

You should advise the Operator that the 8-1/4 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

Harold Kirkemo (gla)
Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Peterson
Mr. Kirkemo
130

ECPeterson/gla 4-3-69
Rewritten: HKirkemo/gla 4-9-69

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 4/3/69 | Peterson | 120 |
| " | Kirkemo | 120 |
| 4/4 | Kielsgaard | 220 |
| 4/4 | Kleppe | |
| | | |
| | | |
| | | |
| | | 120 |
| | | 220 |

120M

**AIRMAIL**

APR 8 1969

**Memorandum**

**To:** Field Officer, Region I

**From:** Acting Chief, Office of Minerals Exploration

**Subject:** OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Enclosed are the original and three copies of an exploration contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (three pages), one Lien and Subordination Agreements, one Lien or Subordination Agreement, Exhibit A (four pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government and by the Applicant. Please insert the date for commencement of the work, and distribute the copies as usual.

You should advise the Applicant that the 8½ percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Peterson
130

ECPeterson/gla 4-3-69

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

| | DATE | INITIALS |
|---|---|---|
| TO: Chief, OME | 12/30/68 | |
| 1. Re: OME-6651 (Copper) J. Howard Sims | | |
| 2. Pope-Shenon Mine | | |
| 3. Lincoln County, Idaho | | |
| 4. | | |
| 5. M. L. Enebsen for | | |
| FROM: D. R. MacLaren | | |

FOR: Check items for action desired

✓ Action ___ Reply for signature of ___

___ Approval ___ Investigate

___ Comment ___ Recommendations

___ Conference ___ Rewrite

___ Instructions ___ Your information

Surname

___ Signature

OFFICIAL COPY

O. M. E.

RECEIVED

JAN 2 1969

INITIALS | CODE

REMARKS: Transmittal of MME Form 51 Signed by the Applicant —

M56300-62

INT.-DUP. SEC., WASH., D.C.

December 27, 1966

United States Department of Interior
Office of Minerals Exploration
Geological Survey
U. S. Court House, Room 656
West 920 Riverside Avenue
Spokane, Washington 99201

Re: OME-6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho

Dear Sir:

Returned herewith signed is MME Form 51 for OME-6651.

Sincerely,

J. Howard Sims

JHS:nb

J. Howard Sims

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
December 20, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 23 1968
INITIALS CODE
120
120
110
120

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho

Dear Sir:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (three pages), one Lien and Subordination Agreements, one Lien or Subordination Agreement, Exhibit A (four pages), Exhibit B (one page), and two maps (figures 1 and 2).

You or whoever will be in charge of the work are urged to read carefully the terms of the contract and all specifications set forth in Exhibit A. Without prior approval confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to the specifications.

You will note that the contract date, starting date, rate of interest, and execution for the Government are presently lacking. The rate of interest in Article I(c) will probably be 7½ or 7-3/4 percent. If the proposed contract is otherwise acceptable to you, sign and return all four copies to this office.

When funds are available, the contract date, the starting date, and the interest rate will be inserted and the contract executed for the Government. The Operator's copy will then be returned to you. No reimbursement for work done before the as yet undetermined date of the contract can be made by the Government.

If any part of the proposed contract does not have your approval, all copies should be returned unsigned by you with a statement of your proposed changes for consideration.

Sincerely,

Willard P. Puffett
Geologist, OME
Region I

Enclosures

WPPuffett/mls

cc: OME
Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 12/17/68 | Peterson | 120 |
| 12/17/68 | Kitkemo | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| 12/18 | Cac | 220 |
| | | 120M |

AIRMAIL

DEC 1 8 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (Five pages), Annex I (Three pages), one Lien and Subordination Agreements, one Lien or Subordination Agreement, Exhibit A (Four pages), Exhibit B (One page) and Two maps (Figures 1 and 2). Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by the Applicant and returned to this office.

When funds are available, the starting date and interest rate will be inserted, and the contract executed for the Government. The Operator's and Field Office's copies of the contract will be forwarded to you at that time.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON (gla)
Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geolgoy File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 12/17/68

MME Form 7
(2/63)

OFFICIAL FILE CO

| Date | Surname | Co |
|---|---|---|
| 11/18/68 | Peterson | 120 |
| " | Kirkemo | 120 |
| | | 110 |
| 11/18 | cal | 220 |
| | | 120M |
| | | |
| | | |
| | | |
| | | |

**AIRMAIL**

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

NOV 18 1968

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

Thank you for your letter of November 12 requesting that the proposed exploration contract be forwarded to you for signature.

At the present time OME funds are limited and we anticipate a delay before money is available for the proposed work. However, the contract will be forwarded shortly for your signature in accordance with Mr. MacLaren's letter of May 24. Meanwhile, please advise if weather conditions normally prevailing in the project area will allow you to start and to continue the exploration during the winter months.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Region I
Mr. Peterson
Mr. Kirkemp

ECPeterson/bsl/gla 11-18-68

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/14/68 | Peterson | 120 |
| | Stephens | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| 6/17 | cal | 220 |
| | | 120M |

**AIRMAIL**

JUN 17 1968

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

This is in response to your letter of June 8 to our Spokane, Washington office, returning the proposed exploration contract forwarded to you for signing if found satisfactory.

We regret that we cannot comply with your request to exclude certain underground workings of the Pope-Shenon mine from the proposed exploration contract. Our review of all the information available to us relating to the mine indicates that it has a limited potential, and any work performed under the proposed OME contract would benefit the entire property. Consequently, it would not be in the best interest of the Government to exclude from the contract the areas encompassing the old underground workings.

We shall hold the proposed exploration contract pending your reply. If it meets with your approval, we shall complete action on it as promptly as possible in accordance with Mr. MacLaren's letter to you of May 24.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 6/14/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 10/23/68 | Peterson | 120 |
| | (on leave) | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| 10/23 | cce | 220 |
| | | 120m |

**AIRMAIL**

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

We have heard nothing further from you since your letter of July 31 concerning the subject application for assistance.

We wish to cooperate fully in allowing you ample time to reach a decision, however we cannot indefinitely postpone action on an application. Therefore, if we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested and we shall consider the application as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/bsl 10/23/68

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

Copy to R-I

7/31/68

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 5 1968
INITIALS | CODE
~~130~~
glo 120 M
JHC 110
HR 120
Ow Lv. 120 P

R.E. Om E, 6651 (Copper)

Mr Frank E Johnson
Chief
Om E.
Washington D.C.

Dear Mr Johnson:-

Mr McClaren called me and I promised to have a letter off to you about a week ago but as yet I have not been able to contact both parties or owners of the Pope Shenon mine.

In their consent to lein I agreed with them not to put the old workings in the mine under lein. This is not in the contract or on the consent to lein, just a gentlemans agreement.

I am convinced the only thing to do is drive the proposed drift if any production is to be realized from the property.

I will get the owners together and get some definite answer as soon as the one returns, which should be in the next few days.

I will send you a definite answer upon his return.

Sincerely

Howard Sims

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

November 12, 1968

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 14 1968
INITIALS | CODE

U.S. Department of Interior
Geological Survey
Office of Mineral Exploration
Washington, D.C.

Re: O.M.E. 6651 Copper
J. Howard Sims
Pope Shenon Mine
Lemhi County, Ida.

Dear Sirs:

I would like to validate the above contract. If you will please send the contracts to me, I will sign them and get them back to you immediately.

Perhaps you should have sent me a cut off date sooner.

Sincerely yours,

J Howard Sims

J. Howard Sims
Salmon, Idaho 83467

c/c U.S. Department of Interior
D. L. Mac Laren
District Director - O.M.E.
New Federal Building
Spokane, Washington.

MME FORM 6
REV. 2-5

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Chief, Office of Minerals Exploration | 6/11/68 | |
| Re: OME-6651 (Copper) | | |
| 2. ~~J. Howard Sims~~ | | |
| Pope-Shenon Mine | | |
| 3. Lemhi County, Idaho | | |
| 4. | | |
| 5. | | |
| FROM: Field Office, Region I | | |

FOR: Check items for action desired

X Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS: Returning all copies of a proposed contract unsigned, along with a self-explanatory letter from Sims justifying his request ~~that~~ certain ground including old workings above bottom level on the Pope Shenon vein.

Approval of requested deletion is recommended

D. McKeever

M56300-62

INT.-DUP. SEC., WASH., D.C.

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 27 1968

| INITIALS | CODE |
|---|---|
| | 130 |
| | 120 |
| | 110 |
| | |
| | 120 |

GEOLOGICAL SURVEY
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

May 24, 1968

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Sir:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (three pages), one Lien and Subordination Agreement, one Lien or Subordination Agreement, Exhibit A (four pages), Exhibit B (one page), and two maps (Figures 1 and 2).

You or whoever will be in charge of the work are urged to read carefully the terms of the contract and all specifications set forth in Exhibit A. Without prior approval confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to the specifications.

You will note that the contract date, starting date, rate of interest, and execution for the Government are presently lacking. If the proposed contract is otherwise acceptable to you, sign and return all copies to this office.

When funds are available, the contract date, the starting date, and the interest rate will be inserted and the contract executed for the Government. The Operator's copy will then be returned to you. No reimbursement for work done before the as yet undetermined date of the contract can be made by the Government.

If any part of the proposed contract does not have your approval, all copies should be returned unsigned by you with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren:my
OME
Director's reading file

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

June 8, 1968

Mr. D. R. MacLaren
District Director O.M.E.
Spokane, Washington

Dear Mr. MacLaren:

I am returning the contracts unsigned for the following reason: When I made application for a contract for assistance I stated that there had been no work done on the property since the O.M.E. had last inspected the mine some years back. In my application I asked to have the old part of the mine excluded from the contract. Since making application I have spent considerable time and money in this area of the mine and have developed some ore in these old workings. I do not feel the O.M.E. should include this ore in the contract, or that I should have to pay royalty on it.

The ore in the Taft vein was discovered under O.M.E. contract and I am willing for it to be included in the present contract.

Do you think this reasonable and possible?

Sincerely,

J. Howard Sims

J. Howard Sims
Box 686
Salmon, Idaho.

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 13 1968

| INITIALS | CODE |
|---|---|
| gla | 130 |
| Ind | 120 |
| | 110 |
| | |
| | 120 |

FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. ~~Assoc. Sol.-MR, Room 6354 (Through Room 6042)~~ | | |
| 2. Mr. Peterson, Rm. 66 4459 | | |
| 3. | | |
| 4. | | |
| 5. | | |

FROM: Chief, OME

FROM SOLICITOR

MAY 1 6

FOR SIGNATURE

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

A-68-2159. 3192

Please return maps.

RECEIVED

APR 23 1968

Division of Mineral Resources
and Genenral Legal Services

M56300-62

INT.-DUP. SEC., WASH., D.C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/27/68 | Peterson | 120 |
| | | 120 |
| | (on leave) | 110 |
| | | |
| | | |
| | | |
| | | |
| 3/27 | CAL | 220 |
| | | 120M |

MAR 27 1968

AIRMAIL

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

The Lien and Subordination Agreements MME Form 52, submitted with the subject application were incorrectly executed. Consequently, we are enclosing a new set of forms for you to complete in accordance with the enclosed sample copy.

Please return five completed copies of the Agreements to this office as quickly as possible, so that we may continue the processing of your application.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Assistant Chief
Office of Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
Region I

ECPeterson/bsl 3/27/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/21/68 | Kirkemo | 120 |
| | | 120 |
| 5/21 | Johnson | 110 |
| 5/21 | Kinetz | 220 |
| 5/21 | Kepp | |
| | | |
| | | |
| | | 110 |
| 5/23 | cl | 220 |

120M

**AIRMAIL**

MAY 23 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (three pages), one Lien and Subordination Agreements, one Lien or Subordination Agreement, Exhibit A (four pages), Exhibit B (one page), and two maps (Figures 1 and 2). Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by the Applicant and returned to this office.

When funds are available, the starting date and interest rate will be inserted, and the contract executed for the Government. The Operator's and Field Office's copies of the contract will be forwarded to you at that time.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON cl

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/BLong 5-15-68
Rewritten: ECPeterson/gla 5-20-68

A Lien and Subordination Agreements, executed June 15, 1967, by the owners of the claims is attached and made a part hereof.

The claims are shown on Figure 1, entitled "Claim Map, Pope-Shenon Mine, Lemhi County, Idaho", attached and made a part hereof.

## EXHIBIT A

The purpose of this project is to explore by crosscutting, drifting, and long hole drilling for copper-bearing ore bodies that occur in and along the Taft and Pope-Shenon vein structures at a horizon 250 feet below the deepest workings of the Pope-Shenon mine.

### General Provisions

A bulldozer no smaller than a Caterpillar D-6, or equivalent unit of any other make shall be used for road repair, and portal and compressor site preparation.

All drifts and crosscuts shall be not less than 5 by 7 feet in cross-section, and shall be timbered as necessary. Mine rail shall be not less than 20-pound size, air line not less than 2-inch diameter, water line not less than 1-inch diameter, and ventilation line not less than 8-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken. Significantly mineralized cuttings from the long-holes shall be sampled, and no individual sample shall represent more than 2 linear feet of hole. Each sample from whatever source shall be split as necessary, and one split shall be assayed for copper. The remainder of each sample shall be stored in a suitable container for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of ~~records or~~ assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the ~~general~~ geological formations and structures traversed by the workings.

No underground workings shall be driven closer than 100 feet to the outer boundary of the claims shown on Figure 1.

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

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

## Description of the Work

The initial work shall consist of repairing the access road, completing about 500 feet of new road, preparing portal site, and constructing a compressor shelter.

The elevation of the portal site shall be about 5,400 (5450) feet (or approximately 250 feet below the 600 level adit portal). From the portal site drive a crosscut in an approximately S. 20° E. direction as shown on Figure 1. It is estimated that the crosscut will intersect the Taft vein and the west segment of the Pope-Shenon vein at distances of 800 and ~~1,000~~ 940 feet, respectively, from the portal as shown on Figure 2, entitled "Generalized Cross-Section, Pope-Shenon Mine Workings, and Proposed Exploration," ~~Work~~ attached hereto and made part hereof. ~~The~~

no para

Then a drift to the east along the west segment shall be driven to the Pope fault and from the fault a crosscut shall be driven in the appropriate direction to recover faulted segments of the Pope-Shenon vein.

With prior Government approval, drifts shall be driven on the most favorable veins traversed by the crosscuts. The total footage of the crosscuts and drifts shall not exceed 2,000 feet.

To further test the extent of mineralization, percussion long holes shall be drilled into the walls of the exploratory drifts or crosscuts from sites selected by the Operator. The long-holes shall be spaced at intervals of not less than 20 feet and the aggregate footage of all holes drilled shall not exceed 250 feet.

## Estimated Costs of the Project

**Fixed Unit Costs** 1/

| | |
|---|---|
| Repair and extend road, prepare portal and compressor site, including labor, materials and supplies 2/ | $ 900.00 |
| Construct a 12' x 20' frame compressor and change house 2/ | 1,000.00 |
| Mobilization and demobilization of equipment 2/ | 150.00 |
| Crosscutting and drifting 2,000 feet @ $41.00/foot | 82,000.00 |

| | |
|---|---|
| Timbering in crosscuts and drifts, | |
| 100 feet @ $10.00/foot | $ 1,000.00 |
| Long hole drilling, | |
| 250 feet @ $1.20/foot | 300.00 |
| Assaying samples for copper, | |
| 140 assays @ $2.50/assay | 350.00 |
| Total Estimated Cost of Project | $85,700.00 |
| Government Participation @ 50% | $42,850.00 |

---

1/ The Government retains no equity in any of the materials used.

2/ The completed job is the unit of work.

# LYON LAW OFFICES

BOX 250

SALMON, IDAHO 83467

C. WALKER LYON

FREDERICK C. LYON

TELEPHONE 756-2814
AREA CODE 208


April 10, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
APR 15 1968
INITIALS | CODE
130
bal 120 m
(on hand) 110
130 P

Mr. Harold Kirkemo, Assistant Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Kirkemo:

Mr. Howard Sims has asked that we return to you the enclosed form MME 52 for the above loan. If they are not executed properly, please return to my office with instructions.

Very truly yours,

C. Walker Lyon

CWL:nb

Enclosures: 5

go to legal 4-23

EP 120
HK 120
Fej ~~110~~
120M

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

| Docket | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME -6651 | Copper | | Lemhi County | Idaho |

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

**J. Howard Sims, an individual**

_____,

whose mailing address is **P. O. Box 686, Salmon, Idaho 83467**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th 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 _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **24** 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 $**85,700.00**. The Government will contribute ~~XX~~ **50** percent of the total fixed unit costs of the work performed, not in excess of $**42,850.00** 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 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 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 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 three copies of a 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 work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

**J. HOWARD SIMS**
(Operator)

By **J. Howard Sims**

Title

By **Director, U. S. Geological Survey**
**Office of Minerals Exploration**

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

CORPORATE SEAL

EXPLORATION CONTRACT
J. HOWARD SIMS
OME-6651

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of thirty-two (32) unpatented lode mining claims in sec. 9, T. 20 N., R 22 E., Boise Meridian, McDevitt mining district, Lemhi County, Idaho.

The unpatented claims are recorded in the Lemhi County Recorder's Office at Salmon, Idaho, as follows:

| Claim | Book | Page |
|---|---|---|
| Grandview No. 1 | W | 503 |
| Grandview No. 2 | W | 503 |
| Grandview No. 3 | W | 504 |
| Grandview Extension No. 1 | 2 | 10 |
| Grandview Extension No. 2 | 2 | 11 |
| Grandview Extension No. 3 | 2 | 12 |
| Grandview Extension No. 4 | 2 | ~~592~~ 13 |
| Grandview Extension No. 5 | Y | 593 |
| North Salmon Copper | 5 | 5 |
| North Salmon Copper No. 1 | 5 | 4 |
| North Salmon Copper No. 2 | 5 | 5 |
| North Salmon Copper No. 3 | 5 | 6 |
| North Salmon Copper No. 4 | 5 | 63 |
| North Salmon Copper No. 5 | 5 | 64 |

| Claim | Book | Page |
|---|---|---|
| North Salmon Copper No. 6 | 5 | 64 |
| North Salmon Copper No. 7 | 5 | 65 |
| North Salmon Copper No. 8 | 5 | 65 |
| North Salmon Copper No. 9 | 5 | 66 |
| North Salmon Copper No. 10 | 5 | 66 |
| North Salmon Copper No. 12 | 5 | 67 |
| North Salmon Copper No. 13 | 5 | 67 |
| South Salmon Copper | 5 | 4 |
| South Salmon Copper No. 1 | 5 | 59 |
| South Salmon Copper No. 2 | 5 | 59 |
| South Salmon Copper No. 3 | 5 | 60 |
| South Salmon Copper No. 4 | 5 | 60 |
| South Salmon Copper No. 5 | 5 | 61 |
| South Salmon Copper No. 6 | 5 | 61 |
| South Salmon Copper No. 7 | 5 | 62 |
| South Salmon Copper No. 8 | 5 | 62 |
| South Salmon Copper No. 9 | 5 | 63 |
| New Pope Shenon | Instrument No. 107355, recorded Oct. 5, 1967 | |

The Operator is owner of the New Pope Shenon claim and is in possession of the remaining claims under the terms of a Lease and Option to Purchase, dated May 1, 1966, from Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, the owners.

~~Field Office's~~ Copy

MME Form 51
Feb. 1959

RECEIVED
Via
DEC 4 1967
U.S. Mail
O.M.E.
SCANNED

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

EXPLORATION CONTRACT
(Short Form)

| Docket No. | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME [illegible] | Copper | 14-23-090- | [illegible] | 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

Western Uranium Corporation, A South Dakota corporation

_____,

whose mailing address is 120 South 3rd, Riverton, Wyoming, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th 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 _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 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 $ 19,570.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 10,285.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually 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 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 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 five 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 five copies of a 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 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 work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that 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)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator 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 by the Operator in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) 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 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.

(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.

See Article 14

~~ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

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. 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. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

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.

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

WESTERN URANIUM CORPORATION
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____

Director, Office of Minerals Exploration

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

_____

[CORPORATE SEAL]



INT.-DUP. SEC., WASH., D.C. 52375

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
March 15, 1968

MAR 18 1968
(Disposed)

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 20 1968

| INITIALS | CODE |
|---|---|
| | 130 |
| | 120 |
| | 140 |
| | 120 |

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Enclosed is the copy of a contract formerly offered to and rejected by Western Uranium Corporation (OME-6190). Because of the information on this property contained in Dockets DMEA-3112 and OME-6190 an on-site examination would not be productive enough to be warranted.

The question of the applicant's rights to claim North Salmon Copper No. 111 is the subject of letters dated October 4 and 6, 1967, from Mr. Sims. Although I can find nothing in our OME-6190 file to show where they came from, I note in Annex I of the enclosed contract that Notice of Location of this claim is recorded in Book 10, page 433. As none of the other claims were recorded more recently than Book 5, it is quite possible that the location was made by Shockey as Sims states. Sims has relocated this claim as New Pope Shenon and recorded it in Instrument No. 107355. This change should be made on the claim map and in Annex I of a new proposed contract with Sims.

On the claim map with the enclosed contract I have outlined a block of seven claims that should be sufficient to define as claims subordinated under the terms of a new contract. Were these the only claims controlled by the applicant, I doubt that he would be required to secure additional ones. They are:

| Claim | Book | Page |
|---|---|---|
| Grandview No. 1 | W | 503 |
| Grandview No. 2 | W | 503 |
| Grandview No. 3 | W | 504 |
| North Salmon Copper | 5 | 5 |
| North Salmon Copper No. 1 | 5 | 4 |
| North Salmon Copper No. 2 | 5 | 5 |
| New Pope Shenon | Instrument No. 107355 | |

FIELD-RPT. & RECOM.

I concur with Exhibit A--General Provisions and Description of the Work, but believe that some long hole drilling should be included and that a slight revision of the costs is in order.

COSTS

The applicant's estimate of 51 hours dozing time to repair a quarter of a mile of old road, construct an eighth mile of new road and excavate portal and compressor sites seems excessive but $22.50 per hour is about right as this figure apparently includes mobilization, etc.

Two thousand feet of drift and/or crosscut, 5' x 7' in section. Estimated rate of advance 5 ft/shift, 1 shift/day, 22 days/month; 110 ft/month, required time 18.2 say 20 months. Estimated 22 holes per 5-foot round.

Provision should be made for long hole drilling at intervals of not less than 20 feet in sections where vein material completely fills the drift section.

Shipping records tabulated in the Field Team final report, Docket No. DMEA-3112 show gold and silver values too low to warrant assaying for these minerals.

Fixed Unit Costs

Surface

| | | |
|---|---|---|
| Repair and extend road, prepare portal and compressor site 40 hrs at $22.50/hr | | $ 900.00 |
| Construct 12' x 20' compressor house and shop w/corrugated iron panels | | $1,000.00 |
| Mobilizing equipment (from Democrat mine and Salmon) | | 150/00 |

Underground

1. Independent Contracts — None

2. Labor and Supervision

| | | |
|---|---|---|
| 2 miners at $25/day | $ 50.00 | |
| 1 helper-trammer at $20/day | 20.00 | |
| 1 supervisor-engineer-geologist at $30/day | 30.00 | |
| | $100.00 | |
| FICA and other insurance at 14% | 14.00 | |
| | $114.00 | |
| At 5 ft/day | | $22.80/ft |

3. Operating Materials and Supplies

| | |
|---|---|
| Powder, 35 lbs at $35/cwt | $12.25 |
| Caps, 22 at $0.04 each | 0.88 |
| Fuse, 220 ft at $0.05/ft | 11.00 |
| Air line, 2" w/fittings, 1,950 ft at $0.78/ft (less 50% - no salvage) | 1.90 |
| Water line, 1" w/fittings, 1,950 ft at $0.40/ft (less 50% - no salvage) | 0.97 |
| Vent line, 8", 1,950 ft at $1.25/ft (less 50% - no salvage) | 3.05 |
| Rail, 20#, 15 T at $300/T (less 50% - no salvage) | 5.62 |
| Fish plates, spikes, etc., at $0.64/ft. | 2.70 |
| Ties, 628 at $0.45 each | 0.70 |
| Air hose, 1" w/fittings, 450 ft at $0.57/ft | 0.65 |
| Water hose, 3/4" w/fittings, 450 ft at $0.28/ft | 0.31 |
| Fuel, oil, and grease | 5.50 |
| Steel, 1 replaced/300 ft at $17.00 each 198 ft/round | 11.22 |
| Bits, 1 replaced/300 ft at $5.50 each 198 ft/round | 3.63 |
| Repairs and upkeep at $0.60/ft | 3.00 |
| Small tools, repair parts, etc., at $0.50/ft | 2.50 |
| | $65.88 |

At 5 ft/round $13.17/ft

4. Operating Equipment

| Furnished by Applicant | Present fair market value | Monthly deprec. |
|---|---|---|
| "500" Air compressor | $12,000.00 | $200.00 |
| Receiver tank | 250.00 | 4.17 |
| 2 JR 38B Jackleg drills | 1,600.00 | 26.67 |
| Mucking machine | 4,000.00 | 66.67 |
| 4 2-Ton side dump cars | 1,600.00 | 26.66 |
| Mancha trammer | 4,500.00 | 75.00 |
| Generator-charger | 1,500.00 | 25.00 |
| Vent fan w/motor | 600.00 | 10.00 |
| | | $434.17 |

At 20 months $8,683.40

At 2,000 ft/mo $4.34/ft

5. and 6. (See Surface above)

7. Miscellaneous

| | | |
|---|---|---|
| Long hole drilling 200 ft at $1.20/ft | $240.00 | |
| 40 Sludge sample and 100 channel sample assays for copper at $2.65 (includes $0.15 for handling) | 371.00 | $611.00 |

Unit cost for crosscutting and/or drifting $40.31, say $41.00/ft

Drift Timbering

It is estimated that 100 feet of timber may be required. Two miners and a helper should be able to stand, block, and lay 15 feet or 3 sets per shift. At 1 shift/day, 22 days/month the estimated time required for timbering is 6.7 days, say 0.5 months.

1. Independent Contracts None

2. Labor and Supervision

| | |
|---|---|
| 2 miners at $25/day | $50.00 |
| 1 helper-trammer at $20/day | 20.00 |
| | $70.00 |
| FICA and other insurance at 14% | 9.80 |
| | $79.80 |

At 15 ft/day $5.32/ft

3. <u>Operating Materials and Supplies</u>

| | | |
|---|---|---|
| 42 posts, 8"x8"x7' | = | 1,568 Bf |
| 21 caps, 8"x8"x6'4" | = | 709 bf |
| 40 collar braces 4"x6"x4'4" | = | 347 bf |
| 400 lagging 3"x12"x5' | = | 6,000 bf |
| | | 8,624 bf |
| at $75/Mbf | | $646.80 |
| Plus 10% for blocks, wedges, etc. | | 64.68 |
| | | $711.48 |
| At 100 ft of timber | | $7.11/ft |

4., 5., 6., and 7 — None

Unit cost for timbering — 25/day avg high - $12.43/ft

$10.00

## RECAPITULATION

| | |
|---|---|
| Repair and extend road, prepare portal and compressor site, 40 hrs at $22.50/hr 1/ | $ 900.00 |
| Construct compressor house and shop w/corregated siding 1/ | 1,000.00 |
| Mobilizing equipment 1/ | 150.00 |
| 2,000 feet of crosscutting and/or drifting at $41.00/ft | 82,000.00 |
| 100 feet of timbering in crosscuts and drifts at $12.42/ft | 1,000 1,242.00 |
| 200 feet long hole drilling at $1.20/ft | 240.00 |
| 140 sample assays for copper at $2.65 | 210 371.00 |
| Total cost of project | $85,903.00 |
| Government participation at 50 percent | $42,951.50 |

1/ Completed job is the unit.

D. R. MacLaren

Enclosure
Distribution:
OME
USGS(SRO)
Docket
MacLaren
OME-6190
DMEA-3112

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 11/30/67 | Peterson | 120 |
| 11/30/67 | Kirkham | 120 |
| | | 110 |
| 12/1 | [illegible] | 220 |
| | | 120M |
| | | |
| | | |
| | | |
| | | |

DEC 1 1967

**AIRMAIL**

**Memorandum**

**To:** Field Officer, Region I

**From:** Chief, Office of Minerals Exploration

**Subject:** OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

The subject application is referred to you for further consideration and recommendations. Because of the considerable information on this property contained in Docket BMEA-3112 and Docket OME-6190, an on-site examination probably is not necessary.

Under the circumstances, an exploration contract similar to the one we are enclosing appears to be warranted. If you agree, please review and return this copy with your recommendations. Particular attention should be given to the cost estimate which may require some revision and updating.

FRANK E. JOHNSON (pl)

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 11/30/67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 11/30/67 | Peterson | 120 |
| 11/30/67 | Nishamo | 120 |
| | | 110 |
| | | 220 |
| | | 120M |
| | | |
| | | |
| | | |
| | | |

AIRMAIL

DEC 1 1967

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

Thank you for your letter of November 15, 1967, to our Spokane, Washington, office, and enclosed check in the amount of $293.07 for payment of royalties due the Government on past production from the Pope-Shenon mine.

Your application for exploration assistance is now being referred to Mr. D. R. MacLaren, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. MacLaren will notify you if additional information concerning the application is needed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
Docket OME-6651
Docket DMEA-3112
OME Reading File
OME Region I
Mr. Peterson
130

ECPeterson/gla 11-30-67

23263

# GENERALIZED CROSS SECTION A-A'

SEE PLATE I

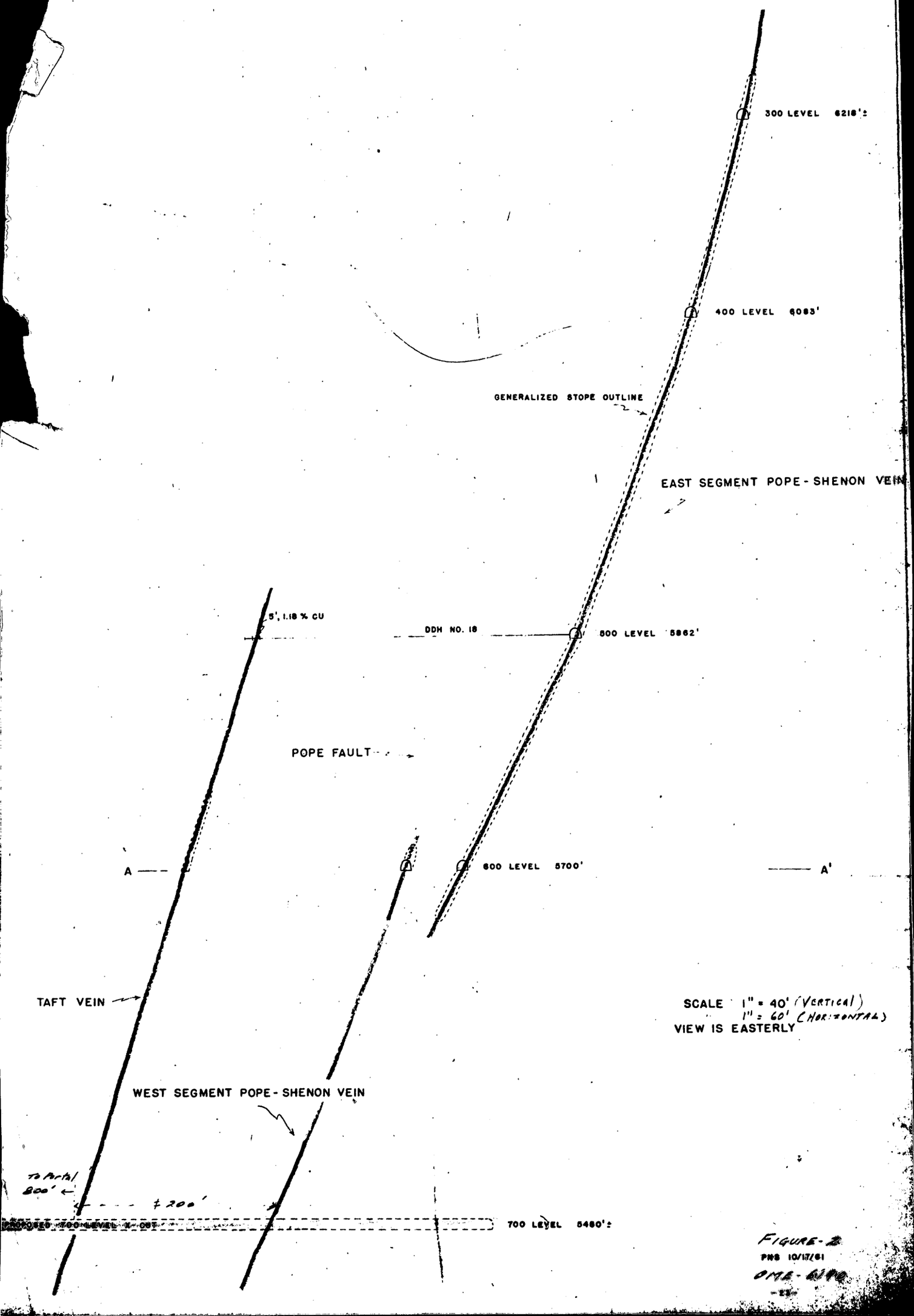
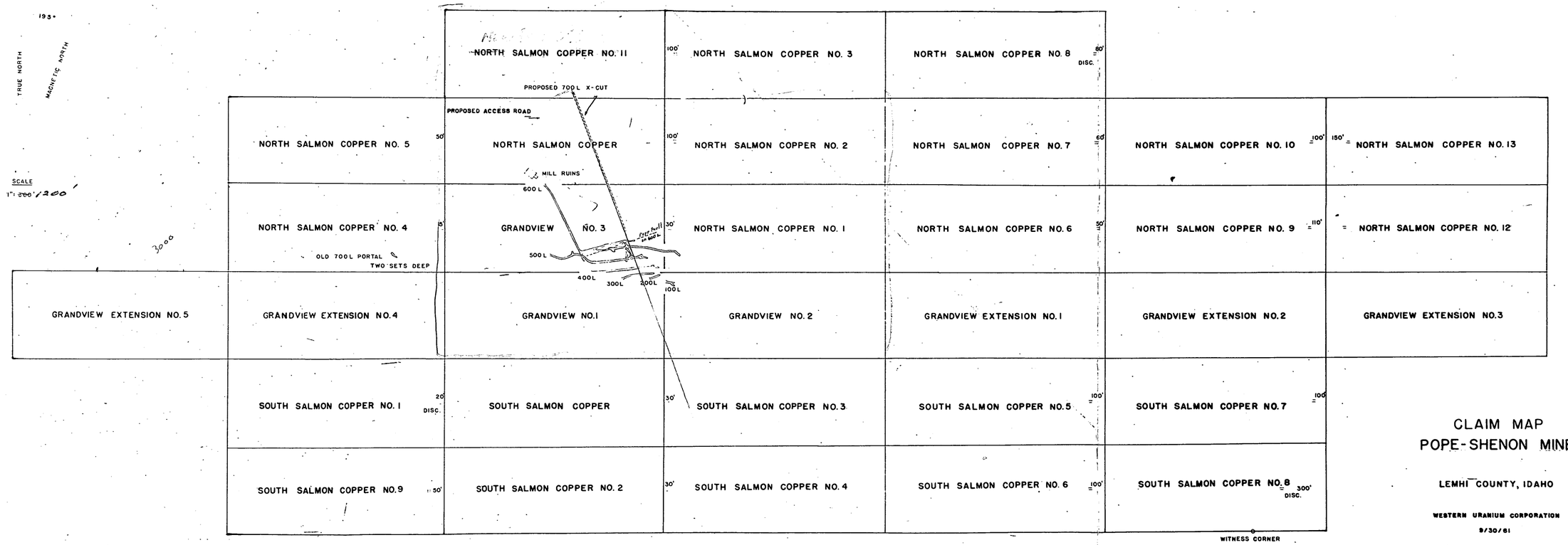



FIGURE-2
PHS 10/17/61
OMB-6190




# CLAIM MAP
# POPE-SHENON MINE

LEMHI COUNTY, IDAHO

WESTERN URANIUM CORPORATION

9/30/61

FIGURE I
OME-6190

I 6 REFERENCE SLIP
2-59 OFFICE OF MINERALS EXPLORATIO

| | | DATE | INITIALS |
|---|---|---|---|
| 1. | Chief, OME | 11/20/67 | |
| 2. | Re: OME-6651 (Copper)<br>J. Howard Sims | | |
| 3. | Pope-Shenon Mine<br>Lemhi County, Idaho | | |
| 4. | MLS | | |
| 5. | M. L. Smelser for<br>D. R. MacLaren | | |
| FROM: | Fld. Officer, Reg. I | | |

OFFICIAL COPY
O M E
RECEIVED
NOV 22 1967
INITIALS CODE

FOR: Check items for action desired

___ Action ___ Reply for signature of
___ Approval ___ Investigate
___ Comment ___ Recommendations
___ Conference ___ Rewrite
___ Instructions X Your information

Surname
Signature
File

RKS:

Check from Mr. Sims processed through regular channels. Refer to your letter of 10/23/67 re. uncollected amount due from production on DMEA contract (Idm-E651 - utrida Mines, Inc.).

EC., WASH., D.C. M56300-62

Cme(2)

SALMON IDAHO - 83467
Phone 208-756-2277

OFFICIAL
COPY
C. M. E.
RECEIVED
NOV 22 1967
INITIALS CODE

DMEA-3112

Dec. 18, 1953 - Chief Consul to Administrator DMEA cites lease held by Rulon Young on a portion of the mine

Feb 15, 1954 - Letter from Applicant to Region II regarding Rulon Young lease

April 15, 1954, Region III to Centenda Mines, re ore that might be shipped by Rulon Young.

July 1, 1954, Letter from Region II to Washington requesting advise on question of royalty regarding ore shipped by Young.

July 30, 1954, Acting Assistant Solicitor to Administrator answering above July 1. letter.

Aug. 9, 1954, Washington to Region II advising field of the Acting solicitors opinion.

Rowlon Young made following shipments of ore.

| Lot | Received at smelter | |
|---|---|---|
| Y-5 | 3/16/54 | Note: a letter from |
| Y-6 | 3/30/54 | Centenda Mines, Inc., dated |
| Y-7 | 5/17/54 | Oct. 7, 1954, states this |
| Y-8 | 6/8/54 | ore was stolen prior to |
| Y-9 | 6/17/54 | contract. |
| Y-10 | 7/16/54 | Both the Operator and |
| 1 | 11/1/54 | Owners of the property |

refused to pay royalty in the sum of $717.54 on these shipments.

start
Aug 9. 1957

Notice was given Fred J. Brough on April 6, 1955 by Contrada Mines, Inc. that it was abandoning the property. The Exploration Project Contract also contains an abandonment provision.

April 19/56 Associate Solicitor to Administrator. that production prior to date of contract is not subject to Government's royalty. refers to (old tailings and dumps)

Royalty has been paid on all the mine production subsequent to the ore shipped by Rouler Young.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

| | DATE | INITIALS |
|---|---|---|
| 1. Re: OME-6651 (Copper) | 10/20/67 | |
| 2. J. Howard Sims | | |
| Pope-Shenon Mine | | |
| 3. Lemhi County, Idaho | | |
| 4. | | |
| 5. D. R. MacLaren DRM | | |

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 23 1967
INITIALS CODE

FROM: Fld. Officer, Region I

FOR: Check items for action desired

____ Action ____ Reply for signature ____ Surname
____ Approval ____ Investigate ____ Signature
____ Comment ____ Recommendations ____ File
____ Conference ____ Rewrite
____ Instructions X Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-62

[illegible], 19[illegible]

[illegible]
[illegible]
[illegible]

Dear [illegible]:

[illegible] has been [illegible] now. [illegible] banner and the [illegible] recorded on [illegible].

[illegible],

J. Howard Sims

J. Howard Sims

[illegible] 8 [illegible] 1957

[illegible]

AHO 83467
756-2277

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 9, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 13 1967
INITIALS COPY
120
120 M
120 F

Air Mail

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

Thank you for your letter of October 4, 1967. However, you have neglected to give us the book and page on which the location of the new Pope-Shenon claim has been recorded.

When we receive that information we will forward your letter to Washington, D. C., for further consideration of your application.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME w/cpy incoming

Director's Reading File

The Owner's Consent to Lien states in Section 2:

> "To secure the payment to the Government of the percentage royalty on production provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount the Government's contribution, not in excess of $150,000.00, or ten years have elapsed from the date of the contract."

The owners, through the lien on their claims, were sureties for payment of royalties due from any operators as long as the production took place within the ten year period.

At the expiration of the ten year period the Government lost its right to royalty claims on production from the property. However, the amount due here is no longer a royalty claim but a liquidated debt. The debtor is apparently one Rulon Young who mined the property after Centrida had abandoned.

The Government could have sued Mr. Young for the amount due, but the statute of limitations on contract claims has long since run. The other alternative would have been to enforce the Government's lien on the property. However, this right expired with the ten year period (Sec. 2, Owner's Consent to Lien, Above). This lien was the only right the Government had against the owners for payment of the royalties. Consequently the $293.07 is now uncollectible through legal action.

With respect to the question of the propriety of entering into a new contract on this property, the Government is under no obligation to grant a contract. You could advise both the applicant, Mr. Sims, and the owners that no contract will be approved until the outstanding debt is paid. They both have much to gain and only $293.07 to lose by settling this matter. You could encourage them to work out a settlement which will be acceptable to us.

Robert W. Long

Robert W. Long
Assistant Solicitor
Oil and Gas and Minerals Exploration

Enclosures

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 10/23/67 | Peterson | 120 |
| 10/23/67 | [illegible] | 120 |
| 10/23 | (On Leave) | 110 |
| | | |
| | | |
| | | |
| | | 220 |
| | | 120M |
| | | |

AIRMAIL

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

OCT 23 1967

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

In reviewing your application and other information available to us relative to the Pope-Shenon property, we find that the mine was certified for possible production as a result of work performed on it under a Defense Minerals Exploration Administration exploration contract. Royalties due the Government from production during the contract period in the amount of $293.07 remain uncollected.

It appears that the property owner and subsequent lessees who worked the mine benefited from the exploration work completed under the DMEA Contract. Consequently, we believe that it would not be in the best interests of the Government to consider a new project on the property until the royalty account has been satisfactorily settled.

Perhaps you can work out a settlement agreement with the property owner on the dispensation of this account. We shall continue to hold your application until we have been informed of your decision regarding this matter.

Sincerely yours,

Harold Kirkham
for Frank K. Johnson
Chief, Office of
Minerals Exploration

cc: Mr. Fred J. Brough
Salmon, Idaho

Mr. and Mrs. C. Walker Lyon
Salmon, Idaho

Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
Region I w/copy of Solicitor's (Asst.) memo.

23263

IN REPLY REFER TO:

J-67-2063.3192

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

October 18, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Solicitor, Oil and Gas and Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

This is in reply to your memorandum of October 13, 1967, requesting my comments regarding the propriety of issuing the above-mentioned contract due to the fact that $293.07 is still due the Government on the original exploration contract involving this property (Docket DMEA-3112).

The original contract with Centrida Mines, Inc., signed December 28, 1953, provided that royalties would be paid on any production from the property for ten years from the date of the contract or until the amount of the Government contribution had been paid in full. The balance due ($293.07) accrued before the expiration of the ten year period.

When the original contract was signed Centrida became primarily liable for the royalties. The owners became secondarily liable under the Owner's Consent to Lien Agreement. Article 7 of the contract gives the Operator the right to sell, assign or give away its rights in the property, with Government consent, and with a provision in any assignment preserving the rights of the Government to collect royalties as per the original contract. However, the operator could completely abandon the operation at any time and be relieved of liability for royalties accruing thereafter within the ten year period as long as he received no consideration from production by subsequent operators.

This is apparently what happened in this case. The $293.07 accrued by virtue of production by a subsequent lessee.

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 10/11 | Peterson | 120 |
| 10/11/67 | Kirbano | 120 |
| | | 110 |
| | | ~~120M~~ |
| | | |
| | | |
| | | 220 |
| | | 120M |
| | | |

Memorandum

To: Associate Solicitor--Mineral Resources

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

The subject application has been received by OME and an exploration contract appears to be warranted. However, in view of royalty being due the Government on past production from the property under a former DMEA contract, we question the propriety of a new contract. before the old account has been settled. We would appreciate your comments and/or a decision in this matter so we may act accordingly.

Briefly, this property was the subject of DMEA contract (Docket DMEA-3112). The project was certified as a discovery on September 19, 1955. Royalty on past production in the amount of $293.07 remains unpaid according to a Report of Royalty Review dated April 13, 1960.

In accordance with Annex II (in lieu of Article 6) of that contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. This repayment period expired December 28, 1963.

The Operator (now defunct) and property owner have argued that the "Abandonment" clause contained in Article 7 of the contract releases them of this obligation. The interpretation of this clause is the main point of contention.

Attempts to collect the remaining royalty due the Government have been futile, although subsequent royalties on production from the property by other lessees have been paid.

The present application (Docket OME-6651) is essentially the same, except for Applicant, as the one submitted in 1961 (Docket OME-6190). At that time a contract was prepared, but the application was withdrawn by the Applicant due to financial difficulties.

All material we have relating to the former DMEA contract and applications is attached for your review.

FRANK E. JOHNSON

Frank E. Johnson

Attachments

Director's Reading File
Division File
Economic Geology File
~~OME~~ File
Ome Reading File
Mr. Peterson
~~Region I~~
Dockets 3112 & 6190

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 9/28 | Peterson | 120 |
| 9/28/67 | Kirkemo | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| 9/28 | cole | 220 |
| 9/29 | [illegible] | ~~120M~~ |
| | | |

**AIRMAIL**

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

A review of your application for exploration assistance indicates that additional information regarding your property rights to the North Salmon Copper No. 11 Claim is needed before we can continue its processing.

Although work is contemplated on this claim, no indication has been made in the application as to its ownership. If the property is included in the proposed work, we will require the recording data, and a copy of the document by which it was assigned to you.

For your information, allowances for use of equipment owned by the operator are calculated in an OME contract by allowing depreciation to the extent of one-sixtieth of its fair market value, or its book value, whichever is less for each month used on the project. If the equipment is rented, a fair rental charge per month is allowed.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 9/28/67

23263

August 31, 1967

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Subject: OME-6651

Dear Mr. Sims:

Your application for exploration assistance, dated August 21, 1967, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6651.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

October 4, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 9 1967
INITIALS | CODE
130
120 m
120 P

Frank E. Johnson
Chief Office of Minerals Exploration
Washington, D. C.

RE: O.M.E. 6651 Copper
Pope Shenon Mine
Lemhi County, Idaho

Dear Mr. Johnson,

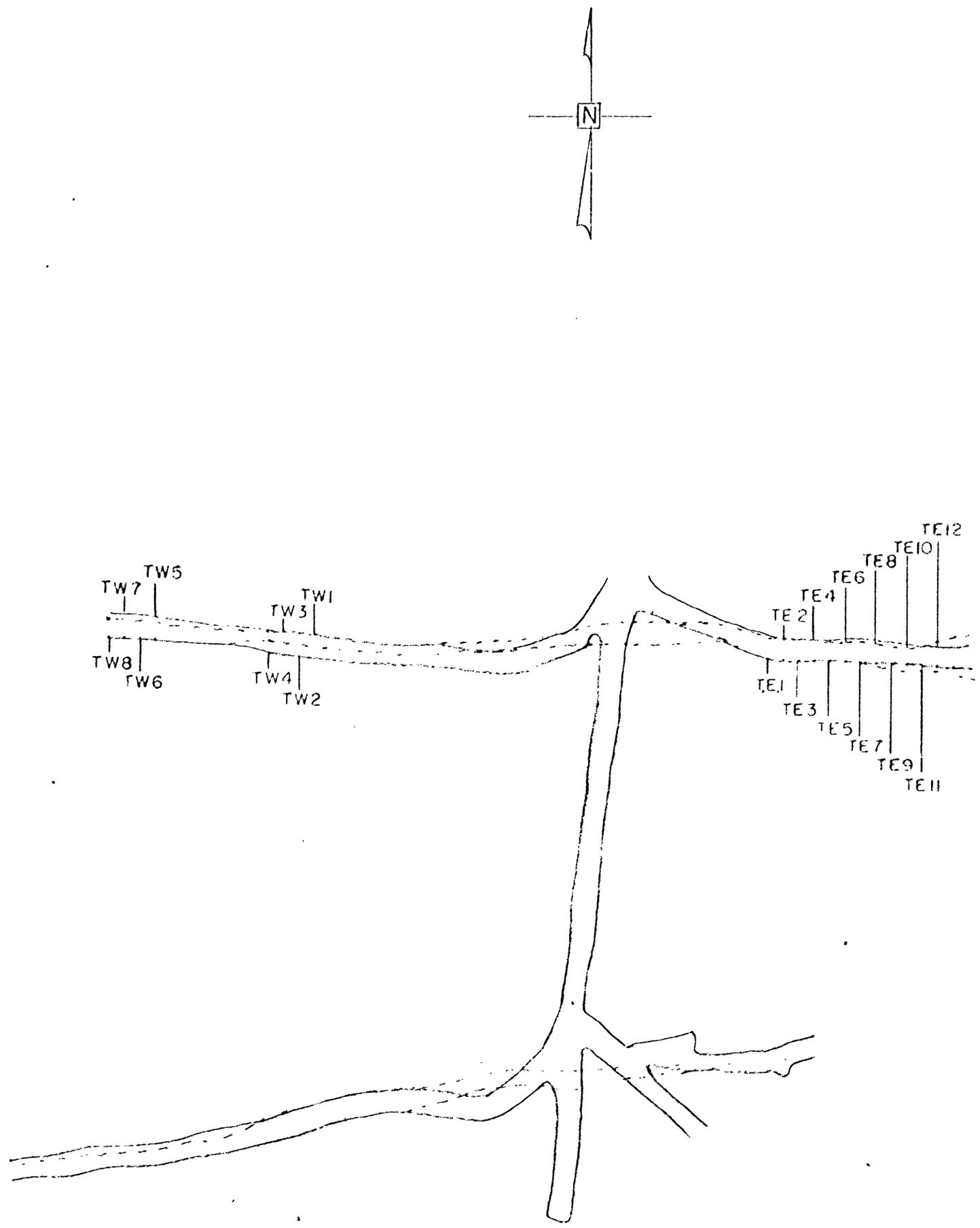
Records show that the North Salmon Copper No. 11 was located by a Mr. Philip N. Shockey for Toil Mining Company in October, 1961. No work has been done on the claim nor any intention to hold has been filed since that date.

I am sure that this claim was located as a tunnel site, although mineral can be found, but was never turned over to the lessee when the Toil Mining Company did not go ahead with their O.M.E. contract.

I have relocated this claim as the New Pope Shenon and will substitute it in place of North Salmon Copper on the map. This claim should then be changed from the North Salmon Copper to the New Pope Shenon.

Sincerely,

Howard Sims

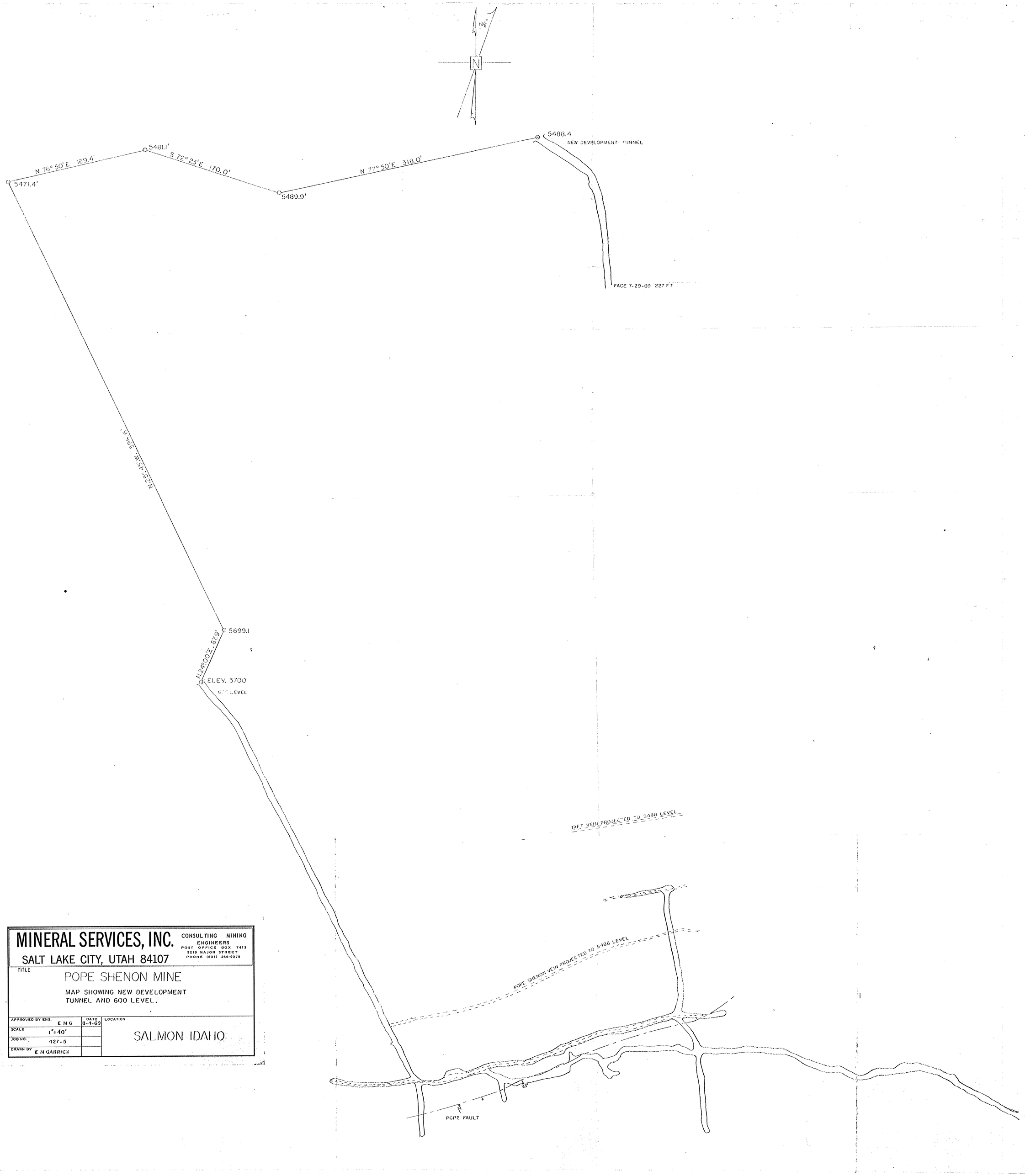



| SAMPLE. NO | FEET CUT | Ag | Cu |
|---|---|---|---|
| TE-1 | 3 | 0.8 | 2.8 |
| TE-2 | 3.5 | 0.6 | 3.0 |
| TE-3 | 3.5 | 0.4 | 3.0 |
| TE-4 | 4 | 0.7 | 2.2 |
| TE-5 | 5 | 2.8 | 2.5 |
| TE-6 | 2 | 0.6 | 2.5 |
| TE-7 | 4 | 0.6 | 2.8 |
| TE-8 | 4 | 1.8 | 4.8 |
| TE-9 | 2.5 | 0.8 | 2.0 |
| TE-10 | 3 | 0.2 | 1.9 |
| TE-11 | 2.5 | 0.8 | 4.0 |
| TE-12 | 2 | 0.8 | 2.0 |
| TW-1 | 4 | 0.6 | 3.6 |
| TW-2 | 4 | 0.5 | 0.7 |
| TW-3 | 5 | 0.6 | 0.5 |
| TW-4 | 2 | 0.6 | 2.3 |
| TW-5 | 2 | TR | 1.1 |
| TW-6 | 3 | TR | 1.9 |
| TW-7 | 2 | 1.76 | 0.6 |
| TW-8 | 2 | 0.9 | 4.2 |

POPE - SHENON MINE
SAMPLE MAP

E.A.G. 5-17-7

OME-6651




**MINERAL SERVICES, INC.**
SALT LAKE CITY, UTAH 84107

CONSULTING MINING ENGINEERS
POST OFFICE BOX 7413
5219 MAJOR STREET
PHONE (801) 266-3079

TITLE

POPE SHENON MINE

MAP SHOWING NEW DEVELOPMENT TUNNEL AND 600 LEVEL.

| | | | |
|---|---|---|---|
| APPROVED BY ENG. | E M G | DATE 8-4-69 | LOCATION |
| SCALE | 1" = 40' | | SALMON IDAHO |
| JOB NO. | 427-5 | | |
| DRAWN BY | E M GARRICK | | |