Extra Copy

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this _____ day of _____, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Ozark-Mahoning Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E449, Docket No. DMEA-2757, dated November 18, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Executive Officer, Defense Minerals Exploration Administration Field Team Region VIII

OZARK-MAHONING COMPANY

By _____

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
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DOCKET NO. DMEA 2757

COMMODITY Fluorspar

Docket Copy
IDM-E 449

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 18th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Ozark-Mahoning Company, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, Rosiclare, Illinois

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to the mineral and mining rights in that certain land situated in the State of Illinois, County of Hardin, described as set forth in Annex I attached hereto and made a part hereof

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and the property is subject to the following claims, liens or encumbrances as to each of the owners, lessees, and holders thereof:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ninety (90) days from the date of this contract shall commence work on a project of exploration for[5] fluorspar

in or upon the described land; and shall bring the project to completion within a period of 24 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay fifty percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $24,300.00, which is 50 percent of $48,600.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

16—66329-1

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Ozark-Mahoning Company
(Operator)

By J. G. Trewartha

By C. W. Mateesen
Administrator, Defense Minerals Exploration Administration

OK Dave Hoch Talbert

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

J. L. Cadden [CORPORATE SEAL]

DEC 23 1952

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Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
OZARK-MAHONING COMPANY
DOCKET NO. DMEA-2757

ANNEX I

The land referred to in Article 2 consists of the following:

The SW¼ of the NW¼ and the NW¼ of the SW¼ of Section Twenty-six (26); the NE¼ of the SE¼, except one (1) acre for school lot in the northwest corner, and twelve (12) acres in the northeast part of the SE¼ of the SE¼ of Section twenty-seven (27) all in T 11 S, R 9 E, containing in the aggregate one hundred thirty-one (131) acres, more or less, and the NE¼ of the NW¼ of Section 26 T 11 S, R 9 E, situated in said Hardin County.

EXPLORATION PROJECT CONTRACT
OZARK-MAHONING COMPANY
DOCKET NO. DMEA-2757

EXHIBIT "A"

Description of the Work

The project shall consist of testing for fluorspar, by means of churn-drill holes, the tract of land designated as the "C. & P. Austin 171 Ac Tract" on the map entitled "DMEA-2757, Ozark-Mahoning Co. Map of C. & P. Austin Tract and Surrounding Acreage, T 11 S R 9 E., Hardin County, Illinois," attached hereto and made a part hereof.

The first holes to be drilled shall be located approximately 150 ft. apart, along an east-west line about 100 ft. south of the north line of the N.E.¼ of the N.W.¼ of Section 26 shown on the map as "Proposed Cross-Cut."

The spotting and spacing of the holes shall be governed by the judgment of the Operator's supervising engineers and geologists subject to the following limitations:

1. The total footage drilled shall not exceed 20,000 ft.

2. No hole shall be deeper than 900 ft.

3. No hole shall be drilled closer than 60 ft. to the nearest completed hole.

4. Deviation from the above three over-all limitations may be made with the approval of the Executive Officer of the DMEA Field Team, Region VIII.

AGREED ESTIMATED COSTS

20,000 ft. of churn drilling @ $2.43 per ft. 1/	$48,600.00
Total Cost of the Project	$48,600.00
Government Participation @ 50%	$24,300.00

1/ This includes the cost of a geologist, clerical staff, and assaying.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Illinois, County of Hardin, described as follows:1/

The SW¼ of the NW¼ and the NW¼ of the SW¼ of Section Twenty-six (26); the NE¼ of the SE¼, except one (1) acre for school lot in the northwest corner, and twelve (12) acres in the northeast part of the SE¼ of the SE¼ of Section twenty-seven (27) all in T 11 S, R 9 E, containing in the aggregate one hundred thirty-one (131) acres, more or less, and the NE¼ of the NW¼ of Section 26 T 11 S, R 9E, situated in said Hardin County,

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

2/ Ozark-Mahoning Company, Rosiclare, Illinois, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware,

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ 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 of the Government's contribution, not in excess of 4/$24,300.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 13 day of Dec., 195 2

Paris Austin [Seal]
Paris Austin

Clifford Austin [Seal]
Clifford Austin

[Seal]

1/ 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEC 23 1952
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DEPARTMENT OF THE INTERIOR
Defense Materials Administration

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

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DMA Docket No. 2757

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Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

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EXPLORATION ASSISTANCE

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

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SURNAME:

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

600

JAN - 8 1954

Mr. J. G. Trewartha, Vice President
Ozark-Mahoning Company
Benisland, Illinois

Re: Docket No. DMEA-2757 - Fluorspar
C. & P. Austin Tract
Hardin County, Illinois
Contract No. Idm-2449

Dear Mr. Trewartha:

This is with reference to the subject Exploration Contract between the Ozark-Mahoning Company and the Government.

The final audit of the contract and the final reports of the Operator and the Field Team have been received and accepted by this Administration. Of the total amount of $48,600 approved under the contract, the sum of $20,151.99 was expended, 50 percent of which, or $10,076.00, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf (fw)
Administrator

JTRobertson:gad 1/6/54
Copy to: Admr. R. File
Docket File
Field Team, Reg. 7
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.G.S. 1-8-54

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

Project Summary Report

By: Jasper T. Robertson December 3, 1953

1. DMEA Docket No. 2757 - Fluorspar
Contract No. Idm-E449
Clifford and Paris Austin Tract
Hardin County, Illinois

Operator: Ozark-Mahoning Company
Rosiclare, Illinois

Property rights: Lease agreement dated Sept. 30, 1952.
Lessee - Ozark-Mahoning Company
Owner and Lessor - Paris Austin, Thelma Austin, Clifford Austin and Ethel Austin, Hardin County, Illinois.
Description: The SW¼ of the NW¼ of the SW¼ of Section Twenty-six (26); the NE¼ of the SE¼, except one (1) acre for school lot in the northwest corner, and twelve (12) acres in the northeast part of the SE¼ of the SE¼ of Section twenty-seven (27) all in T.11 S., R. 9 E., containing in the aggregate one hundred thirty-one (131) acres, more or less and the NE¼ of the NW¼ of Section 26, T. 11 S., R. 9 E., situated in Hardin County, Illinois. Owner's Consent to Lien dated 12/13/52.

2. Contract dated 11/18/52.

Work authorized -	
20,000 feet of churn drilling @ $2.43/ft.	$48,600.00
Government participation @ 50%	$24,300.00

Amendments - none

Work completed -	
Exploration work discontinued after drilling 12 holes for a total distance of 8,293 feet. Results were negative. Last hole finished 8/31/53.	
Operator proposes to surrender lease on or before October 1, 1953.	
Cost of completed drilling:	
8,293 feet @ $2.43/ft. (includes all costs)	$20,151.99

3. Audit - Certificate issued 10/29/53

(No exceptions) accepted cost	$20,151.99
Government participation	$10,076.00

4. Certification of Discovery - None. The results of the drilling were definitely negative. No fluorspar orebodies were encountered. Complete logs of each hole is contained in the Operator's reports.

Summary Data of Holes

Hole No.	Started	Completed	Depth	Remarks
19	1-10-53	2-27-53	708	Blank.
20	1/31-53	3-10-53	700	Blank.
21	2-27-53	4-2-53	730	Blank.
22	3-10-53	4-17-53	725	Blank.
23	4-2-53	5-8-53	725	Blank.
24	4-17-53	5-28-53	700	Blank.
25	5-8-53	6-6-53	675	Blank.
26	5-28-53	7-2-53	670	Low grade mineralization at base of Bethel. No mineralization at Rosiclare or Sub Rosiclare contact.
27	6-6-53	7-2-53	670	Blank.
28	7-2-53	7-31-53	655	Blank.
29	7-2-53	7-31-53	670	Blank.
30	7-31-53	8-21-53	665	Blank.
	Total Footage		8293	

Comments: The project was conducted in an economical and efficient manner. The Operator furnished excellent reports, maps and logs of each hole.

This project was conducted on the C. & P. Austin Tract, acreage lying southwest of the Hill-Ledford Tract on which the Ozark-Mahoning Company had previously made an excellent discovery of fluorspar under DMEA project No. 2248, Contract Idm-E255.

On the Austin Tract, however, no discovery was made. After completing twelve holes, totaling 8293 feet of churn-drilling, the results were negative. In only one hole, Hole No. 26 was a slight amount of fluorspar encountered. The twelve holes were spaced across the entire zone and the property was given a good test. Because of the negative results, the project work was discontinued after 41.4 percent of the approved footage in the contract was drilled.

From start to finish, the work was well performed and well supervised. The overall cost per foot drilled was $2.43 which is considered a reasonable cost per foot for holes averaging 691 feet in depth.

The Nonmetallic Minerals Division concurs with the Field Team in its evaluation and recommendation not to certify this project for a certification of discovery or development.

J. T. Robertson

FILE COPY
SURNAME:

Hook
Chamber

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

Project Summary Report

By: Jasper T. Robertson December 3, 1953

1. DMEA Docket No. 2757 - Fluorspar
Contract No. Idm-E449
Clifford and Paris Austin Tract
Hardin County, Illinois

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Rosiclare, Illinois

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Owner and Lessor - Paris Austin, Thelma Austin, Clifford Austin and Ethel Austin, Hardin County, Illinois.
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Work authorized -
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Operator proposes to surrender lease on or before October 1, 1953.
Cost of completed drilling:
8,293 feet @ $2.43/ft. (includes all costs) $20,151.99

3. Audit - Certificate issued 10/29/53
(No exceptions) accepted cost $20,151.99
Government participation $10,076.00

R.C.S.
1-8-54

4. Certification of Discovery - None. The results of the drilling were definitely negative. No fluorspar orebodies were encountered. Complete logs of each hole is contained in the Operator's reports.

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20	1/31-53	3-10-53	700	Blank.
21	2-27-53	4-2-53	730	Blank.
22	3-10-53	4-17-53	725	Blank.
23	4-2-53	5-8-53	725	Blank.
24	4-17-53	5-28-53	700	Blank.
25	5-8-53	6-6-53	675	Blank.
26	5-28-53	7-2-53	670	Low grade mineralization at base of Bethel. No mineralization at Rosiclare or Sub Rosiclare contact.
27	6-6-53	7-2-53	670	Blank.
28	7-2-53	7-31-53	655	Blank.
29	7-2-53	7-31-53	670	Blank.
30	7-31-53	8-21-53	665	Blank.
	Total Footage		8293	

Comments: The project was conducted in an economical and efficient manner. The Operator furnished excellent reports, maps and logs of each hole.

This project was conducted on the C. & P. Austin Tract, acreage lying southwest of the Hill-Ledford Tract on which the Ozark-Mahoning Company had previously made an excellent discovery of fluorspar under DMEA project No. 2248, Contract Idm-E255.

On the Austin Tract, however, no discovery was made. After completing twelve holes, totaling 8293 feet of churn-drilling, the results were negative. In only one hole, Hole No. 26 was a slight amount of fluorspar encountered. The twelve holes were spaced across the entire zone and the property was given a good test. Because of the negative results, the project work was discontinued after 41.4 percent of the approved footage in the contract was drilled.

From start to finish, the work was well performed and well supervised. The overall cost per foot drilled was $2.43 which is considered a reasonable cost per foot for holes averaging 691 feet in depth.

The Nonmetallic Minerals Division concurs with the Field Team in its evaluation and recommendation not to certify this project for a certification of discovery or development.

JTRobertson:gad 1/6/54
Copy to: Admr. R. File Docket File
Mr. Houk

J. T. Robertson

140

FILE COPY
SURNAME:

Houk
Rewritten:
Kane
Gilbert
Fairbrother
Selfridge
Hedges

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

NOV 10 1953

Mr. W. T. Millar
Executive Officer, DMEA
Field Team, Region VIII
Eastern Experiment Station
College Park, Maryland

Re: Docket No. DMEA-275
(Fluorspar)
Ozark-Mahoning Company
C. & P. Austin Tract
Hardin County, Illinois
Contract No. Idm-2449

Dear Mr. Millar:

Reference is made to your memorandum of October 23, 1953, to the Operating Committee, and to the Final Report on the project.

You are authorized to terminate Contract No. Idm-2449 by executing the form "Termination of Exploration Project Contract by Agreement after Commencement but before Completion of the Work," enclosed herein.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Enclosures

LGHouk:AEK:ep 11-9-53

Copy to: Mails & Files
Admr. Reading File
Operating Committee
Mr. H. W. Davis, B/M, 3519
Mr. D. M. Larrabee, USGS
G-232, GSA Bldg.
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.
Pending

Approved:

J. H. Hedges
Member, Bureau of Mines (2/B)

D. M. Larrabee
Member, Geological Survey (2/B)

R.C.G. 11-10-53

FILE COPY
SURNAME:

Talbert

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

OCT 30 1953

Mr. W. T. Millar
Executive Officer
DMEA Field Team, Region VIII
Eastern Experiment Station
College Park, Maryland

Re: Idm-E449, DMEA-2757
Ozark-Mahoning Company
Hardin County, Illinois

Dear Mr. Millar:

During my visit to your office on October 29, 1953, I reviewed the files of the referenced Exploration Project Contract. As a result of this review I am enclosing herewith the original and two copies of a Report of Review.

Please make distribution in accordance with Section 3 to Supplement No. 4 of DMEA Circular 19.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

Enclosure

October 30, 1953
EDTalbert/wb

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.J. 10-30-53

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

September 16, 1953

Memorandum

To: George C. Selfridge, Chairman, DMEA Operating Committee

From: Executive Officer, DMEA Field Team, Region VIII

Subject: Field Inspection Reports for Contract No. Idm-E449 and Contract No. Idm-E549, for August 1953

Transmitted herewith in quadruplicate are Kenneth M. Earl's Field Inspection Reports for the following:

Contract No. Idm-E449 - Docket No. DMEA-2757 - (Fluorspar)
Ozark-Mahoning Co., C. & P. Austin Tract
Hardin County, Illinois

Contract No. Idm-E549 - Docket No. DMEA-2838 - (Fluorspar-Lead-Zinc)
Minerva Oil Company, Fairbairn Tract
Hardin and Pipe Counties, Illinois

W. T. Millar

W. T. Millar

Enclosures

DMEA
Field Inspection Report
by
Kenneth M. Earl, Engineer
September 4, 1953

DMEA Docket No. 2757 - (Fluorspar)

Operator: Ozark-Mahoning Co., Rosiclare, Illinois
Property: C. & P. Austin Tract, North of Cave in Rock, Hardin County, Illinois

Contract No. Idm-E449

At the time this property was visited, the Operators had requested permission from their home office to discontinue the drilling and abandon the leases on the property. The August progress report was being held pending a reply.

Results of this drilling have been disappointing; of the 12 holes drilled, eleven were blank and one showed only low grade mineralization.

Hole 30 was drilled to a depth of 665 feet. This hole was dry and showed no mineralization. Upon completion of this hole the drill was moved to the Hill-Ledford Tract and is drilling under the amendment of Contract Idm-E255.

Kenneth M. Earl,
Engineer

September 16, 1953
College Park, Maryland

Interim Report
by: G. L. Neumann, Engineer

1. DMEA Docket No. 2757 - Fluorspar-Zinc-Lead

2. Operator: Ozark-Mahoning Co. Rosiclare, Ill.
Property: C. & P. Austin Tract, north of Cave in Rock, Hardin County, Ill.

3. Contract No. Idm E449

4. Summary, Conclusions and Recommendations

Eleven holes comprising one east-west cross section across 2,000 feet of the property have been completed in an endeavor to locate the extension to the southwest of a strong well-mineralized fault zone. Very meager mineralization has been found and only one hole showed a slight displacement.

Conclusions - Results to date have been discouraging. It is beginning to appear that the fault did not continue to the southwest on the trend established by exploratory work under Contract Idm-E255 to the northeast.

Recommendations - Complete holes Nos. 30, 31 and 32 as explained in section 5 below. Review results and then decide whether to abandon further exploration or continue on a new trend.

5. Nine holes, Nos. 19 to 27 inclusive, have been completed. Two additional holes, Nos. 28 and 29, are expected to cut the Rosiclare horizon about Aug. 1, 1953. The first five holes, Nos. 19 to 23 inclusive, were very tight drilling, did not encounter flowing water, and showed a remarkable exactness of the intercepts of the different marker horizons. In hole No. 24 the formation loosened towards the bottom of the hole, flowing water and some shines of fluorspar and zinc were cut. Hole No. 25, located near the eastern sideline, drilled much looser and cut the Rosiclare formation 10 feet above the other holes with a showing of spar and zinc. Hole 26, located to the west of hole 19, cut shines of fluorspar and zinc but no break in the formation was indicated. Hole No. 27 is south of hole No. 25 and Holes Nos. 28 and 29 are located south of hole No. 27.

Plans are to drill Hole No. 30 south of hole No. 28, then possibly drill hole No. 31 to the west of hole No. 27 and midway between holes Nos. 23 and 25, and hole No. 32 west of hole No. 31 midway between holes Nos. 21 and 23.

6. The progress of this work has been on schedule and the usual high standard of work has been maintained. The monthly reports are accurate and complete. The results have been somewhat discouraging especially following the fine discovery made on Contract Idm E-255, to the northeast of this area.

July 25, 1953

BMEA-2757

July 25th Interim Report

hand to Mr. Wedgs

for field trip.

DMEA
Summary Report
June 30, 1953

Operator:	Ozark-Mahoning Co., Rosiclare, Illinois
Mine & Location:	C. & P. Austin Tract, Hardin Co., Illinois
Docket No.:	DMEA-2757
Contract No.:	Idm-E449
Commodity:	Fluorspar-Lead-Zinc
Total Cost:	$48,600.00
Government Participation:	50% - $24,300.00
Duration of Contract:	November 18, 1952 to November 18, 1954

Exploration under this contract entails 20,000 feet of churn drilling at $2.43 per foot, for a total cost of $48,600.00.

The area in which this work is to be conducted is a continuation to the southwest of the area covered under contract Idm-E255, which proved a new ore body and a Certificate of Discovery or Development was issued.

As of this date 6,188 feet have been drilled in 8 holes, two of which are incomplete. This drilling has located the fractured zone which is generally considered as favorable and some mineralization has been encountered. Future drilling is expected to show better results.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1953

July 16, 1953

Memorandum

To: George C. Selfridge, Chairman, DMEA Operating Committee

From: Executive Officer, DMEA Field Team, Region VIII

Subject: Operator's Monthly Report - June 1953
Docket No. DMEA-2757 - (Fluorspar)
C. & P. Austin Tract, Ozark-Mahoning Company,
Hardin County, Illinois
Contract No. Idm-E449

Attached are two copies of the June progress report from the Ozark-Mahoning Company, Rosiclare, Illinois, for contract No. Idm-E449, which has been certified for payment by the Finance Officer, Region VIII.

W. T. Millar

W. T. Millar

Enclosures 2

Defense Materials Administration
JUN 1 0 1953

DMEA
Field Inspection Report
by
G. L. Neumann, Engineer
June 1, 1953

Operator:	Ozark-Mahoning Co., Rosiclare, Ill.
Mine & Location:	C. & P. Austin Tract, Hardin Co., Ill.
Docket No.:	DMEA-2757
Contract No.:	Idm-E449
Commodity:	Fluorspar

Drilling continued along the line of the original cross-section both to the east and the west. Hole No. 24, on the sest side, was still very tight drilling. Hole No. 25 on the east side was fairly tight but did hit water and showed some shines of lead. Hole No. 26 to the east of Hole No. 25 is now drilling at 500 feet depth and is drilling much easier. This hole should cut the ore zone at about 700 feet.

Six holes have now been completed on this project and only Hole No. 25 and Holes No. 26 now being drilled have given much encouragement of cutting the ore zone.

The work has progressed in the usual efficient manner. The Operator's coorporation and the monthly reports continue to be of the same high quality. The progress as shown in the monthly report is hereby approved.

G. L. Neumann
Mining Engineer

College Park, Md.
June 9, 1953

Field Inspection Report
by
G. L. Heumann, Engineer
May 8, 1953

Docket No.: DMEA-2757 - (Fluorspar - Zinc - Lead)
Contract No.: Idm-E449
Operator: Ozark-Mahoning Company, Rosiclare, Ill.
Property: C. & P. Austin Tract, Hardin Co., Ill.

Five holes Nos. 19 to 23, inclusive, have now been completed. Holes Nos. 24 and 25 are in progress. About 20 percent of the contract footage has been drilled.

Holes Nos. 19 to 22, inclusive, were slow drilling on account of the tightness of the formation and showed no mineralization nor even any break in the formation. Hole No. 23 showed circulating water and a few shines of galena, indicating a formation change.

The contract is progressing in a satisfactory manner, although heavy rains have impeded the progress slightly. The indicated change in Hole No. 23 is the first encouraging sign so far on this project.

The Operator's monthly report for April 1953 is hereby accepted.

G. L. Neumann
Mining Engineer

College Park, Maryland
May 19, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 23 1953

April 22, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region VIII

Subject: Docket DMEA-2757 - (Fluorspar-Zinc-Lead)
Ozark-Mahoning Co., Rosiclare, Illinois
C. & P. Austin Tract, Hardin County, Illinois
Contract Idm-E449

Transmitted herewith in quadruplicate is G. L. Neumann's Field Inspection Report for March on subject contract.

W. T. Millar

W. T. Millar

Enclosures - 4

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 2 3 1953

DMEA
Field Inspection Report
by
G. L. Neumann, Engineer

April 16, 1953

Docket No.: DMEA-2757 (Fluorspar-Zinc-Lead)
Contract No.: Idm-E449
Operator: Ozark-Mahoning Co., Rosiclare, Illinois
Property: C. & P. Austin Tract, Hardin Co., Illinois

Churn drilling is progressing on schedule. No mineralization has been cut in any of the four holes completed to date. Holes 19 to 22, inclusive, do not indicate a break in the formation. Hole 23 being drilled to the east of 21 is expected to show the fractured formation and probably cut mineralization. Hole 24 to the west of 22 has been started.

Recommendations are - carry on with present cross section to east and west until the formation break is located.

The drilling for March 1953 totaled 1,260 feet as reported.

Progress was a little slower than the work on previous contract, Idm-E255. The ground is much tighter where the formation is solid with no breaks and no mineralization and consequently does not drill as fast.

G. L. Neumann, Mining Engineer
U. S. Bureau of Mines

College Park, Md.
April 22, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

March 18, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region VIII

Subject: C. & P. Austin Tract, Hardin County, Illinois
Ozark-Mahoning Company, Rosiclare, Illinois
Contract Idm-E449, Docket DMEA-2757 - (Fluorspar)

Transmitted herewith in quadruplicate is G. L. Neumann's Field Inspection Report for February, on subject contract.

W. T. Millar
W. T. Millar

Enclosures - 4

DMEA
Field Inspection Report
by
G. L. Neumann, Engineer
March 12, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

Operator:	Ozark-Mahoning Co., Rosiclare, Ill.
Mine & Location:	C. & P. Austin Tract, Hardin Co., Ill.
Docket No.:	DMEA-2757
Contract No.:	Idm-E449
Commodity:	Fluorspar
Total Cost:	$48,600.
Government Participation:	50% or $24,300.
Duration of Contract:	Nov. 18, 1952 to Nov. 18, 1954

Work is progressing at a good rate. Churn drill hole No. 19 completed at 703 feet depth. Hole No. 20 was drilled to a depth of 525 feet on February 28 and was finished on March 10 at 700 feet.

Drilling has been fairly hard. No ore was cut in holes 19 and 20. Heavy rains impeded progress. Operation is on a potential extension of the discovery made in Contract Idm-E255 and continues in same high efficient workmanlike manner. Holes Nos. 19 and 20 furnish the stratigraphic log for this area. Holes Nos. 21 and 22 will be drilled on a 150-foot spacing to the east and west of holes Nos. 19 and 20.

G. L. Neumann
Mining Engineer

College Park, Md.
March 18, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 26 1953

February 25, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region VIII

Subject: Field Inspection Reports for DMEA Contracts

Transmitted herewith in quadruplicate are G. L. Neumann's Field Inspection Reports on the following contracts:

Idm-E255 Ozark-Mahoning Co., Rosiclare, Illinois
Hill-Ledford Tract, Hardin County, Illinois
Docket DMEA-2248 - (Fluorspar-Lead-Zinc)

Idm-E429 Belville Gold Mines Ltd., Montreal, P.Q., Canada
London-Virginia & Buckingham Mines
Buckingham County, Virginia
Docket DMEA-2707 - (Zinc-Lead)

Idm-E449 Ozark-Mahoning Co., Rosiclare, Illinois
✓ C. & P. Austin Tract, Hardin County, Illinois
Docket DMEA-2757 - (Fluorspar-Lead-Zinc)

W. T. Millar
W. T. Millar

Attachments

DMEA
Field Inspection Report
by
G. L. Neumann, Engineer
February 13, 1953

Operator:	Ozark-Mahoning Co., Rosiclare, Ill.
Mine & Location:	C. & P. Austin Tract, Hardin Co., Ill.
Docket No.:	DMEA-2757
Contract No.:	Idm-E449
Commodity:	Fluorspar-Lead-Zinc
Total Cost:	$48,600.
Government Participation:	$24,300. - 50%
Duration of Contract:	November 18, 1952 to November 18, 1954

Two churn drill rigs have been moved on the drill sites and holes 19 and 20 started. No holes were completed and the first monthly progress report will be submitted for month of February, 1953.

Drill hole No. 19 was at a depth of 470 feet; hole No. 20 was 180 feet deep. The potential ore horizon is approximately 600 feet.

The drilling got off to a slow start with many small nagging difficulties caused mainly by warm rains and mild weather on soft ground, at a time when the ground, ordinarily would be frozen. Better progress will no doubt be made now that the operation is progressing. This exploration is an extension along the trend to the southwest of the Hill-Ledford project, just completed with Certification of Discovery recommended.

G. L. Neumann
Mining Engineer

College Park, Maryland
February 25, 1953

DMEA
Summary Report
January 28, 1953

Operator:	Ozark-Mahoning Co., Rosiclare, Illinois
Mine & Location:	C. & P. Austin Tract, Hardin Co., Illinois
Docket No.:	DMEA-2757
Contract No.:	Idm-E449
Commodity:	Fluorspar-Lead-Zinc
Total Cost:	$48,600.
Government Participation:	50% - $24,300.
Duration of Contract:	November 18, 1952 to November 18, 1954

Exploration under this contract entails 20,000 feet of churn drilling at $2.43 a foot, for a total cost of $48,600. Government participation is 50 percent or $24,300.

The area in which this work is to be conducted is a continuation to the southwest of Contract Idm-E255.

Due to unfavorable weather conditions, starting work under this contract was unavoidably delayed. Drilling was expected to start early in January.

DMEA
Field Inspection Report
by
G. L. Naumann, Engineer
January 8, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 3 1953

Operator: Ozark-Mahoning Co., Rosiclare, Ill.
Mine & Location: C. & P. Austin Tract, Hardin Co., Ill.
Docket No.: DMEA-2757
Contract: Idm-[illegible]
Commodity: Fluorspar-Lead-Zinc

The drill rig is ready to move on to location on the center hole of a tentative 9 hole cross section. On account of the recent heavy rains moving across the fields will have to be postponed until the ground dries up or freezes.

No work was done in December on this contract.

G. L. Naumann
Mining Engineer

College Park, Md.
January 12, 1953

cc: FEJohnson - Orig. & 3
JBHanley, USGS
FrankRKantner
DMEA Files

DMEA
Field Inspection Report
by
G. L. Neumann, Engineer
January 8, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 13 1953

Operator: Ozark-Mahoning Co., Rosiclare, Ill.
Mine & Location: Hill-Ledford Tract, Hardin Co., Ill.
Docket No.: DMEA-2248
Contract No.: Idm-E255
Commodity: Fluorspar-Lead-Zinc

This project was inspected on January 8 and all work was found to be conducted in accordance with the contract.

Holes M-33, M-34 and M-35 started in November, were completed in December. Hole M-36 was started and completed in December and holes M-37 and M-38 were started but not completed. A total of 2,195 feet of drilling was accomplished in December.

Bad weather somewhat impeded the work in December. There remains 363 feet of drilling in the contract. This will be completed in January 1953 and the final report will be prepared February 1, 1953.

The drilling for December was more spot drilling to clarify certain sections. Holes M-35 and M-36 were blanks so far as mineralization was concerned. This indicates a pinch in the ore body to the northeast. Hole M-33 had a fair showing of ore and M-34 showed fringe ore.

The performance on this contract is again very outstanding in efficiency and cooperation. The project is expected to qualify for a Certificate of Discovery or Development.

G. L. Neumann
Mining Engineer

College Park, Md.
January 12, 1953

cc: FEJohnson - Orig. & 3
JHHanley, USGS
FrankRKantner
DMEA Files

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

December 23, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region VIII

Subject: Docket DMEA-2757 - Fluorspar
Ozark-Mahoning Company
C & P Austin Tract, Hardin Co., Illinois
Contract Idm-E449

In reference to your letter of November 18, attached are the Government's copy, Division copy and the Docket copy of Contract Idm-E449. The copy for the Finance Office is being forwarded and the Field Team's copy is being retained.

W. T. Millar

W. T. Millar

Enclosures - 3

cor
12.23

FILE COPY
SURNAME:

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

NOV 18 1952

Hearne
Houk
Talbert

Mr. W. T. Millar
Acting Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-2757 - Fluorspar
Ozark-Mahoning Company
G. & P. Austin Tract
Hardin County, Illinois

Dear Mr. Millar:

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

If the contract meets with your approval, present it to the operator for his approval and signature, making sure that he also signs the attached guaranty of royalty payments in lieu of the usual Owner's Consent to Lien. The maximum time for commencing the work should be inserted at the proper space in the first line of Article 3 before execution of the contract by the operator, and it should be noted that it is written on the short form instead of the old long form which was used for the previous contract covering the Hill-Ledford tract. Please explain to the operator that this is a firm contract and that he is obligated under the terms of the contract to complete the work outlined.

If any provisions are unsatisfactory to the operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

Frank E. Johnson (JB)
Chairman, Operating Committee

11-18-52

Approved:

J. H. Hedges (JB)
Member, Bureau of Mines

E. L. McKnight (JB)
Member, Geological Survey

Enclosures: 6

LFHearne:gad 11/13/52
Copy to: Adm. R. File
Docket File
Operating Committee
Mr. H. W. Davis, 3519
Mr. Van Alstine, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

Hearne

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

November 14, 1952

Memorandum

To: Mr. Lawrence G. Houk, Chief, Nonmetallic Minerals Division

From: L. F. Hearne, Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2757 - Fluorspar
Ozark-Mahoning Company
C. & P. Austin Tract
Hardin County, Illinois

Recommendation: Execute contract as proposed

Chronology

10/31/52 Received application dated October 28, 1952, covering 20,000 ft. of churn-drilling at $2.43 per ft.

10/31/52 Received memo to Chairman, Operating Committee, from Acting Executive Officer, Field Team, Region VIII recommending favorable action on the application.

11/5/52 Received memo from U.S.B.M. dated Nov. 3, 1952, concurring in recommendation of Field Team that application be approved.

11/12/52 Memo to Chief, Nonmetallic Minerals Division from Chief Counsel approving legal form of contract subject to attachments.

11/13/52 Received memorandum from R. E. Van Alstine, U.S.G.S., dated Nov. 12, 1952, recommending that application be referred to Field Team.

Comment

The Field Team's Acting Executive Officer has recommended favorable action on this application and the U. S. Bureau of Mines has concurred. Contract Idm-E255, which is nearly completed, has resulted very favorably in indication of reserves on the Hill-Ledford tract, whose western boundary is diagonally across a forty-acre tract to the northeast. It is proposed to test this structure along its projected trend to the southwest. Three holes were drilled near this projection on the intervening Eunice Taylor forty-acre tract and two of them showed sub-marginal ore. When it is considered that out of 47 holes drilled on the Hill-Ledford tract only 18 showed commercial ore and three were sub-marginal, the results on the Taylor tract appear to be more favorable than otherwise, and

they do show that the structure contains at least low-grade ore within a distance of about 1,200 feet from the northern boundary of the C. & P. Austin tract covered by the application.

The applicant, because of many years of successful experience with exploration on this type of deposit, is believed to be entirely competent to locate the drill holes, subject to restrictions as to maximum depth and minimum spacing, and the fact that the contract may be terminated at any time if its prospects for success do not appear good to the Government.

Twenty holes, shown as barren on the map, were previously drilled on the C. & P. Austin tract, but of these only one is near the probable trend of the structure which it is proposed to explore.

It does not appear likely that any new information would be developed by referring the application to the Field Team again, and since Mr. Van Alstine is out of town and, therefore, unavailable for further consultation at this time, it is hoped that the U.S.G.S. will concur in the opinion that this contract should be approved on the basis of satisfactory experience on Idm-E255, which is almost identical with it.

L. F. Hearne
Nonmetallic Minerals Division

LFHearne:gad

Copy to: Adm. R. File
Docket File
Mr. Houk

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

November 14, 1952

Memorandum

To: Mr. Lawrence G. Houk, Chief, Nonmetallic Minerals Division

From: L. F. Hearne, Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2757 - Fluorspar
Ozark-Mahoning Company
C. & P. Austin Tract
Hardin County, Illinois

Recommendation: Execute contract as proposed

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11/13/52 Received memorandum from R. E. Van Alstine, U.S.G.S., dated Nov. 12, 1952, recommending that application be referred to Field Team.

Comment

The Field Team's Acting Executive Officer has recommended favorable action on this application and the U. S. Bureau of Mines has concurred. Contract Idm-E255, which is nearly completed, has resulted very favorably in indication of reserves on the Hill-Ledford tract, whose western boundary is diagonally across a forty-acre tract to the northeast. It is proposed to test this structure along its projected trend to the southwest. Three holes were drilled near this projection on the intervening Eunice Taylor forty-acre tract and two of them showed sub-marginal ore. When it is considered that out of 47 holes drilled on the Hill-Ledford tract only 18 showed commercial ore and three were sub-marginal, the results on the Taylor tract appear to be more favorable than otherwise, and

they do show that the structure contains at least low-grade ore within a distance of about 1,200 feet from the northern boundary of the C. & P. Austin tract covered by the application.

The applicant, because of many years of successful experience with exploration on this type of deposit, is believed to be entirely competent to locate the drill holes, subject to restrictions as to maximum depth and minimum spacing, and the fact that the contract may be terminated at any time if its prospects for success do not appear good to the Government.

Twenty holes, shown as barren on the map, were previously drilled on the C. & P. Austin tract, but of these only one is near the probable trend of the structure which it is proposed to explore.

It does not appear likely that any new information would be developed by referring the application to the Field Team again, and since Mr. Van Alstine is out of town and, therefore, unavailable for further consultation at this time, it is hoped that the U.S.G.S. will concur in the opinion that this contract should be approved on the basis of satisfactory experience on Idm-E255, which is almost identical with it.

L. F. Hearne
Nonmetallic Minerals Division

FILE COPY
SURNAME:

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

140

November 12, 1952

n.s. in R. & R.

Memorandum

To: L. G. Houk

From: Chief Counsel

Subject: Ozark-Mahoning Company, Docket No. DMEA-2757 (Fluorspar)

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the maps therein referred to, and the Owner's Consent to Lien.

A E Kane /ema
for J. L. Hofflund
Chief Counsel

Attachment

AEKane/ema
cc: Mails & Files
J. L. Hofflund
A. E. Kane
Chron.

IN REPLY REFER TO:

G-MD-CNM

Mr. Hearne

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

November 12, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2757 (fluorspar, lead, zinc)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Ozark-Mahoning Company.
Name of property: C. & P. Austin property.
Location of property: About 131 acres in secs. 26 and 27, T. 11 S., R. 9 E., Cave in Rock area, Hardin County, Illinois.
Estimated cost of project: $48,600 (20,000 x $2.43).
Summary of applicant's proposal:

20,000 feet of churn drilling on the Austin property to test the projected trend of a mineralized zone in the Hill-Ledford tract now being explored (see DMEA-2248).

Sources of information on applicant's property:

Currier, L. W., Geology of the Cave in Rock district, Illinois: U. S. Geol. Survey Bull. 942, 1944.

Weller, J. M., Grogan, R. M., and Tippie, F. E., Geology of the fluorspar deposits of Illinois: Ill. Geol. Survey Bull. 76, 1952.

Comments:

1. This project calls for the drilling of a projected mineralized trend in a generally favorable area. The nearest hole in ore, however, is about 2,500 feet away along the projected trend on the Hill-Ledford tract now being explored, according to the applicant's map.

2. For the 20,000 feet of drilling, if the holes average about 600 feet in depth, about 30 holes will be drilled. The locations of only 7 are shown on the applicant's map. Any other holes to be drilled should not be started without prior approval of the field team.

3. The results of the applicant's drilling of 18 holes in 1943-44 on the south end of the property are not presented; neither are the results of Minerva Oil Company's drilling of 6 holes somewhere on the property. These data should be made available and considered by the field team in passing on the proposed drilling.

RECOMMENDATION:

Refer to field team.

R. E. Van Alstine

R. E. Van Alstine

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

November 12, 1952

Memorandum

To: L. G. Houk

From: Chief Counsel

Subject: Ozark-Mahoning Company, Docket No. DMEA-2757 (Fluorspar)

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the maps therein referred to, and the Owner's Consent to Lien.

for J. L. Hofflund
Chief Counsel

Attachment

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1952

November 3, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA

From: H. W. Davis, Bureau of Mines

Subject: DMEA Application (2757) filed by Ozark-Mahoning Co., Rosiclare, Ill. Fluorspar-Lead-Zinc

The property which applicant wishes to explore is southwest of the Hill-Ledford Tract, which the company has explored with favorable results under DMEA Contract E-255.

Inasmuch as the exploration on the Hill-Ledford Tract has resulted in locating fluorspar and zinc, I concur with the recommendation of the Field Team of DMEA that the subject application be approved.

H. W. Davis

H. W. Davis

October 31, 1952

Mr. J. G. Trewartha, Vice President
Ozark-Mahining Company
Rosiclare, Illinois

Subject: DMEA-2757
Re: Exploration Project
Paris & Clifford Austin
171 Tract

My dear Mr. Trewartha:

The receipt of your application dated October 28, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2757 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2757 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams, Chief
Operation's Control and
Statistics Division

25451

October 31, 1952

Memorandum

To: Executive Officer, DMEA Field Team, Region VIII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of docket number

There is listed below the assigned Docket Number to an application recently received from Region VIII.

DMEA-2757 - Ozark-Mahoning Company

Robert E. Adams, Chief
Operation's Control and
Statistics Division

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 31 1952

October 30, 1952

Dmea-2757

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region VIII

Subject: DMEA Application filed by the Ozark-Mahoning Company, Rosiclare, Illinois - (Fluorspar-Lead-Zinc)

Enclosed is an application from the Ozark-Mahoning Company which covers the area to the southwest of the present DMEA project operating under contract Idm-E255.

Since the exploration on the above contract has produced such encouraging evidence of a minable ore body, it seems only logical to test this possible extension along the trend. Several scattered holes have been drilled in this area and mineral flashes obtained.

Contract Idm-E255 will probably be completed by January 1, 1953.

The operation on this contract has been a thoroughly amicable relationship for both parties.

W. T. Millar

W. T. Millar

Attachments - 3

a

Ozark-Mahoning Company

Mahoning Mining Division
Rosiclare, Illinois
October 28, 1952

Dmea-2757

Mr. McHenry Mosier
Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII
U. S. Department of the Interior
Defense Minerals Administration
College Park, Maryland

Dear Mr. Mosier:

Attached hereto you will find four executed copies of Form No. MF-103, to which is attached the following:

(1) Copy of Paris and Clifford Austin Lease, dated 9-30-52.

(2) 400 ft. scale map of Austin property showing relation of same to the Hill-Ledford Tract now being developed under the terms of D. M. E. A. Contract E-255.

We have not furnished Landowner's "Consent to Lien". In lieu thereof the Company proposes to guarantee the Government's participation over a ten-year period through royalty payments provided it is certified a discovery has been made on leased premises. This will be taken care of at the time an exploration contract is approved for execution.

If a contract is approved, we expect to use the drill contractors now operating on the Hill-Ledford Tract. These are covered by independent contracts, copies of which were furnished the Government in connection with D. M. E. A. Contract No. E-255.

We are interested in prospecting the Austin Tract because we believe there is a good chance to pick up the southwest extension of the Hill-Ledford mineralization on this property. We believe the prospecting we are now doing on the Hill-Ledford Tract will be completed by the end of the year. We are anxious to get work started on the Austin Tract shortly thereafter. We trust, therefore, there will be no unnecessary delay in approving or rejecting Government participation.

Very truly yours,

OZARK-MAHONING COMPANY
Mahoning Mining Division

A. G. Johnson
A. G. Johnson
Geological Engineer

AGJ:fhb
Encls.

BUREAU OF MINES
COLLEGE PARK, MD.

1952 OCT 30 AM 8 11

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 31 1952

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. Dmea-2757
Metal or Mineral
Date Received 10-31-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Ozark-Mahoning Company, a corporation organized and existing under the laws of the State of Delaware.
Rosiclare, Illinois

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) [redacted]e the mineral or minerals for which you wi[redacted] explore .....

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

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.

Dated October 28, 1952

OZARK-MAHONING COMPANY
(Applicant)

By J. G. Trewartha

J. G. Trewartha

Vice President

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

THE APPLICANT

1. (a) Ozark-Mahoning Company
Mahoning Mining Division
Rosiclare, Illinois

(b) Delaware Corporation

(c) Data furnished in connection with DMEA Contract E-255, dated Feb. 18, 1952.

(d) Not applicable.

3. (a) The South West Quarter of the North West Quarter and the North West Quarter of the South West Quarter of Section Twenty-six (26); the North East Quarter of the South East Quarter, except one (1) acre for school lot in the northwest corner, and twelve (12) acres in the northeast part of the South East Quarter of the South East Quarter of Section Twenty-seven (27) all in Township Eleven (11) South, Range Nine (9) East, containing in the aggregate one hundred thirty-one (131) acres, more or less,

and

The North East Quarter of the North West Quarter of Section Twenty-six (26) Township Eleven (11) South, Range Nine (9) East, Situated in said Hardin County.

(b) Paris and Clifford Austin 171 Acre Tract.

(c) Lessee

(d) Copy of Lease, dated 9-30-52, Attached.

(e) Not applicable.

(f) Not applicable.

4. (a) No mining operations have been conducted on the leased premises. Ozark-Mahoning had an option on the property, dated July 28, 1943. The option was surrendered June 26, 1944. During the option period 18 churn drill holes were drilled. These holes are located on the south end of the property. Prior to the Ozark-Mahoning option Minerva Oil Company had the property tied up, during which period approximately 6 holes were drilled.

(b) None

(c) Same as Hill-Ledford project, described in connection with DMEA Contract E-255, dated February 18, 1952. We believe the structure which we have been prospecting on the Hill-Ledford tract, trending NE-SW has a good chance to traverse the north end of the Paris & Clifford Austin 171 Acre Tract.

(d) Property can be reached for prospecting purposes from the Hill-Ledford Tract.

(e) All available.

5. (a) Fluorspar - Zinc - Lead

(b) We are attaching hereto 400' scale map of the Austin property showing the relation of same to the Hill-Ledford tract which we are now prospecting under the terms of DMEA Contract No. 255, dated Feb. 18, 1952. On the Hill-Ledford tract we have located fluorspar and zinc ore by churn drilling along a fault structure which generally trends N 50° E, with local variation. If this structure continues to the southwest, and we believe it has a good chance to do so, it will traverse the NE$\frac{1}{4}$ of the NW$\frac{1}{4}$ of Sec. 26 and possibly the SW$\frac{1}{4}$ of the NW$\frac{1}{4}$ of Sec. 26, all of which is part of the leased premises. Approximately 10 years ago, Ozark-Mahoning had an option on the Eunice Taylor 40 Acre Tract, described as the SW$\frac{1}{4}$ of the SE$\frac{1}{4}$ of Section 23. During the period of the option three holes were drilled on the property, all as shown on the 400' scale map. These holes crosscut a strong structural feature with very low grade mineralization. We now believe the low grade ore was simply a local condition. At this time we are again trying to get a lease or option on the Taylor 40 Acre Tract but, as yet, have not been successful in doing so. We do have an option to purchase the S. J. Hyman 40 Acre Tract, described as the SE$\frac{1}{4}$ of the SW$\frac{1}{4}$ of Section 23.

We propose first to drill an east-west crosscut about 100 ft. south of the north line of the NE$\frac{1}{4}$ of the NW$\frac{1}{4}$ of Section 26. The proposed location of this crosscut is shown on the 400' scale map. We expect to drill these holes on 150 ft. centers until such a time as either the ore or structure is encountered after which we may wish to drill at 100 ft. intervals. If this crosscut cuts ore of mineable grade or develops a structure with some mineralization we expect to continue the prospecting to the southwest along the trend. This work will consist of additional crosscuts limited as near as possible to the structure with other single holes along trend.

(c) As soon as possible after contract has been approved and executed by DMEA one or more drill rigs now operating on the Hill-Ledford tract will be used on the project. The completion date is indefinite. Can be set at twelve months or twenty-four months, the latter period preferable.

(d) See data previously furnished under DMEA Contract No. 255, dated Feb. 18, 1952.

6. (a) Independent drill contractors will be utilized. Company will furnish geologist, clerical and assaying facilities. We are setting up the project on the basis of 20,000 feet. Figuring the same costs as now prevail on the Hill-Ledford tract the cost is as follows:

Independent Drill Contractor -	$ 2.25	per	foot
Geologist	0.15	"	"
Clerical	0.02	"	"
Assaying	0.01	"	"
Total Cost Per Foot	$ 2.43		

The above is the unit cost basis set up under DMEA Contract No. 255, dated February 18, 1952. There are no other costs than those above stated.

7. (a) Yes

(b) Money

C
O
P
Y

LEASE AGREEMENT

This agreement made and entered into this 30th day of September, 1952 by and between Paris Austin and Thelma Austin, his wife, of Cave-In-Rock, Illinois and Clifford Austin and Ethel Austin, his wife, of Junction, Illinois, hereinafter designated as the Owners and Ozark-Mahoning Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and duly authorized to do business in the State of Illinois, hereinafter referred to as the lessee, WITNESSETH:

WHEREAS, Owners hereby warrant that they are the fee owners of the hereinafter described real estate, all situated in the County of Hardin, State of Illinois, to-wit:

> The South West Quarter of the North West Quarter and the North West Quarter of the South West Quarter of Section Twenty-six (26); the North East Quarter of the South East Quarter, except one (1) acre for school lot in the northwest corner, and twelve (12) acres in the northeast part of the South East Quarter of the South East Quarter of Section Twenty-seven (27) all in Township Eleven (11) South, Range Nine (9) East, containing in the aggregate one hundred thirty-one (131) acres, more or less,

and

WHEREAS, the Owners are the owners of all minerals and mining rights in, upon and underlying the following described real estate, to-wit:

> The North East Quarter of the North West Quarter of Section Twenty-six (26) Township Eleven (11) South, Range Nine (9) East, Situated in said Hardin County,

for a period of fifty (50) years from April 12, 1937;

WHEREAS, lessee is interested in securing the entire and exclusive right to prospect for, mine, mill and otherwise prepare for market any or all minerals or mineral substances of every kind and character, including oil and gas, in, upon, beneath and underlying the above described real estate; and

WHEREAS, Owners desire to have such minerals and mineral substances mined from said premises as above stated and Lessees desire the right and privilege of entering upon said premises and working the same by the use of suitable machinery, equipment, fixtures and buildings, for mining and milling and related purposes which Lessee may desire to place upon the premises and mining and recovering from said premises minerals and mineral substances for the purpose of sale and in the exploitation and determination of the possibilities obtaining, and the same is agreeable to owners:

NOW, THEREFORE, in consideration of the sum of One Dollar ($1.00), and other valuable considerations paid or to be paid to the Owners, the receipt and sufficiency of which is hereby acknowledged, and the covenants and agreements to be kept and performed by the Lessee as hereinafter expressed, the Owners have and by these presents do give and grant to said Lessee the exclusive right to enter upon said premises for the purpose of removing said minerals, and mineral substances, erecting buildings to be used in connection, either directly or indirectly, with the operations of Lessee upon the above premises, installing machinery, tipples, sinking shafts, drifting, drilling or using any and all methods known to the science of mining, milling or refining or otherwise preparing ores, minerals, or mineral substances, for market, with the exclusive right to so conduct prospecting, mining, milling and related operations upon the above described premises, together with the right of ingress and egress and to build and construct over and across said lands, roads, trams and other means of conveyance and transportation for the purpose of transporting ores, minerals and other valuable substances found thereon or thereunder.

1. Commencing October 1, 1952 the minimum annual royalty shall be $1,200.00, payable quarterly; commencing October 1, 1953 the minimum annual royalty shall be $2400.00, payable quarterly; commencing October 1, 1954 the minimum annual royalty shall be $4800.00 per year, payable quarterly. Minimum royalties shall be credited by Owners to Lessee upon earned royalties when and as same accrue. There are no work requirements under this lease, provided however that if the property is not in production after a period of five (5) years from the date hereof, then and in that event the minimum annual royalty paid quarterly shall be $6,000.00 per year.

2. The term of this lease shall be for a period of ten (10) years from the date hereof and as long thereafter as the terms and conditions set forth in this agreement are complied with.

3. The ore mined from said premises is to be milled at the plant of the Lessee located at Rosiclare, Illinois, or any other milling plant which the Lessee may designate in Kentucky or Illinois. It shall not be mixed or commingled with ores from other lands until it has been crushed and sampled by the lessee for the purpose of determining the zinc, lead and fluorspar content. The resulting sample is to be assayed at the laboratory of lessee and Owners may, upon request, receive an assay certificate showing the zinc, lead and fluorspar content of each

day's run. In addition thereto, Owners may receive, upon request, pulp of each day's composite sample; provided, however, there is no obligation on Lessee to keep pulps for a period longer than thirty (30) days. In case of dispute as to analyses, the pulp prepared from the sample shall be referred to any umpire acceptable to both Owners and Lessee and the findings of the umpire shall be binding on both parties.

4. As full compensation to the Owners for all ores mined and milled from the property above described, Lessee shall pay to the Owners a royalty of ten per cent (10%) of the selling price of the concentrates produced therefrom, based on the average prices actually received for lead, zinc and fluorspar concentrates by the Lessee during the monthly periods as same are milled and sold. There is no obligation on the part of Lessee to pay royalty on the zinc and lead content of the crude ore when the zinc or lead assay is below 0.5%. The net weight of the crude ore, dry weight basis, is to be determined at scales of Lessee. Owners shall have the right to check weights as often as they deem necessary. On all other minerals, including oil and gas, produced and sold from the above-described property, the royalty shall be ten per cent (10%) of the selling price.

5. Owners shall have the right to examine such books, papers and records of the Lessee as may be necessary to determine the amount of royalty due. Payment for all royalty shall be due and payable on the twenty-fifth (25th) day of the month for all tonnage removed from said property during the preceding month.

6. Lessee shall keep such maps of the mine workings as may, in Lessee's opinion, be required for the conduct of the mining operations and such maps shall be available to Owner's representatives for examination at reasonable times. In case of surrender, Lessee agrees to furnish Owners with drill hole records of all holes drilled on property by Lessee.

7. Lessee agrees to surrender said premises to the Owners at the termination of this contract and agreement in as good condition as now, excepting for such depletion in value as would result from operations in connection with mining and without any liability for any damage done by said operations, excepting only injury done to growing crops, to fences, buildings, cisterns, orchard or other personal property of Owner by Lessee, for which Lessee shall pay when the actual extent of such damage shall have been determined by the parties hereto, but no liability shall attach to the Lessee for any damage of any kind or character which is not asserted within ninety (90) days from the surrender, forfeiture or termination hereof.

8. Lessee expressly reserves the right to surrender this lease at any time and be relieved from all liability hereunder of every kind and character, except to account for royalties due at the time of such surrender for minerals, or other valuable substances, mined and sold from said premises prior to the date of such surrender.

9. Should Lessee fail or neglect to make all payments or to perform any of the covenants and agreements herein set forth and should still fail to do so after receiving written notice from Owners regarding the same and should fail to take proper steps to meet said conditions within a period of thirty (30) days after the receipt of said written notice, then in that event this lease shall be canceled and terminated. However, in any event, Lessee shall be liable under this contract and agreement only for such royalty payments as may be due and payable at the time such actual cancellation and termination becomes effective as above set forth. Lessee reserves the right to remove from the premises any or all buildings, machinery and other personal property of Lessee placed thereon by Lessee, at the expense of Lessee, after the termination, surrender or forfeiture of this agreement, and shall have one (1) year in which to make such removal.

10. Any notice herein mentioned to be given by Lessee to Owners shall be in writing and shall be sent by registered mail addressed to Owners at Cave-In-Rock, Illinois. Any notice herein mentioned to be given by the Owners to the Lessee shall be in writing and shall be sent by registered mail addressed to Lessee at Rosiclare, Illinois.

11. Lessee shall carry Workmen's Compensation and Public Liability Insurance for and during the term of this lease or any renewal or extension thereof; provided, however, that with the permission of the proper authority the Lessee may carry its own insurance as to Workmen's Compensation and Public Liability or any other insurance exacted or provided for under the laws of the State of Illinois, but in such event, Lessee shall save and hold the Owners harmless from any liability for damage occasioned to a stranger or to the employees of Lessee resulting from said operations.

12. Lessee agrees that if any liens of any kind or character are filed against the minerals leased herein on account of the operations of the Lessee that it will pay the same and free the minerals leased from such liens.

13. Lessee shall have the right to mine and remove ore from the leased premises by means of shafts and drifts located on adjacent ground; Lessee shall further have the right to mine and remove ore from adjacent property through shafts and drifts located on the leased premises; provided, however, that ores so mined and removed shall not be mixed or commingled prior to the determination of the grade thereof.

14. All parties hereto agree and understand that all the rights of either party hereto may be assigned, and the privilege of assigning or subletting in whole or in part is expressly allowed, and all the covenants and agreements hereunder shall inure to, continue and be binding upon the heirs, legal representatives, successors and assigns of the parties hereto, but no change in the ownership of the land or assignment of royalties shall be binding on the Lessee until after the Lessee has been furnished with a recorded, written transfer or assignment or a true copy thereof.

15. This lease is granted primarily for the purpose of prospecting, mining and selling fluorspar from said premises and while provision is made herein for royalty covering other valuable substances, minerals and metals, including oil and gas, the prospecting and mining of such other minerals, metals and valuable substances is at the option of the Lessee and there is no requirement hereunder for it so to do.

16. It is agreed that no opening or buildings shall be made upon the surface of said premises within three hundred (300) feet of any building now situated thereon, but this provision shall not prevent prospect drilling on the area in question, nor the mining of said area by means of drifts and shafts located on an adjacent area. Provided, however, that Lessee shall pay to Owner all damage to buildings occasioned by said mining operations.

17. Owners shall pay all taxes assessed against the property leased but the Lessee shall pay all taxes assessed against any buildings, improvements, equipment or other personal property placed upon said premises by it.

18. Owners or Owners' agent shall have the right at all times to inspect the underground workings at their own risk, either by utilizing the shafts located on the property or shafts located on adjacent property which are used for the purpose of mining and removing ore from the leased premises.

19. IN WITNESS WHEREOF, the Parties have signed, sealed and delivered this instrument in triplicate each to be original, the day and year first above written.

/s/ Paris Austin

/s/ Thelma Austin

/s/ Clifford Austin

/s/ Ethel Austin

OWNERS

OZARK-MAHONING COMPANY

By: /s/ J. G. Trewartha
Vice President

Attest: /s/ J. L. Cadden
Assistant Secretary

LESSEE

STATE OF ILLINOIS)
) ss.
COUNTY OF HARDIN)

I, /s/ A. M. Sperberg, a Notary Public in and for and residing in said county, in the state aforesaid, do hereby certify that Paris Austin and Thelma Austin, his wife, and Clifford Austin and Ethel Austin, his wife, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 30th day of September, A. D., 1952.

/s/ A. M. Sperberg
Notary Public

(S E A L)

My Commission Expires: October 4, 1953

OZARK-MAHONING COMPANY

By: /s/ J. G. Trewartha
Vice President

Attest:

/s/ J. L. Cadden
Assistant Secretary

STATE OF ILLINOIS)
) ss.
COUNTY OF HARDIN)

I, /s/ A. M. Sperberg, a Notary Public in and for the county and state aforesaid, do hereby certify that J. G. Trewartha, personally known to me to be the Vice President of Ozark-Mahoning Company, a corporation, and J. L. Cadden, personally known to me to be the Assistant Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary they signed and delivered the said instrument as Vice President and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 6th day of October, A.D., 1952.

/s/ A. M. Sperberg
Notary Public

(S E A L)

My Commission Expires October 4, 1953.

See this map for —

Holes drilled in C & P

Austin Tract. DMEL 2757

Total 12 holes { Started 1-10-53
Completed 7-31-53

Holes Nos. 19, 20, 21, 22, 23, 24,
25, 26, 27, 28, 29, 30.

Total footage 8293 feet

1 cy map enclosed
Dmu - 2757

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

OFFICIAL BUSINESS

~~S. 107 HOWARD ST.~~
~~Spokane 8, Wash.~~

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(PMGC)

SPOKANE
OCT 17
7 PM
1952
WASH.

J
R
ALS EXP
TH

D.M.E.A.-2757

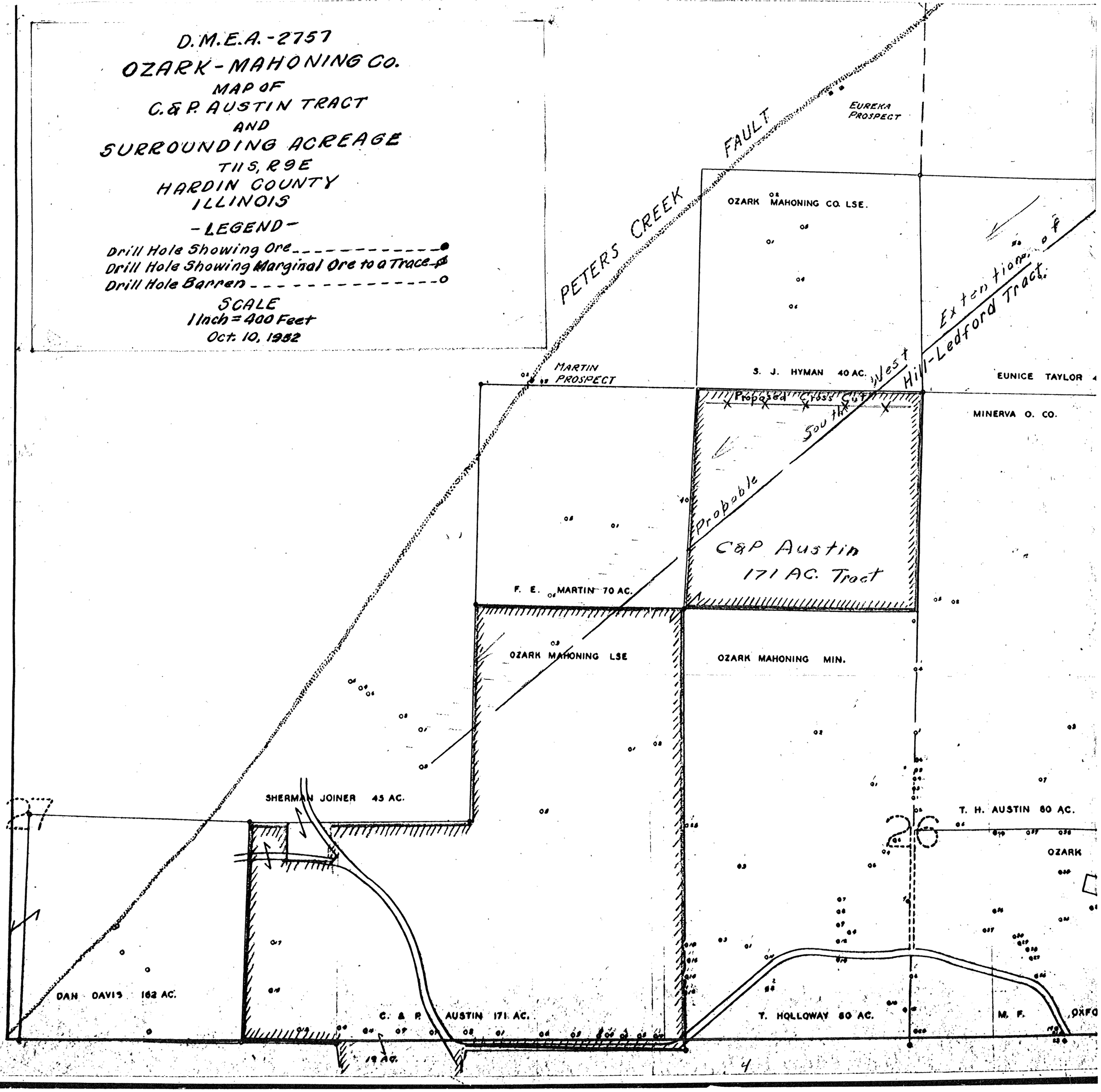
OZARK-MAHONING CO.

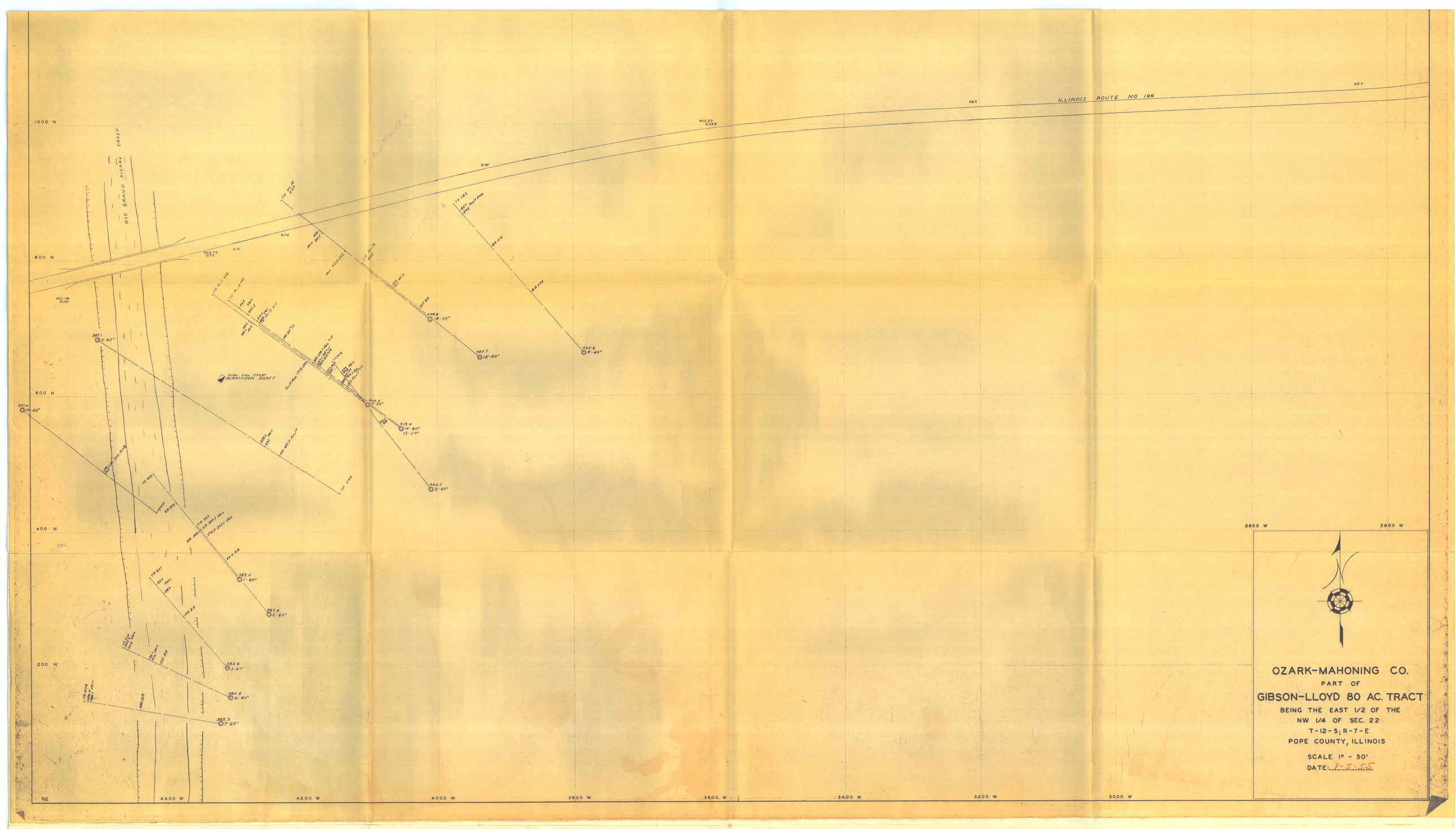
MAP OF
C.&P. AUSTIN TRACT
AND
SURROUNDING ACREAGE
T11S, R9E
HARDIN COUNTY
ILLINOIS

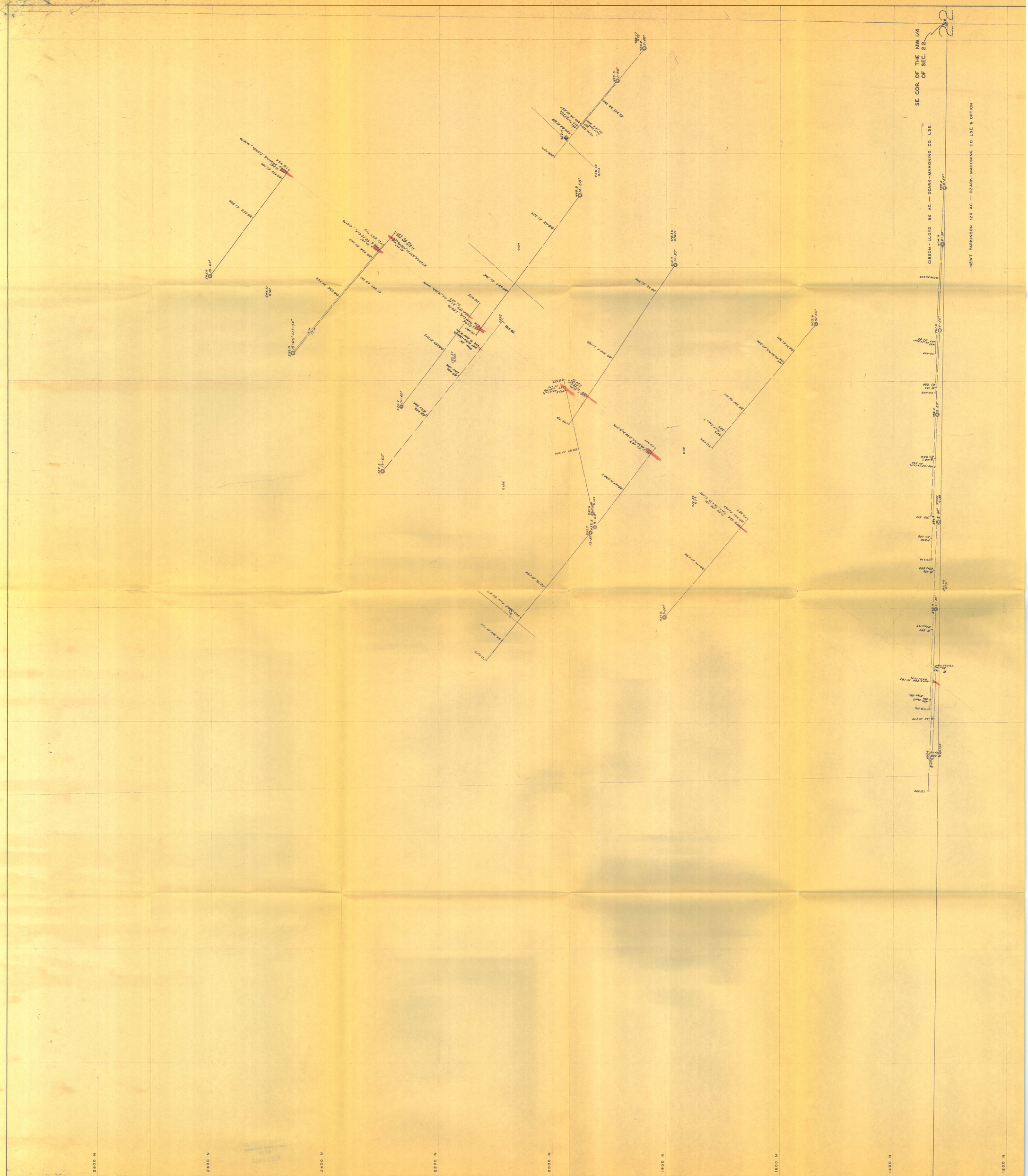
-LEGEND-

Drill Hole Showing Ore
Drill Hole Showing Marginal Ore to a Trace
Drill Hole Barren

SCALE
1 Inch = 400 Feet
Oct. 10, 1982




ILLINOIS ROUTE NO. 146
BIG GRAND PIERRE CREEK
PARKINSON SHAFT
1000 N
800 N
600 N
400 N
200 N
0Q
4400 W
4200 W
4000 W
3800 W
3600 W
3400 W
3200 W
3000 W
2800 W
2600 W
OZARK-MAHONING CO.
PART OF
GIBSON-LLOYD 80 AC. TRACT
BEING THE EAST 1/2 OF THE
NW 1/4 OF SEC. 22
T-12-S; R-7-E
POPE COUNTY, ILLINOIS
SCALE 1" - 50'
DATE: 1-5-55


SE. COR. OF THE NW. 1/4 OF SEC. 22
GIBSON - LLOYD 80 AC. — OZARK - MAHONING CO. LSE.
NEWT PARKINSON 120 AC. — OZARK - MAHONING CO. LSE. & OPTION
2800 N
2600 N
2400 N
2200 N
2000 N
1800 N
1600 N
1400 N
1200 N

8500 N

8000 N

7500 N

7000 N

6500 N

6000 N

5500 N

5000 N

4500 N

2500 E

3000 E

3500 E

4000 E

4500 E

5000 E

S.J. HYMAN 40 AC.

E.E. MARTIN 70 AC.

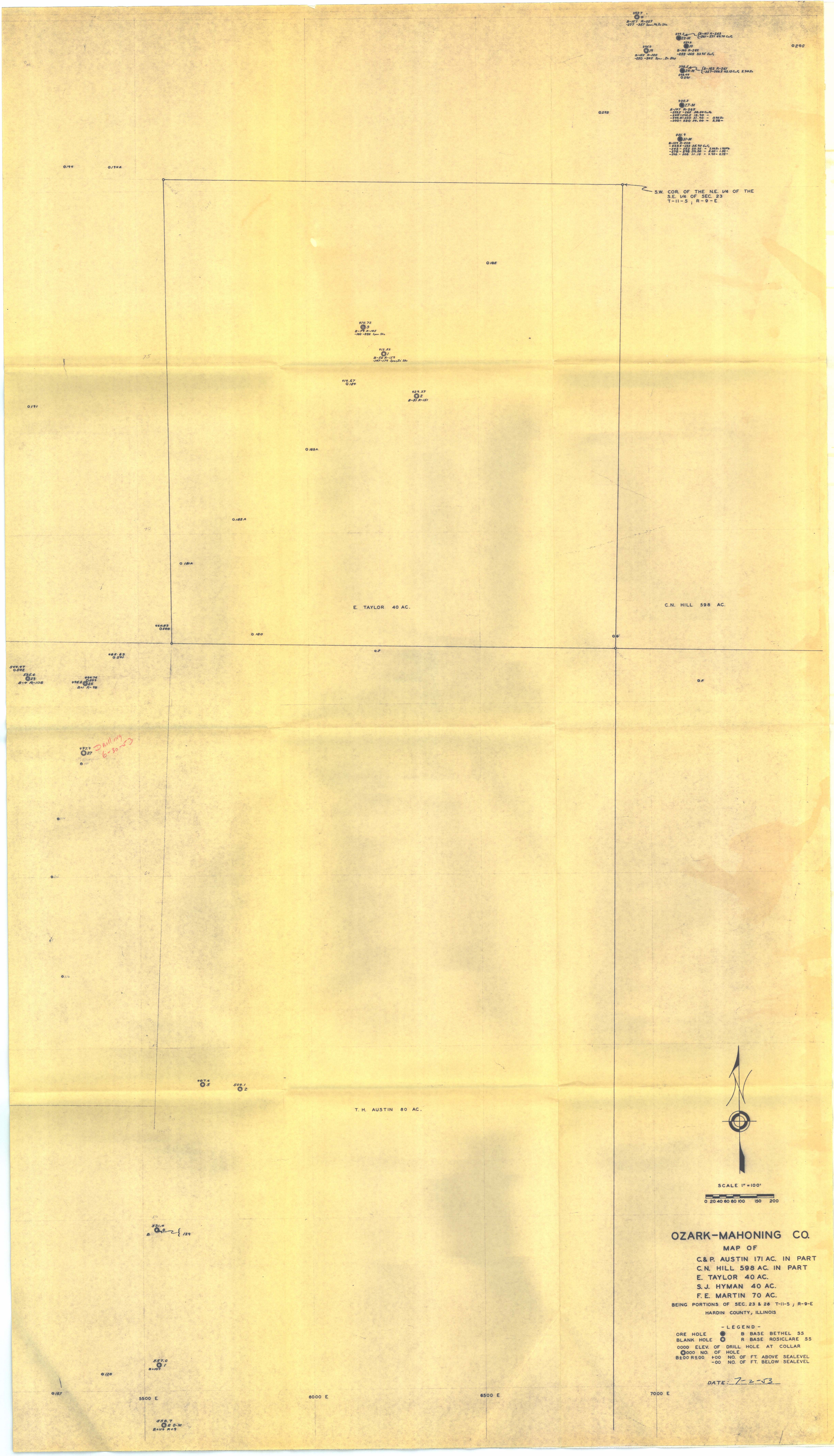
C.& P. AUSTIN 171 AC.

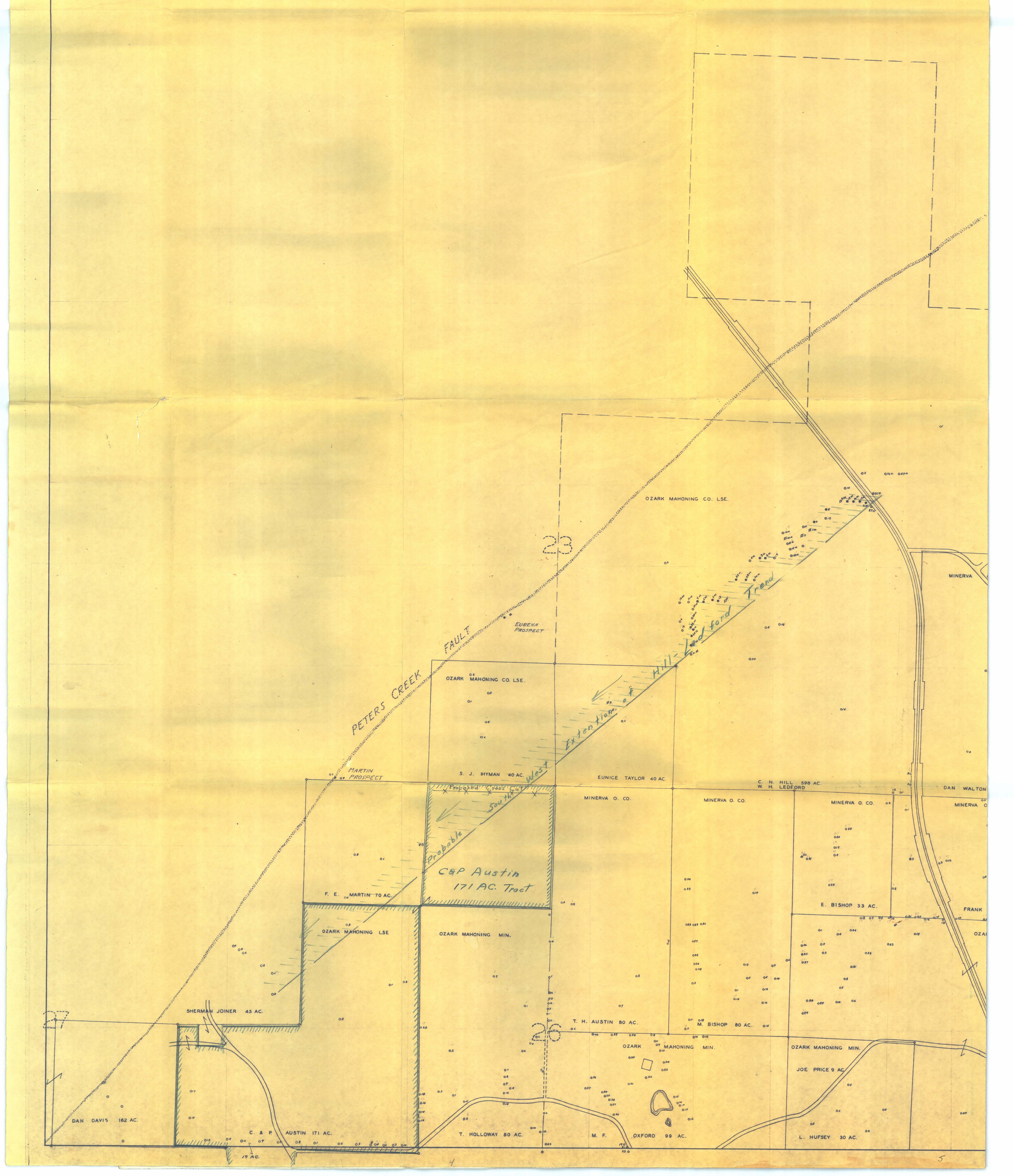
SHERMAN JOINER 45 AC.

T. HOLLOWAY 80 AC.

S.W. COR. OF THE N.E. 1/4 OF THE
N.W. 1/4 OF SEC. 26
T.-11-S ; R-9-E

Drilling 6-30-73


S.W. COR. OF THE N.E. 1/4 OF THE S.E. 1/4 OF SEC. 23 T-11-S ; R-9-E
E. TAYLOR 40 AC.
C.N. HILL 598 AC.
T. H. AUSTIN 80 AC.
SCALE 1" = 100'
0 20 40 60 80 100 150 200
OZARK-MAHONING CO.
MAP OF
C.& P. AUSTIN 171 AC. IN PART
C.N. HILL 598 AC. IN PART
E. TAYLOR 40 AC.
S. J. HYMAN 40 AC.
F. E. MARTIN 70 AC.
BEING PORTIONS OF SEC. 23 & 26 T-11-S ; R-9-E
HARDIN COUNTY, ILLINOIS
- LEGEND -
ORE HOLE
BLANK HOLE
B BASE BETHEL SS
R BASE ROSICLARE SS
0000 ELEV. OF DRILL HOLE AT COLLAR
000 NO. OF HOLE
B±00 R±00 +00 NO. OF FT. ABOVE SEALEVEL
-00 NO. OF FT. BELOW SEALEVEL
DATE: 7-2-53
5500 E
6000 E
6500 E
7000 E


OZARK MAHONING CO. LSE.
23
MINERVA
Ledford Trend
EUREKA PROSPECT
PETERS CREEK FAULT
OZARK MAHONING CO. LSE.
Extension of Hill
MARTIN PROSPECT
S. J. IHYMAN 40 AC.
EUNICE TAYLOR 40 AC.
C. N. HILL 598 AC.
W. H. LEDFORD
DAN WALTON
Proposed Cross Cut
South West
MINERVA O. CO.
MINERVA O. CO.
MINERVA O. CO.
Probable
C&P Austin
171 AC. Tract
F. E. MARTIN 70 AC.
E. BISHOP 33 AC.
FRANK
OZARK MAHONING LSE
OZARK MAHONING MIN.
SHERMAN JOINER 45 AC.
T. H. AUSTIN 80 AC.
M. BISHOP 80 AC.
OZARK MAHONING MIN.
OZARK MAHONING MIN.
JOE PRICE 9 AC.
DAN DAVIS 162 AC.
C. & P. AUSTIN 171 AC.
19 AC.
T. HOLLOWAY 80 AC.
M. F. OXFORD 99 AC.
L. HUFSEY 30 AC.
4
5

Dnea-2757

OZARK-MAHONING CO.

MAP OF

HILL-LEDFORD TRACT

AND

SURROUNDING ACREAGE

T 11 S R 9&10 E

HARDIN COUNTY

ILLINOIS

- LEGEND -

DRILL HOLE SHOWING ORE ●

DRILL HOLE SHOWING MARGINAL ORE TO A TRACE ø

DRILL HOLE BARREN o

SCALE

1 INCH = 400 FEET

DATE 10-28-52

8500 N

8000 N

7500 N

7000 N

6500 N

6000 N

5500 N

5000 N

4500 N

2500 E

3000 E

3500 E

4000 E

4500 E

5000 E

489.0
3
B-88 R-176

0.199

436.8
2
0.198 B-99 R-158

0.197

405.33
0.192

406.9
5
B-37 R-147

410.2
1
B-51 R-151

413.53
0.193

450.7
4
B-44 R-144

North Edge Hill Ledford

465.6
6
B-29

0.200

470.8
7
B-29 R-126

0.521

512.79
0.520

0.201

S.J. HYMAN 40 AC.

477.76
0.508

489.5
26
B-6 R-97

521.3
24
B+2 R-103

528.83
0.507

540.55
0.506

546.6
22
B 0 R-106

527.78
0.505

526.6
20
B+2 R-109

518.87
0.504

518.4
19
B-2 R-102

549.5
11
555.06
0.503
B-2 R-100

0.517

0.571

2

493.4
3
202A
B-19 R-117

0.202

0.203

0.250

462.7
4
B+18 R-92

0.512

0.204

454.0
5
B+45 R-53
251

462.4
1
B+35 R-77

0.513

461.0
6
B+97 R-99

F.E. MARTIN 70 AC.

C.& P. AUSTIN 171 AC.

0.252

0.258

S.W. COR. OF THE N.E. 1/4 OF THE
N.W. 1/4 OF SEC. 26
T.-11-S , R-9-E

0.212

SHERMAN JOINER 45 AC.

T. HOLLOWAY 80 AC.

0.259

469.3
3
B+64 R-58

522.44
0.213

0.260

522.71
0.214

0.261

37.0
2
B2 R-28

0.253

510.2
1
B+73 R-18

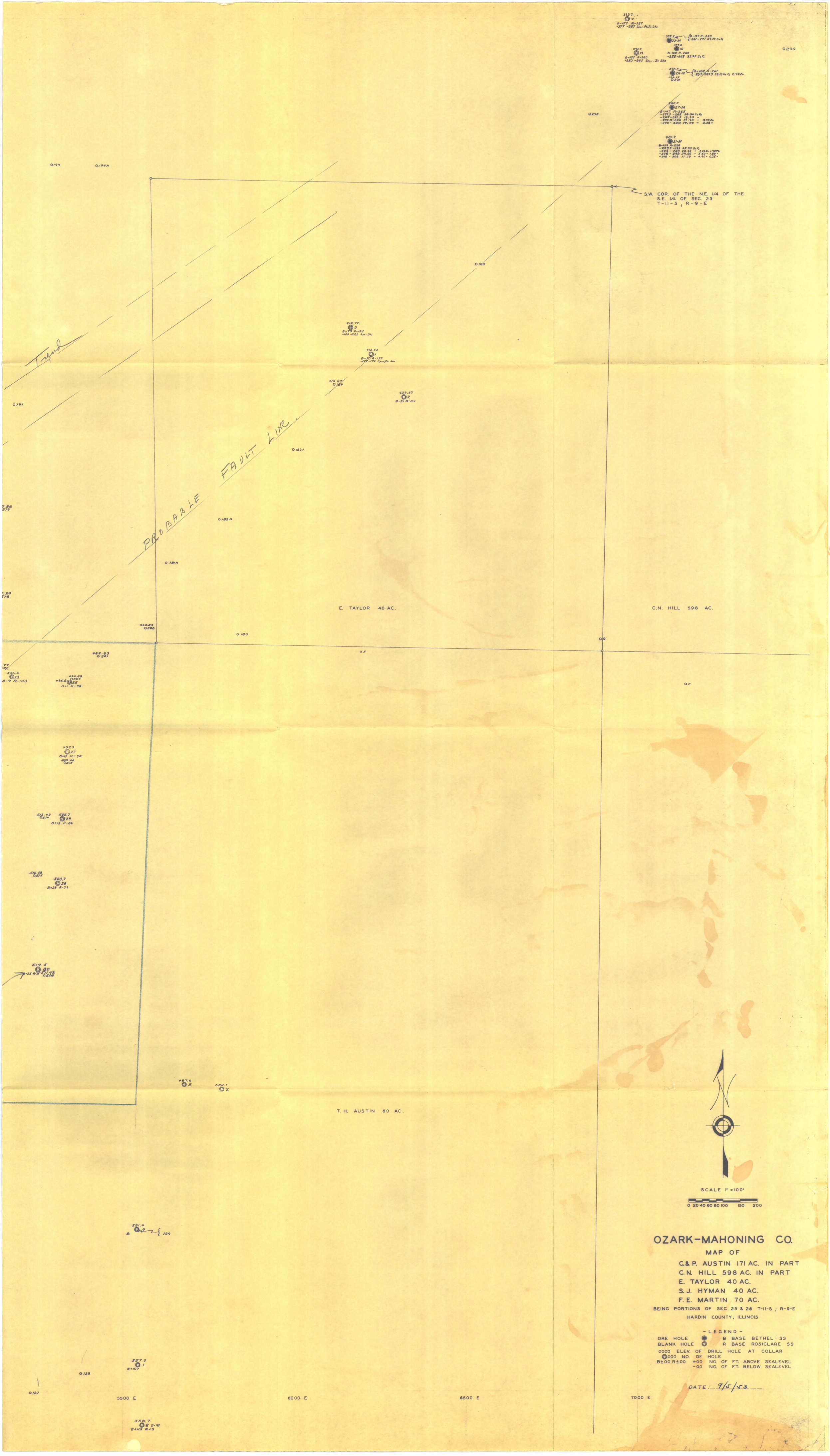
534.8
2
B+130 R120

525.1
1
B+115 R+15

529.92
0.215

0.262

528.34
3
B+123 R+18


S.W. COR. OF THE N.E. 1/4 OF THE S.E. 1/4 OF SEC. 23 T-11-S ; R-9-E
Trend
PROBABLE FAULT LINE
E. TAYLOR 40 AC.
C.N. HILL 598 AC.
T. H. AUSTIN 80 AC.
5500 E
6000 E
6500 E
7000 E
SCALE 1" = 100'
0 20 40 60 80 100 150 200
OZARK-MAHONING CO.
MAP OF
C.& P. AUSTIN 171 AC. IN PART
C.N. HILL 598 AC. IN PART
E. TAYLOR 40 AC.
S.J. HYMAN 40 AC.
F.E. MARTIN 70 AC.
BEING PORTIONS OF SEC. 23 & 26 T-11-S ; R-9-E
HARDIN COUNTY, ILLINOIS
- LEGEND -
ORE HOLE
BLANK HOLE
B BASE BETHEL SS
R BASE ROSICLARE SS
0000 ELEV. OF DRILL HOLE AT COLLAR
0000 NO. OF HOLE
B±00 R±00 +00 NO. OF FT. ABOVE SEALEVEL
-00 NO. OF FT. BELOW SEALEVEL
DATE: 9/5/53