Mr. W. E. Haines
Associate General Counsel
Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

AUG 2 2 1962

Re: HMKA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Ldm-8765

Dear Mr. Haines:

Thank you for your August 15 letter, with HMK Form 63, and the copy of your lease to the Copper Range Company.

We must point out that, under Article 2(d) of the contract, your company should have cited the Government's royalty rights in the lease made to Copper Range. However, we are not greatly concerned over this omission since, in any event, under the contract terms your company remains as surety for whatever royalties might accrue to the Government. Therefore, in the case of any future royalties which might become due, we would look to your company for settlement.

Sincerely yours,

George Fumich, Jr.

Director

WHGriswold/gla
8-22-62
cc to: Director's Reading File
Contract Division
Region IV (2) w/2 cys Letr. 8/15/62 and 1 cy HMK Form 63
Docket
Code 500

CALUMET & HECLA, INC.

122 SOUTH MICHIGAN AVENUE
CHICAGO 3, ILLINOIS

A. E. PETERMANN
VICE PRESIDENT AND GENERAL COUNSEL

W. E. HANKS
ASSISTANT GENERAL COUNSEL

August 28, [illegible]

OFFICE OF MINERALS
O. M. E.
RECEIVED AUG 30 1962

Date	[illegible]	Issue
	[illegible]	[illegible]
		1.20
		2.00
		[illegible]
		[illegible]

Mr. W. R. Griswold, Chief
Division of Minerals
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Sir:

Re: DMEA-3533 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine, Ontonagon County, Mich.
Contract Lim-5766

Enclosed is the completed U. S. Department of the Interior [illegible] Form 63 pertaining to the subject property.

Also enclosed is a copy of the lease dated August 3, 1962 by [illegible] between Calumet & Hecla, Inc. and Copper Range Company.

The subject property is included in the properties leased to Copper Range.

Very truly yours,

WEH:pf
Enclosures
cc: Mr. J. R. Ackroyd
Copper Range Company

99 year lease

Copper Range Company
630 Fifth Avenue
New York 20, N.Y.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of copper for the period November 2, 1960, through March 31, 1962, by

Calumet & Hecla, Inc.
Calumet, Michigan

produced from Caledonia Mine, located in Ontonagon County, Michigan, on which royalty is payable to the U. S. Government under terms of Contract Idm-2765, Docket DMEA-3522 (copper), dated February 10, 1955.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit did not disclose any production or sales of copper for this period that would be subject to Government royalty. Accordingly, the royalty account remains as stated in prior reports of audits and reviews, which found the sales subject to royalty to be $327,757.62 and the royalty account to be:

Total royalty due	$16,336.89
Total royalty paid	16,336.89
Balance of royalty due	$ -0-

C. E. Fisher

C. E. Fisher, OME Auditor

May 25, 1962

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On April 24 and 25, 1962, an audit was made of the production, sales and royalty accounts and records of

Calumet & Hecla, Inc.
Calumet, Michigan

pertaining to the sale of copper during the period November 2, 1960, through March 31, 1962, produced from Caledonia Mine located in Ontonagon County, Michigan, on which royalty is payable to the U. S. Government under terms of Contract Idm-E765, Docket DMSA-3522 (copper), dated February 10, 1955.

The production and sales records pertaining to this contract are maintained at the Operator's Calumet Division general plant office building in Calumet, Michigan, under the supervision of George B. Langyel, Controller.

This audit was made concurrently with an audit pertaining to royalty payable to the Government under provisions of exploration project Contract Idm-298, Docket DMA-1207X.

II. GENERAL INFORMATION AND FINDINGS

Article No. 8 and Amendment No. 2 of this contract provide that, if the Government makes a certification of discovery or development, the Operator shall pay to the Government a royalty on all minerals mined or produced from the land for a period of 12 years from the date of the contract or until the total net amount contributed by the Government toward the cost of the exploration without interest is fully repaid, whichever occurs first. The land subject to the exploration contract is described in Article 2 and Annex I of the contract. A certification of discovery or development was issued on November 18, 1958.

A Report of Review in lieu of final cost audit dated October 14, 1958, indicated accepted costs under the exploration contract amounting to $61,279.79 with the Government's contribution, on a 50 percent basis, being $30,639.89.

Prior royalty audits relating to production from land subject to this contract covered the period February 10, 1955, through

September 30, 1956. A Report of Royalty Review dated November 2, 1960, related to royalty paid by the Operator for the period October 1, 1956, through November 1, 1960. The present audit included an on-site confirmation of the royalty computations during the latter period. It was also determined during the audit that there had not been any production subject to Government royalty subsequent to June 1958. Furthermore, I was advised during this audit visit that production from the property is not likely in the foreseeable future, as exploitation costs would be excessive in relation to probable returns.

C. E. Fisher

C. E. Fisher, OIG Auditor

May 25, 1962

MAY 2 8 1962

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Ida-E765

Enclosed are the original and three copies of a Royalty Audit Certificate and Royalty Audit Report covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary;
(b) One copy to the Operator; and
(c) Two copies to Region IV files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and all copies should be returned to this Division with your comments.

Enclosures

CEFisher/ama 5-28-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

MAY 29 1962

Mr. G. E. Lengyel
Controller
Calumet and Hecla, Inc.,
Calumet, Michigan

Re: DMEA 3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Idm-8765

Dear Mr. Lengyel:

Enclosed for your information and files is a copy of a Royalty Audit Report dated May 25, 1962, prepared by our Division of Contract Administration and Audit.

Sincerely yours,

George C. Selfridge

Chief, Division of Field Operations

Enclosure

GCSelfridge/bih
5/29/62
cc to: Docket
Dir. reading file
CA&A Division
G.C.Selfridge
Mr. Laurence, Reg. IV

MAY 29 1962

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMSA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Idm-4765

Enclosed for your files is the original of a Royalty Audit Report on the subject contract.

George C. Selfridge

Enclosure

GCSelfridge/bih
5/29/62

cc to: Docket
Dir. reading file
CA&A Division
GCSelfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Audit Report dated 5/25/62 & orig. cy of memo dated 5/28/62 to Chief, Div. of Field Operations from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of each item sent to Mr. Laurence.

APR 5 1962

Mr. G. E. Lengyel, Controller
Calumet & Hecla, Inc.
Calumet, Michigan

Re: DMA-1207X (Copper)
Calumet & Hecla, Inc.
Centennial Mine, et al.
Keweenaw and Houghton Counties,
Michigan
Contract Idm-E98
and
DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Idm-E765

Dear Mr. Lengyel:

The records pertaining to production and sales subject to royalty under the referenced contracts were last examined by an auditor representative of this office on October 16 to 19, 1956. The audit covered sales through September 30, 1956.

Clarence E. Fisher, our auditor who performed that examination will again visit your office on April 24 and 25, 1962, for the purpose of confirming the status of the royalty accounts. Your cooperation in making available to Mr. Fisher the sales and production records for the period of October 1, 1956, to date will be appreciated.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 4-4-62

cc:
Docket
Director's Reading File
CA & A Division - Idm-E765
Mr. Fisher
Region IV

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E765, Docket No. DMEA-3522 (Copper), dated February 10, 1955, with

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago, Illinois

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Caledonia Mine located in Ontonagon County, Michigan, during the period October 1, 1956, through November 1, 1960.

A certification of discovery or development was issued on November 18, 1958, and, in accordance with Article 8 and Amendment No. 2 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated October 14, 1958, indicated accepted costs under the exploration contract amounting to $61,279.79 with the Government's contribution, on a 50 percent basis, being $30,639.89.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total sales of copper for the period to be $175,066.94. Royalty due the Government at rates specified in the contract is $8,753.36.

A prior Royalty Audit Report and Certificate found the sales subject to Government royalty through September 30, 1956, to be $152,670.62 which added to the sales for this subsequent period make a total of $327,737.56. The royalty account as of September 30, 1956, was:

Total Royalty Due	$ 7,633.53
Total Royalty Paid	7,633.53
Balance of Royalty Due	$ -0-

At November 1, 1960, the royalty account of this project was found to be:

Total Royalty Due	$16,386.89
Total Royalty Paid	16,386.89
Balance of Royalty Due	$ -0-

C. E. Fisher

November 2, 1960

C. E. Fisher, OME Auditor

Idu-8765 Calumet & Hecla, Inc. DMEA-3522

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

There has not been any production from the Caledonia Mine since June 1958.

During the period covered by the present review the Operator reported production and paid royalty through June 1958 in the same manner as has been explained in prior royalty audit reports. My review included the recomputation and tabulation of copies of monthly statements on file in the Washington office supporting royalty payments made. This tabulation is filed with my audit work-papers and is summarized as follows:

Item	Knowlton Lode Drift	Knowlton Lode Stope	Butter Lode Stope	Totals
Copper Rock - Tons	6,526	45,482	6,727	58,735
Mine Captains' Estimates of Cu Contents - Pounds	86,812	694,815	145,303	926,930
Average Smelter Recovery	99.06%	98.45%	98.36%	98.49%
Recovered Cu - Pounds	86,004	684,054	142,920	912,978
Average Recovery per Ton of Rock - Pounds	13.18	15.04	21.25	15.54
Average Selling Price Per Pound of Cu	$ 0.4288	$ 0.3695	$ 0.2665	$ 0.3590
Per Ton of Cu Rock	5.6520	5.5576	5.6613	5.5799
Value of Copper	$36,885.10	$252,768.56	$38,083.90	$327,737.56
Royalty at 5%	$ 1,844.25	$ 12,638.44	$ 1,904.20	$ 16,386.89

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Inspection reports by field representatives of the Government and other information contained in the Washington office files indicate that all production from the property has been reported and proper royalty has been paid the Government; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name **Calumet and Hecla, Inc.**

Address **122 South Michigan Avenue**

Chicago, Illinois

Exploration Contract No. **Idm-E765** Docket No. **DMEA-3522**

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

There has not been any production from the Caledonia Mine since June 1958.

November 1, 1960
Date

George C. Selfridge
Mining Engineer

53362

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name **Calumet and Hecla, Inc.**

Address **122 South Michigan Avenue**

Chicago, Illinois

Exploration Contract No. **Idm-E765** Docket No. **DMEA-3522**

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

There has not been any production from the Caledonia Mine since June 1958.

November 1, 1960
Date

George C. Selfridge
Mining Engineer

53362

EXTRA COPY
O. M. E
RECEIVED NOV 1960
DATE | INITIALS | CODE
800

NOV 15 1960

Mr. E. R. Lovell, President
Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

Re: DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Idm-E765

Dear Mr. Lovell:

Enclosed for your information and records is a copy of a Report of Royalty Review prepared by the Office of Minerals Exploration which has succeeded the Defense Minerals Exploration Administration.

Sincerely yours,

George C. Selfridge

George C. Selfridge
Chief, Division of
Field Operations

Enclosure

LGHouk:gsd 11/14/60
Copy to: Washington Office (2)
Region IV (2)
Mr. Houk

EXTRA COPY O. M. E RECEIVED NOV 1960		
DATE	INITIALS	CODE
		800

November 14, 1960

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract Idm-F765

Attached for your files is the original of a Report of Royalty Review on the subject contract.

George C. Selfridge

George C. Selfridge
Chief, Division of Field Operations

Attachment

LGHouk:gad 11/14/60

Copy to: Region IV (2)
Wash. OFT. (2)
Mr. Houk

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

DEPOSIT NO. 14-23-070-22

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. 9-16-58
(Name, title, and disbursing [illegible]her identification symbol of accountable officer) (Date sent)

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

$ 1,885.16

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E765 Calumet & Hecla, Inc. (Royalty Payment)	1,885.16

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Personal Assistant
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

For Certificate of Deposit No. 18, dated September 9, 1958, giving royalty payment of $19.04, see E-57.

E-765

For Certificate of Deposit No. 82, dated April 28, 1958, giving royalty payment of $77.99, see E-98;

For Certificate of Deposit No. 75, dated March18, 1958, giving royalty payment of $72.94, see E-57.

For Certificate of Deposit No. 71, dated March 4, 1958, giving royalty payment of $367.73, see E-98.

For Certificate of Deposit No. 60, dated January 16, 1958, giving royalty payment of $137.94, see E-98.

For Certificate of Deposit No. 55, dated December 24, 1957, giving royalty payment of $65.00, see E-98.

For Certificate of Deposit No. 45, dated November 26, 1957, giving royalty payment of $108.69, see E-98.

For Certificate of Deposit No. 33, dated October 15, 1957, giving royalty payment of $270.31, see E-57.

For Certificate of Deposit No. 27, dated September 23,1957, giving royalty payment of $315.39, see E-98.

For Certificate of Deposit No. 12, dated August 12, 1957, giving royalty payment of $152.25, see E-98.

For Certificate of Deposit No. 6, dated July 25, 1957, giving royalty payment of $535.22, see E-98.

E-765

For Certificate of Deposit No. 112, dated June 18, 1957, giving royalty payment of $759.17, see E-57.

For Certificate of Deposit No. 105, dated May 20, 1957, giving royalty payment of $301.19, see E-98;

For Certificate of Deposit No. 95, dated April 23, 1957, giving royalty payment of $450.40, see E-98.

For Certificate of Deposit No. 86, dated March 26, 1957, giving royalty payment of $251.17, see E-98.

For Certificate of Deposit No. 82, dated March 5, 1957, giving royalty payment of $754.78, see E-98.

For Certificate of Deposit No. 68, dated January 28, 1957, giving royalty payment of $643.04, see E-98.

E-765

For Certificate of Deposit No. 62, dated January 3, 1957, giving royalty payment of $542.76, see E-98.

For Certificate of Deposit No. 54, dated December 6, 1956, giving royalty payment of $619.12, see E-57.

E-765

For Certificate of Deposit No. 43, dated October 29, 1956, giving royalty payment of $424.07, see E-98.

JUL 20 1956

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, T. O. Building
Knoxville 2, Tennessee

Re: Calumet and Hecla, Inc.
Docket No. DMEA-1207X
Contract No. Idm-898
and
Docket No. DMEA-3522
Contract No. Idm-8765

Dear Mr. Laurence:

Enclosed herewith are copies of audit certificates and audit reports pertaining to the above-cited projects as follows:

Contract No.	Report	Number of copies Certificates	Reports
E- 98	Fourth Interim Audit	4	3
98	Second Royalty	3	3
765	Interim	4	3
765	First Royalty	3	3

If you concur with the facts stated therein distribution should be made in accordance with instructions on page 48 of Procedure for Royalty Audits and page 73 of Audit Procedure for Exploration Work.

Sincerely yours,

(Signed) E. D. Talbert

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

Enclosure

CEFisher/wb
July 20, 1956

Copy to: Docket (2)
Admr. Reading File
Helen R. Miller
Mr. Chambers

Check Sheet of Examining Engineer

Operator's Name ~~Calumet & Hecla Inc.~~

Address ~~Calumet, Michigan~~

Exploration Contract No. ~~Idm-E765~~ Docket No. ~~3522~~

	Check One Yes	Check One No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		x
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?	x	
(b) If so, do you consider the allocation of the commingled production equitable?	x	
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		x
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	x	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	x	
7. Does the Operator buy from or sell to other Operators?	x	
8. Comment on any item 2 (b) to 6 if answer is No.		

Charles J. Stehlik
Mining Engineer

Date ~~June 26, 1956~~

82448

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Item	Exploration Drift	Stoping	Total
Copper Rock (Tons)	6,468	12,722	19,190
Mine Captain's Estimates of Copper Contents (Pounds)	86,177	210,704	296,881
Average Smelter Recovery	99.08%	98.54%	98.70%
Recovered Copper (Pounds)	85,382	207,637	293,019
Average Recovery per Ton of Rock (Pounds)	13.20	16.32	15.27
Average Selling Price (Per pound of copper)	$.4295	$.4603	$.4513
Value of Copper	$36,673.12	$95,578.74	$132,251.86
Royalty Due (5%)	$1,833.65	$4,778.94	$6,612.59
Royalty Paid	$1,833.65	$4,778.94	$6,612.59
Balance of Royalty Due	-0-	-0-	-0-

The audit has confirmed the accuracy and propriety of the royalty payments received by the regional Finance Officer applicable to copper sales during the period February 10, 1955, to May 31, 1956. It has also determined that all indicated sales during such period have been properly accounted for.

At the conclusion of the audit Mr. Peterson was informed of the audit findings.

C. E. Fisher

C. E. Fisher, Auditor

July 13, 1956

operator in connection with its entire operation of the Calumet Division. This listing, which is filed as a part of my audit work papers, was verified and found to be in agreement with deposits made by the regional Finance Officer as indicated by copies of certificates of deposit on file in DMEA office, Washington, D. C. A summary analysis of this listing is included in section IV of this audit report.

The basic production record is a daily report made by the Mine Captain to the Mine Superintendent showing the tonnage of "poor rock" and of copper bearing rock removed from the mine, together with the source of the material, that is, whether connected with exploration or stoping operations, and the captain's estimate of the quantity of copper contained in the ore deemed to be of sufficient value to warrant transportation to the mill and the smelter for processing. All rock which the captain estimates to contain less than nine pounds of copper per ton is designated as "poor rock" and is dumped at the mine site. This is standard operating procedure of the company in all of its copper mining operations in the Calumet Division.

The copper bearing ore is then transported by truck and rail a distance of approximately 50 miles to the operator's mill at Hubbell, Michigan, where it is commingled with other company production. After milling the ore is taken to the company's smelter at Lake Linden, Michigan, for final processing.

The actual number of pounds of copper recovered at the smelter each month is determined and the ratio of actual recovery to the estimated weight of copper in the ore produced during the month is determined. Such ratio is applied to the captain's estimate of total copper in the ore shipped from Caledonia Mine during the month and the number of pounds thus determined is considered to be the actual production of copper from that mine during such month.

The total proceeds from sale of copper produced during a month is divided by the number of pounds of copper sold during that month to establish an average sales price of copper during the month. Such average price is applied to the production from Caledonia Mine during the month and royalty due the Government at 5 percent is computed on the value thus determined.

IV. CONCLUSIONS

A summary analysis of the operator's production and sales subject to DMEA royalties from Caledonia Mine follows:

According to the interim cost audit report prepared by this auditor concurrently with this first royalty audit report, the total accepted costs of the exploration and the Government's valid and proper contribution, on a 50 percent basis, to May 31, 1956, amounted to $56,887.82 and $28,433.91, respectively. Exploration under the contract is continuing. The contract provides for estimated total cost of the project in amount of $113,110.00 with Government participation in the amount of $56,555.00.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer.

A conference with the examining engineer (Mr. Stahlik) disclosed the following:

(a) The operator does not stockpile ore subject to DMEA royalties; nor are low grade ores, tailings, or middlings stockpiled.

(b) All production from the mine during the period was subject to DMEA royalty. Production from this mine has been commingled with production from other mines operated by the company. The examining engineer and this auditor consider that an equitable basis has been followed in allocating the proceeds from commingled production as more fully explained in Section III B of this report.

(c) The sampling and assay controls in effect are considered adequate.

(d) The manner of disposing of production is considered as giving the Government its fair royalty returns.

(e) Periodic examinations by the examining engineer indicate that the operator is properly reporting the current production subject to DMEA royalties.

(f) The operator does not buy from or sell to other operators.

B. Audit of Settlement Statements.

During the on-site audit a listing was made of statements furnished by the operator in support of monthly payments showing computation of royalties payable to the Government in connection with ore recovered during exploratory drifting and from ore recovered from stoping operations in that portion of the mine delineated in Annex I of the contract. All computations were verified and the data reported was checked with production and sales records and monthly statistical data prepared by the

[illegible]

FIRST ROYALTY AUDIT REPORT

I. INTRODUCTION

During the period June 11 to 28, 1956, an audit was made of the production, sales, and royalty accounts and records of

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago, Illinois

pertaining to the sale of copper during the period February 10, 1955, to May 31, 1956, produced from Caledonia Mine located in Ontonagon County, Michigan, on which royalties are due the U. S. Government under terms of Contract Ida-8765, Docket No. DSA-3522 (Copper), dated February 10, 1955.

The production and sales records pertaining to this contract are maintained at the operator's Calumet Division general plant office building in Calumet, Michigan.

During the on-site audit the following representatives of the company and the Bureau of Mines were consulted as necessary:

Mr. B. C. Peterson, Controller
Mr. Thomas R. Thomas, Internal Auditor
Mr. Charles J. Stehlik, Mining Engineer,
Bureau of Mines, Houghton, Michigan

The cooperation of all concerned greatly facilitated the audit work.

An interim audit of exploration costs incurred under terms of this contract was made concurrently with this first royalty audit. Also, a fourth interim audit of costs and a second audit of royalties payable to the Government under terms of Exploration Project Contract No. Ida-E98, Docket No. DSA-1207X, with this operator, were made during such period. The results of these audits are included in separate audit reports dated July 13, 1956.

II. GENERAL INFORMATION

Article 8 of the contract provides that, regardless of any certification of discovery or development, the Government shall be entitled to a percentage royalty on all minerals mined or produced from the land described in Annex I of the contract from February 10, 1955, until the lapse of time in which the Government may make such certification of discovery or development (within six months after a sufficient final report and final account has been rendered by the operator), or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the production records and sales documents pertaining to the sale of copper for the period February 10, 1955, to May 31, 1956, by

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago, Illinois

produced from Caledonia Mine, located in Ontonagon County, Michigan, on which royalties are due the U. S. Government under terms of Contract Idm-E765, Docket No. DMEA-3522 (Copper), dated February 10, 1955.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total sales of copper for this period, subject to DMEA royalties, to be $132,251.86. Royalty due the Government at the contract rate of five percent is $6,612.59. The royalty paid and balance due are as follows:

Total Royalties Due	$6,612.59
Total Royalties Paid	6,612.59
Balance of Royalties Due	$ -0-

C. E. Fisher
C. E. Fisher, Auditor

July 13, 1956

For Certificate of Deposit No. 12, dated July 26, 1956, giving royalty repayment of $83.51, see E-98.

For Certificate of Deposit No. 36, dated September 24, 1956, giving royalty payments of $626.45 and $310.98, see E-98.

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

NOV 15 1956

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 14, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-3522
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract No. Idm-E765

Dear Mr. Laurence:

Enclosed herewith are Second Royalty Audit Certificate and Report and Second Interim Audit Certificate and Report pertaining to the subject exploration contract.

If you concur with the findings set forth in these Reports, the original of each should be forwarded to the Regional Finance Officer for filing with the contract, copies should be furnished to the Operator, and a copy of each should be retained in your files. The extra copy of the Second Interim Audit Certificate should be forwarded to the Regional Finance Office for filing in the voucher file.

Mr. Fisher's third royalty audit and final cost audit reports pertaining to Contract Idm-E98, Docket No. DMA-1207X, Calumet & Hecla, Inc., are being withheld pending final determination of salvage credit to the contract costs which matter was referred to Mr. Stehlick for his consideration by Mr. Lynch's memorandum dated October 15, 1956.

Sincerely yours,

(Signed) E. D. Talbert

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

Enclosure

CEFisher/wb 11-15-56

Copy to: Docket
Admr. Reading File
Mrs. Miller
Mr. Chambers

Check Sheet of Examining Engineer

RECEIVED
OCT 26 1956

Operator's Name Calumet & Hecla Inc.

Address Calumet, Michigan

Exploration Contract No. Idm-E765 Docket No. 3522

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?	X	
(b) If so, do you consider the allocation of the commingled production equitable?	X	
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?	X	
8. Comment on any item 2 (b) to 6 if answer is No.		

Charles J. Stuhlik
Mining Engineer

Date Oct 23, 1956

82448

Item	Exploration Drift	Stoping	Total
Copper Rock (Tons)	6,526	16,873	23,399
Mine Captain's Estimates of Copper Contents (Pounds)	86,812	269,222	356,034
Average Smelter Recovery	99.06%	98.77%	98.84%
Recovered Copper (Pounds)	86,004	265,926	351,930
Average Recovery per Ton of Rock (Pounds)	13.18	15.76	15.04
Average Selling Price (Per pound of copper)	$.4288	$.4354	$.4338
Value of Copper	$36,885.10	$115,785.52	$152,670.62
Royalty Due (5%)	$1,844.25	$5,789.28	$7,633.53
Royalty Paid	$1,844.25	$5,789.28	$7,633.53
Balance of Royalty Due	-0-	-0-	-0-

The audit has confirmed the accuracy and propriety of the royalty payments received by the regional Finance Officer applicable to copper sales during the period February 10, 1955, to September 30, 1956. It has also determined that all indicated sales during such period have been properly accounted for.

At the conclusion of the audit Mr. Peterson was informed of the audit findings.

C. E. Fisher

C. E. Fisher, Auditor

November 9, 1956

The basic production record is a daily report made by the Mine Captain to the Mine Superintendent showing the tonnage of "poor rock" and of copper bearing rock removed from the mine, together with the source of the material, that is, whether connected with exploration or stoping operations, and the captain's estimate of the quantity of copper contained in the ore deemed to be of sufficient value to warrant transportation to the mill and the smelter for processing. All rock which the captain estimates to contain less than nine pounds of copper per ton is designated as "poor rock" and is dumped at the mine site. This is standard operating procedure of the company in all of its copper mining operations in the Calumet Division.

The copper bearing ore is then transported by truck and rail a distance of approximately 50 miles to the Operator's mill at Hubbell, Michigan, where it is commingled with other company production. After milling the ore is taken to the company's smelter at Lake Linden, Michigan, for final processing.

The actual number of pounds of copper recovered at the smelter each month is determined and the ratio of actual recovery to the estimated weight of copper in the ore produced during the month is determined. Such ratio is applied to the captain's estimate of total copper in the ore shipped from Caledonia Mine during the month and the number of pounds thus determined is considered to be the actual production of copper from that mine during such month.

The total proceeds from sale of copper produced during a month is divided by the number of pounds of copper sold during that month to establish an average sales price of copper during the month. Such average price is applied to the production from Caledonia Mine during the month and royalty due the Government at 5 percent is computed on the value thus determined.

IV. CONCLUSIONS

A summary analysis of the Operator's production and sales subject to DMEA royalties from Caledonia Mine follows:

$61,707.56 and $30,853.78, respectively. The contract provides for estimated total cost of the project in amount of $113,110.00 with Government participation in the amount of $56,555.00, and had not been completed or terminated at the date of this audit.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

The examining engineer (Charles J. Stehlik) has reported the following:

(a) The Operator does not stockpile ore subject to DMEA royalties; nor are low grade ores, tailings, or middlings stockpiled.

(b) All production from the mine during the period was subject to DMEA royalty. Production from this mine has been commingled with production from other mines operated by the company. The examining engineer and this auditor consider that an equitable basis has been followed in allocating the proceeds from commingled production as more fully explained in Section III B of this report.

(c) The sampling and assay controls in effect are considered adequate.

(d) The manner of disposing of production is considered as giving the Government its fair royalty returns.

(e) Periodic examinations by the examining engineer indicate that the Operator is properly reporting the current production subject to DMEA royalties.

(f) The Operator does not buy from or sell to other operators.

B. Audit of Settlement Statements.

During the on-site audit a listing was made of statements furnished by the Operator in support of monthly payments showing computation of royalties payable to the Government in connection with ore recovered during exploratory drifting and from ore recovered from stoping operations in that portion of the mine delineated in Annex I of the contract. All computations were verified and the data reported was checked with production and sales records and monthly statistical data prepared by the Operator in connection with its entire operation of the Calumet Division. This listing, which is filed as a part of my audit work papers, was verified and found to be in agreement with deposits made by the regional Finance Officer as indicated by copies of certificates of deposit on file in DMEA office, Washington, D. C.

SECOND ROYALTY AUDIT REPORT

I. INTRODUCTION

During the period October 16 to 19, 1956, an audit was made of the production, sales, and royalty accounts and records of

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago, Illinois

pertaining to the sale of copper during the period June 1 to September 30, 1956, produced from Caledonia Mine located in Ontonagon County, Michigan, on which royalties are due the U. S. Government under terms of Contract Idm-E765, Docket No. DMEA-3522 (Copper), dated February 10, 1955.

The production and sales records pertaining to this contract are maintained at the Operator's Calumet Division general plant office building in Calumet, Michigan.

During the on-site audit the following representatives of the company were consulted as necessary:

Mr. B. C. Peterson, Controller
Mr. Thomas R. Thomas, Internal Auditor

Their cooperation greatly facilitated the audit work.

A second interim audit of exploration costs incurred under terms of this contract was made concurrently with this second royalty audit. Also, a final audit of costs and a third audit of royalties payable to the Government under terms of Exploration Project Contract No. Idm-E98, Docket No. DMA-1207X, with this Operator, were made during such period. The results of these audits are included in separate audit reports.

II. GENERAL INFORMATION

Article 8 of the contract provides that, regardless of any certification of discovery or development, the Government shall be entitled to a percentage royalty on all minerals mined or produced from the land described in Annex I of the contract from February 10, 1955, until the lapse of time in which the Government may make such certification of discovery or development (within six months after a sufficient final report and final account has been rendered by the operator), or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first.

According to the second interim cost audit report prepared by this auditor concurrently with this second royalty audit report, the total accepted costs of the exploration and the Government's valid and proper contribution, on a 50 percent basis, to July 31, 1956, amounted to

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND ROYALTY AUDIT CERTIFICATE

I have examined the production records and sales documents pertaining to the sale of copper for the period June 1 to September 30, 1956, by

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago, Illinois

produced from Caledonia Mine, located in Ontonagon County, Michigan, on which royalties are due the U. S. Government under terms of Contract Idm-E765, Docket No. DMEA-3522 (Copper), dated February 10, 1955.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total sales of copper for this period, subject to DMEA royalties, to be $20,418.76. Royalty due the Government at the contract rate of five percent is $1,020.94.

A prior audit conducted by this auditor for the period February 10, 1955, to May 31, 1956, found the sales as of the last date to be $132,251.86, which added to the sales for this period make a total of $152,670.62 as of September 30, 1956. The royalty account as of May 31, 1956, was

Total Royalty Due	$6,612.59
Total Royalty Paid	6,612.59
Balance of Royalty Due	$ -0-

As of September 30, 1956, the royalty account of this project was found to be

Total Royalty Due	$7,633.53
Total Royalty Paid	7,633.53
Balance of Royalty Due	$ -0-

C. E. Fisher

C. E. Fisher, Auditor

November 9, 1956

For Certificate of Deposit No. 113, dated June 19, 1956, giving royalty repayment of $1,780.58, see E-98.

For Certificate of Deposit No. 99, dated April 26, 1956, giving royalty repayment of $851.33, see E-98.

E-765

For Certificate of Deposit No. 85, dated March 16, 1956, giving royalty repayment of $489.26, see E-98.

For Certificate of Deposit No. 79, dated February 24, 1956, giving royalty repayment of $477.75, see E-98.

E-765

For Certificate of Deposit No. 72, dated February 7, 1956, giving royalty repayment of $989.10, see E-98.

For Certificate of Deposit No. 55, dated December 28, 1955, giving royalty repayment of $230.27, see E-98.

E-765

For Certificate of Deposit No. 47, dated December 2, 1955, giving royalty repayment of $389.48, see E-98.

E-765

For Certificate of Deposit No. 39, dated November 7, 1955, giving royalty repayment of $393.80, see E-98.

E-765

For Certificate of Deposit No. 31, dated October 7, 1955, giving royalty repayment of $763.07, see E-98.

For Certificate of Deposit No. 103, dated June 1, 1955, giving royalty repayment of $247.95, see E-98.

SEP 3 1958

14X4401(01) Revolving Fund, Defense
Production Act, Interior (Allocated
Working Fund to Office of the Secy.)

RCQ

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Please return all copies of report of review, E765, DMEA-3522, Calumet and Neola, sent you August 27. Report prematurely issued and proceeds from disposition of property omitted.

(Signed) J. L. Chambers
Jay L. Chambers, Director
Contract Admin. & Audit Division

CEFisher/ama
September 3, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DMEA
RECEIVED SEP 8
DATE | INITIALS
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LET | 800

September 5, 1958

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA, Region V, Knoxville, Tennessee

Subject: Docket No. DMEA-3522, Idm-E765 (Copper)
Calumet and Hecla, Inc.
Caledonia Mine, Ontanagon County, Michigan

Reference is made to your telegram of September 3:

Copies of the Report of Review were distributed on August 29, and as soon as we retrieve them, they will be returned to you.

For some reason, your telegram was not delivered, and the first we knew of it was when the confirmation copy arrived in today's mail. I checked with Western Union, and they have no record of having received it. Someone should check with Western Union in Washington, to determine whether it was actually sent.

Robert A. Laurence
Robert A. Laurence

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

pertaining to Exploration Project Contract No. Idm-E765, DMEA No. 3522, including Amendments Nos. 1 and 2, for March 1955 to January 1958, inclusive, covering a copper project at the Caledonia Mine, Ontonagon County, Michigan.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

(a) the major portion ($61,774.22) of the billed costs was covered by an interim audit report and certificate issued by C. E. Fisher, DMEA Auditor, on November 9, 1956;

(b) the balance($2,534.21) of the billed costs for 1,493 feet of diamond drilling is deemed to be reasonable; and

(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances.

The findings of this review are stated in the following summary:

Total cost billed by Operator		$64,308.43
Less: Proceeds from property disposition		2,961.98
Net cost claimed by Operator		$61,346.45
Exceptions:		
Prior to this review	$66.66	
Herewith	-0-	66.66
Total accepted cost		$61,279.79

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$30,639.89
Paid to date	30,639.89
Balance due Operator	-0-

C. E. Fisher

October 14, 1958

C. E. Fisher, Auditor

OCT 16 1958

Mr. Robert A. Laurence
Executive Officer
OME Field Team, Region V
Room 2-B, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Contract No. Idm-E765

Dear Mr. Laurence:

Thanks for your memorandum dated October 13, 1958 with which you returned copies of the Report of Review dated August 27, 1958. Enclosed are the original and three copies of a revised Report of Review.

If you concur with the facts as stated in this revised report, will you please arrange for its appropriate distribution as a substitute for the previous report.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

CEFisher/GMcC
October 15, 1958

cc: Docket
Director's Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 15 1958

DATE	INITIALS	CODE
10/15	C	220
		800

October 13, 1958

Memorandum

To: Jay L. Chambers, Director, Contract Admin. OME

From: OME Field Team, Region V - Knoxville, Tennessee

Subject: Report of Review, DMEA-3522, Idm-E765-copper. Caledonia Mine, Ontonagon County, Michigan Calumet & Hecla, Inc. Operators.

Enclosed are the copies of the subject report of Review requested in your telegram dated September 3.

Robert A. Laurence

Robert A. Laurence
Executive Officer, OME
Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

MAIL COPY
O. M. E.
RECEIVED OCT 1958
DATE | INITIALS

October 13, 1958

Memorandum

To: Jay L. Chambers, Director, Contract Admin. OME

From: OME Field Team, Region V - Knoxville, Tennessee

Subject: Report of Review, DMEA-3522, Idm-E765-copper. Caledonia Mine, Ontonagon County, Michigan Calumet & Hecla, Inc. Operators.

Enclosed are the copies of the subject report of Review requested in your telegram dated September 3.

Robert A. Laurence
Executive Officer, OME
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/sm

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

10/2 C 22C 800

September 30, 1958

Mr. A. E. Petermann
Calumet & Hecla, Inc.
122 South Michigan Ave.
Chicago 3, Illinois

Re: DMEA-3522, Idm-E765-copper
Caledonia Mine
Ontonagon County, Michigan

Dear Mr. Petermann:

On August 29, we sent you (prematurely, it later developed) a copy of the Report of Review for the Caledonia exploration project. As this report omitted the proceeds from disposition of the property, we wrote you on September 5, requesting the return of the Report of Review so that a revised one may be prepared.

Will you please return the Report of Review at your earliest convenience? We will send you the corrected one as soon as it is available.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME
Field Team, Region V

RAL/sm
cc
Chambers
Stehlic
Lynch
Files

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

pertaining to Exploration Project Contract No. Idm-E765, DMEA No. 3522, including Amendments Nos. 1 and 2, for March 1955 to January 1958, inclusive, covering a copper project at the Caledonia Mine, Ontonagon County, Michigan.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

(a) the major portion ($61,774.22) of the billed costs was covered by an interim audit report and certificate issued by C. E. Fisher, DMEA Auditor, on November 9, 1956;

(b) the balance ($2,534.21) of the billed costs for 1,493 feet of diamond drilling is deemed to be reasonable; and

(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances.

The findings of this review are stated in the following summary:

Total cost billed by Operator		$64,308.43
Exceptions:		
Prior to this review	$66.66	
Herewith	-0-	66.66
Total accepted cost		$64,241.77

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$32,120.88
Paid to date	32,104.86
Balance due Operator	$ 16.02

August 27, 1958

C. E. Fisher

C. E. Fisher, Auditor

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Contract No. Idm-5763

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review, as requested by your August 20 memorandum. Also enclosed is the Operator's final (January 1958) MF-104, which was submitted with your request.

If you concur with the facts as stated in this report, please make the usual distribution. If for any reason you do not concur, please return the original and all copies with your comments to this Division.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CEFisher/GMcC
August 27, 1958

cc: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 26, 1959

EXTRA COPY
O. M. E.
RECEIVED
DATE
800

Mr. James P. Pollock, Chief Geologist
Calumet & Hecla Inc.
P.O. Box 231
Calumet, Michigan

Re: DMEA-3522 (copper)
Caledonia Mine
Antonagon County, Mich.
Contract Idm-E765

Dear Mr. Pollock:

Although the Caledonia project has been terminated for more than a year, we have not received your final engineering and geologic report on the project.

Will you please send me your report (five copies) as soon as possible. Please refer to Article 7c of the contract for information on the data required in the report.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME
Field Team, Region V

RAL/zm
cc
Opr. Com-2
Lynch
Stehlik
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE
8/25	C	220
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August 20, 1958

Memorandum

To: Jay L. Chambers, Director, Audit Division -DMEA

From: Executive Officer, DMEA - Region V - Knoxville, Tenn.

Subject: Completion of DMEA-3522, Idm-E765 (copper) Calumet & Hecla, Inc., Caledonia Mine, Ontonagon County, Michigan.

Work on the subject contract was terminated February 1, 1958.

The following unitsd of work were completed after the Second Interim Audit certificate was issued November 9, 1956:

(1) A total of 1493 feet of diamond drilling completed.

A Termination Agreement has been received and signed.

The Operator's final engineering and geological report has not been received, but is in preparation. In order that our Field Examiners may complete their final report we would appreciate a final audit.

Robert A. Laurence
Robert A. Laurence

800

August 27, 1958

Calumet & Hecla, Inc.

Calumet, Michigan

Re: DMEA-3522, Idm-3765, copper.
Caledonia Mine
Ontonagon County, Michigan

Attention: Mr. James P. Pollock, Chief Geologist

Reference is made to your letter of June 30 with which you enclosed a list of material salvaged from Caledonia mine exploration project.

We recently received a similar list from C. J. Stehlik, Bureau of Mines Engineer. He revised the list by reducing the lengths of pipe, rails, cable and wire from 2300 feet each, as given in your list, to 2080 feet the total feet of drifting under the contract. This reduced the total salvage value from $3255.77 to $2961.98.

The salvage value placed on the material by Mr. Stehlik is satisfactory and a check for one-half the total amount or $1480.99 will be acceptable to the Government.

VJL/sm.
cc: Opr. Com.-2
Lynch
Laurence
Stehlik

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region V

For Certificate of Deposit No. 18, dated September 9, 1958, giving salvage proceeds of $1,480.99, see E-57.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-74 in accordance with the terms of the contract.

Signature Charles J. Stubblebine Title Mining Eng Date 3/31/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date AUG 29 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 5 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1958 Docket No. DMEA 3522 Contract No. DMEA 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 S. Michigan Ave. Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: ~~Diamond~~	Feet	$ 32.02	4	$ 2,534.21	1,493	$1.6974	3,300	$5.00per ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 32.02		$2,534.21				

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

Date Feb. 27, 1958 Operator Calumet & Hecla, Inc.

Per R C Setesson Title Assistant Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Charles J Stubbs
Mining Eng.
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

B. C. Peterson

February 5, 1958

: Diamond Drilling Report

Caledonia Adit - DMEA
Contract 3552, Idm-E765
January 1958

During the production period of January 1958, diamond drill hole No. 57-10 was advanced an additional 4 feet to a total depth of 37 feet. This concluded diamond drilling at the adit and no further reports will be necessary.

Signed: A. W. Schillinger

A. W. Schillinger

AWS:eln:pmh

cc: JPP (2)

Form ME-101 (Rev.)
(April 1952)

RECEIVED JAN 27 1958 DMEA

Budget Bureau No. 42-R1036.5

ATTACHED ON VOUCHER & SCHEDULE OF PAYMENTS K-38

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

Month of December, 1957 Docket No. DMEA 3522 Contract No. IDM-E765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 S. Michigan Ave., Chicago 3, Illinois

Contract Amount, $113,000.00 Government Participation: 50 % Amount, $56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	$ 524.80	$ 1,977.39	$ 2,502.19			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 524.80	$ 1,977.39	$ 2,502.19	524.80	63684.95	64209.75

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

Date January, 1958 *Payee Calumet & Hecla, Inc.

Per B. C. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$ 262.40

Signature Helen P. Miller
(Authorized Certifying Officer)

Date JAN 24 1958 Vou. No. 122

(See other side)

262.40

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature Charles J. Stubblefield Title Mining Eng. Date 1/20/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature R. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date JAN 22 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
JAN. 27 1958
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1957 Docket No. DMEA 3522 Contract No. IDM-E765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 S. Michigan Ave., Chicago 3, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Diamond	Feet	$ 524.80	639	$2,502.19	1,489	$1.6804	3,300	$5.00 per ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 524.80		$2,502.19				

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

Date January 8, 1958 Operator Calumet & Hecla, Inc.

Per R. C. Peterson Title Ass't. Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only) Charles J. Stalebih
Mining Eng
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
CALUMET & HECLA, INC.

For Inter-Office Correspondence Only.

To Mr. B. C. Peterson (2)

Date January 6, 1958

Form 201

SUBJECT Diamond Drilling Report - Caledonia Adit
DMEA Contract 3552, Idm-E765 - December 1957

No Reply Necessary ☐
Please Reply ☐

During the production period of December 1957, the following diamond drilling was performed at the Caledonia Adit under the above DMEA contract.

Number	Draft Mark	Dates	Depth	Remarks
57-4	5,036 ft.	12/3 - 12/5	55 ft.	To test S.Knowlton
57-5	4,790 "	12/6	58 "	" " "
57-6	4,768 "	12/9 - 12/13	91 "	" " "
57-7	4,768 "	12/16 - 12/18	159 "	" " "
57-8	4,612 "	12/19	58 "	" " "
57-9	4,408 "	12/20, 23, 24, 26	185 "	" " " and Mass lodes
57-10	5,195 "	12/27	33 "	To test Knowlton
			639 ft.	

Other than two feet of good copper in hole No. 57-5 (41 ft. to 43 ft.) and one foot of fair copper in hole No. 57-10 (13 ft. - 14 ft.), the drilling indicated thin, lean amygdaloid.

At the request of Mr. Stehlic of the U. S. Bureau of Mines, I am enclosing a brief log of each hole drilled to date (No. 57-1 through 57-10, less holes No. 57-2 and 57-3 which were not a part of the contract.)

A. W. Schillinger

AWS:eln
Enc.

cc: J.P.Pollock (2)
E.R.Nelson

LOG OF DIAMOND DRILLING AT CALEDONIA ADIT
(Holes No. 57-1 through 57-10, less 57-2 & 57-3)

Number		From	To	Remarks
57-1		0	52.5'	Trap
(D.M. 4225', 68½° down, bearing N. 54° W)		52.5'	68 '	Amygdaloid; tight, cellular with no mineralization
		68'	198.5'	Trap; some Cu in basal amygdaloid.
		198.5'	352'	Alternating tight, cellular amygdaloids and trap. With occasional blebs of copper
		352'	702'	Trap. Shot copper from 391' - 393' and thin fissure copper in quartz and chlorite fissures.
	(	702'	730'	Amygdaloid; cellular & moderately oxidized. To 712'. No oxidation from 712' to 730'. No mineralization.
	Butler Series (	730'	750.5'	Trap.
	(	750.5'	765'	Amygdaloid; cellular with upper 4 feet moderately oxidized. Fair grade (12-15 lbs.) from 753' - 758'
	(	765'	787'	Trap
	(	787'	798'	Amygdaloid; cellular with upper 2 feet well oxidized. Some copper from 789.5' to 797' (poor grade; less than 10 lb.)
		798'	850'(end)	Trap.
57-4		0	11'	Trap
(D.M. 5036' flat into F.W.)		11'	18'	Amygdaloid (S.Knowlton). Upper 2' fragmental & moderately oxidized. Occasional bleb of copper.
		18'	55'(end)	Trap
57-5		0'	39.5'	Trap
(D.M. 4790' flat into F.W.)		39.5	49.5'	Amygdaloid (S.Knowlton); upper 1' slighfly oxidized and poorly fragmental. Good copper (20 lbs.) from 40.5' to 43'.
		49.5	58.5(end)	Trap. Trace copper.

Number	From	To	Remarks
57-6 (D.M. 4768', 73° down bearing N. 55° W.)	0'	5'	Amygdaloid; tight cellular (F.W. of Knowlton). No mineralization.
	5'	56'	Trap.
	56'	71'	Amygdaloid (S.Knowlton); cellular, top 2' slightly oxidized. Occasional blebs of copper from 65' to 71'. Grade poor (less than 5 Lbs.)
	71'	91'(End)	Trap.
57-7 (D.M. 4768', 26½° up, bearing S. 55° E.)	0'	10'	Amygdaloid; tight cellular (F.W. of Knowlton). Occasional fragment of copper.
	10'	111.5'	Trap.
	111.5'	128'	Amygdaloid (S.Knowlton); upper 5' moderately oxidized, tight fragmental. A few blebs of copper at 116'.
	128'	159'(end)	Trap.
57-8 (D.M. 4612', flat into F.W.)	0'	37'	Trap.
	37'	44'	Amygdaloid (S.Knowlton) Upper 1' cellular and moderately oxidized. No mineralization.
	44'	58'(end)	Trap.
57-9 (D.M. 4408', flat into F.W.)	0'	36.5'	Trap.
	36.5	43'	Amygdaloid (S.Knowlton) Upper 1' tight fragmental. Scattered blebs of Cu from 41' - 43'.
	43'	117'	Trap. Few blebs of copper from 83' to 84'.
	117'	129'	Amygdaloid. Very tight cellular. No mineralization.
	129'	177'	Trap.
	177'	181'	Amygdaloid (Mass) tight cellular. 6" of shot copper at H.W. (177')
	181'	185'(end)	Trap.
57-10 (D.M. 5195' flat into H.W.)	0'	10.5'	Trap.
	10.5'	13.5'	Amygdaloid (Knowlton) tight cellular with upper 6" at H.W. (13.5) moderately oxidized. 1' of shot copper at H.W. contact.
	13.5'	37'(end)	Trap. (Feldspathic melaphyre)

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

RECEIVED DEC 12 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 29

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1957 Docket No. DMEA 3522 Contract No. IDM-E 765

Operator's Name Calumet & Hecla, Inc. Minerals

Address 122 S. Michigan Ave. Chicago, Illinois

Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	$ 387.29	$ 1,590.10	$ 1,977.39			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$387.29	1,590.10	$ 1,977.39	387.29	63,297.66	63684.95

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

Date November, 1957 Payee Calumet & Hecla, Inc.

Per E R Nelson Title Acct. Manager

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

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

(Instructions on reverse)

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

$ 193.64

Signature Helen R. Miller (Authorized Certifying Officer)

Date DEC 10 1957 Vou. No. 91 (See other side)

7/ok

193.65

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature Charles J. Lehbleh Title Mining Eng Date 11/20/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date DEC 5 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
DEC 12 1957
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1957 Docket No. DMEA 3522 Contract No. IDM-E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Ave. Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ Diamond	Feet	$ 387.29	54	$ 1,977.39	850	$2.3263	3,300	$ 5.00/ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 387.29		$ 1,977.39				

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

Date November, 1957 Operator Calumet & Hecla, Inc.

Per E B Nelson Title Acct. Manager

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Charles J Stehlik
Mining Eng.
U. S. Bureau of Min

INSTRUCTIONS

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

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

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

GPO 872894

B. C. Peterson

November 6, 1957

: Diamond Drilling Report - Caledonia
Adit - Contract 3552, Idm-E765 - October 1957

During the production period of October 1957, diamond drill hole 57-1 was advanced 54 feet from 796 feet to 850 feet at which point drilling was stopped. All three lodes of the Butler series were penetrated and all contained poor to fair copper.

A. W. Schillinger

AWS:eln:pmh

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

MONTHLY PROJECT REPORT

September 16, 1957

(N. C. Exp. Sta.) DMEA Activities

Upper Peninsula of Michigan
Charles J. Stehlik

Contract Idm-8768, Docket 3622 (copper), Calumet & Hecla Inc., Caledonia Mine

No drilling has been done on this project during the reporting period. Hole No. 57-1, started on May 1, 1957 and drilled intermittently, is now at a depth of 717 feet but not considered to be finished since it has penetrated but a few feet of the Butler lode.

Submitted by Charles J. Stehlik

CC R.A. Laurence, DMEA, Knox.
file

Mr. Laurence:

Due to the rapidly declining copper price there was some concern as to whether any of the C&H mines, including the Caledonia would stay open. I personally was concerned about Walter White getting into the mine for a geologic investigation in the event the contact was terminated and so inquired at C&H for a definate answer. Mr. B. C. Peterson informed me last Friday, September 13, 1957 that the decision has been made to curtail certain operations but that the Caledonia would not be one of them.

Charles J. Stehlik

9/20 C 220
~~400~~
800

RECEIVED
SEP 18 1957
Knoxville, Tenn.

Form MF-104 (Rev. April 1952)

RECEIVED NOV 18 1957 D.M.E.A.

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-24

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

Month of September, 1957 Docket No. DMEA 3522 Contract No. IDM-E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 S. Michigan Ave., Chicago, Illinois

Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	$ 317.84	$ 1,272.26	$ 1,590.10			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 317.84	$ 1,272.26	$ 1,590.10	317.84	62,979.82	63,297.66

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

Date October, 1957 *Payee Calumet & Hecla, Inc.

Per R. C. Peterson Title Asst. Treasurer

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

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

(Instructions on reverse)

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

$ 158.92

Signature Helen R. Meller (Authorized Certifying Officer)

Date NOV 14 1957 Vou. No. 83

(See other side)

158.92

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature Edward J. Stahlik Title Mining Eng. Date 11/15/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Hannemann Title EXECUTIVE OFFICER Date NOV 12 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 18 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 7 Docket No. DMEA 9522 Contract No. 1[illegible]-B 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Ave., Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Diamond	Feet	317.84	79	1,590.10	796	1.9976	3,300	65.00 per ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 317.84		$ 1,590.10				

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

Date October, 1957 Operator Calumet & Hecla, Inc.

Per R C Selesone Title Asst. Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Charles J. Stubblefield
Mining Eng.
U.S. Bureau of Mines

1137

INSTRUCTIONS

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

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

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

GPO 872894

Form [illegible]104 (Rev. April 1952)

RECEIVED 1957 D.M.E.A.

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 17

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1957 Docket No. DMEA 3522 Contract No. IDM-E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 S. Michigan Avenue, Chicago, Illinois

Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	$ 433.78	$ 838.48	$ 1,272.26			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 433.78	$ 838.48	$ 1,272.26	433.78	62546.04	62,979.82

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

Date Sept. 1957 *Payee Calumet & Hecla, Inc.

Per R C Peterson Title Asst. Treasurer

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

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

(Instructions on reverse)

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

$ 216-89

Signature Helen R. Mellin
(Authorized Certifying Officer)

Date OCT 4 1957 Vou. No. 60
(See other side)

216-89

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-745 in accordance with the terms of the contract.

Signature Charles J. Lethbridge Title Mining Eng. Date Sep 30, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA ~~REGION V~~ Date OCT 2 1957

MONTHLY REPORT OF OPERATOR

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

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

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Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 9 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1957 Docket No. DMEA 3522 Contract No. IDM-E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan Avenue, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ Diamond	Foot	$ 433.78	285	$ 1,272.26	717	$1.7744	3.300	$5.00 per ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 433.78		$ 1,272.26				

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

Date Sept., 1957 Operator Calumet & Hecla, Inc.

Per P. C. Peterson Title Ass't. Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Charles J. Stehlik
Mining Eng.
U. S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
CALUMET & HECLA, INC.

For Inter-Office Correspondence Only.

To Mr. B. C. Peterson *Date* September 17, 1957

Form 201 SUBJECT Diamond Drilling Report - Caledonia

No Reply Necessary ☐
Please Reply ☐

Adit - D.M.E.A. Contract 3552,
Idm-E765 - Report for August 1957

During the production period of August 1957, diamond drill hole 57-1 was advanced 285 feet to a total depth of 717 feet. Actual drilling was carried on only during the first half of the period.

A. W. SCHILLINGER
Resident Geologist

AWS:pmh

OFFICIAL FILE COPY
D M E A
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DATE CODE

COPY

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

Budget Bureau No. 42-R1036.3

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1957 Docket No. DMEA 3522 Contract No. IDM-JE 765
Operator's Name Calumet & Hecla, Inc Minerals Copper
Address 122 S. Michigan Ave., Chicago, Ill.
Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	$320.57	$517.91	$838.48			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$320.57	$517.91	$838.48			

**Voucher Adjusted in accordance with Interim Audit (Idm-E765) dated 11/9/56 ($33.33 overpaid) and final audit Idm-E98 dated 4/16/57 ($140.49 underpaid). Voucher approved for payment in the amount of $267.44 ($140.49 to Idm-E98 and $126.95 to Idm-E765)

Vo. No. 44
Vo. No. 45

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 16 1957
DATE | INITIALS | CODE

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

Date Aug. 8, 1957 *Payee Calumet & Hecla, Inc.

Per R. C. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$ 267.44**

Signature Helen R. Meier
(Authorized Certifying Officer)

Date SEP 12 1957 Vou. No. 44 + 45
(See other side)

18

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-705 in accordance with the terms of the contract.

Signature Charles J. Lehrlich Title Mining Eng Date 8/21/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date AUG 28 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 16 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July, 1957 Docket No. DMEA 3522 Contract No. IDM - E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 S. Michigan Ave., Chicago, Ill.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ Diamond	Foot	*$320.57	432	$ 838.48	717	$1.1694	3,300	$5.00 per ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$320.57		$ 838.48				

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

Date Aug. 8, 1957 Operator Calumet & Hecla, Inc.

Per R C Peterson Title Ass't. Treasurer

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

(Instructions on reverse)

REMARKS:
* Includes $66.60 Fringe Benefits not included in June.

(For Government use only)

Charles J Stehlik
Mining Eng.
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
CALUMET & HECLA, INC.

For Inter-Office Correspondence Only.

To Mr. B. C. Peterson

Date August 19, 1957

SUBJECT Diamond Drilling Report Caledonia Adit - U.M.R.A. Contract 1552. Idm-8763 - Report for July & August 1957 To Date

Form 201

No Reply Necessary ☐
Please Reply ☐

During July, diamond drill hole 57 - 1 was advanced to 509 feet and to date the hole is at 717 feet, the last 15 feet of which is in the Butler series. Only minor copper has been encountered thus far. Except for a slight delay for re-venting the air meter, progress was normal until August 14 when a bearing in the drill burned out.

A. W. SCHILLINGER
Resident Geologist

AWS:pmh

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DATE | INITIALS | CODE

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 6

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1957 Docket No. DMEA 3522 Contract No. IDM - E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Ave., Chicago, Ill.
Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Drilling (Diamond)	$517.91		$517.91			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
						62,292.12
TOTALS	$517.91		$517.91	517.90	61,774.22	517.91

RECEIVED AUG 13 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 12, 1957 Payee Calumet & Hecla, Inc.
Per R. C. Peterson Title Ass't Treasurer

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 258.95
Signature Helen R. Mulin
(Authorized Certifying Officer)
Date AUG 9 1957 Vou. No. 23
(See other side)

17

258.95

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature Charles J. Stoklik Title Mining Eng. Date July 31, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE DMEA FIELD REGION V Date AUG 6 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1957 Docket No. DMEA 3522 Contract No. IDM - E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan Ave., Chicago, Ill.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Diamond	Foot	$517.91*	**285	$517.91	285	$1.8172	3300	$5.00 per ft.
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$517.91		$517.91				

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

Date July 12, 1957 Operator Calumet & Hecla, Inc.

Per R. C. Peterson Title Ass't Treasurer

REMARKS: *Includes costs for May 1957

**Includes 5 ft. for May 1957

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

(Instructions on reverse)

(For Government use only)

RECEIVED AUG 13 1957 D.M.E.A.

Charles J. Stahlik
Mining Eng
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

July 26, 1957

Mr. B. C. Peterson

Diamond Drilling Report
Caledonia Adit
D.M.E.A. Contract 3522, Idm-E765
Report for May and June 1957

At the end of May at D.M. 4215 feet, Drill Hole 57 - 1 was collared at -68° 30' with the objective of cutting the Butler lode. During May, 5 feet were drilled, and during June, 280 feet were drilled to a total depth of 285 feet.

Caving conditions were encountered at 195 feet which necessitated cementing and a serious cave was encountered from 265 to 285 feet which necessitated several cementing operations. The cave encountered delayed normal progress of the hole.

James Pollock

James P. Pollock

JPP:eln

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 3 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

EXTRA COPY
DMEA
RECEIVED AUG 8 1957

DATE	INITIALS	CODE
		800

August 6, 1957

Memorandum

To: Mr. Chas. J. Stehlik, Mining Engineer - Houghton, Mich.

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: DMEA-3522, Idm-E765(copper) Calumet & Hecla, Inc.
Caledonia Mine, Ontonagon County, Michigan

We are forwarding the Operator's May-June voucher for payment, with the unit cost of drilling at $1.82 as submitted by the Operator. This is based on footnote 1 of Exhibit "A", under estimated costs of the project, which states "The costs of Superivision, assaying and all other costs whatsoever shall be borne by the Operator without contribution by the Government." The cost of raising and timbering seems to be one of these "all other costs whatsoever" and therefore not a permissible item under the contract.

We have just received, direct from James Pollock, the Company's final report on DMEA-1207. Have you seen it?

V. J. Lynch, Member
Bureau of Mines

Robert A. Laurence
Executive Officer, DMEA
Region V

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DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

pertaining to Exploration Project Contract No. Idm-2765, Docket No. DMEA-3522, dated February 10, 1955, covering a project for the exploration of copper on property known as Caledonia Mine located in Ontonagon County, Michigan, for the period February 10, 1955, to July 31, 1956.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$61,774.22
Exceptions (see Audit Report for details):		
Prior to this audit	$ -0-	
During this audit	66.66	66.66
Total accepted cost		$61,707.56

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty thousand eight hundred fifty-three and 78/100

"$30,853.78"

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

C. E. Fisher
C. E. Fisher, Auditor

November 9, 1956

SECOND INTERIM AUDIT REPORT

I. INTRODUCTION

During the period October 16 to 19, 1956, a second interim audit (covering the months of June and July, 1956) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E765, Docket No. DMEA-3522, dated February 10, 1955, with:

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

covering a project for the exploration of copper on property known as Caledonia Mine located in Ontonagon County, Michigan.

An audit of production and sales records relating to ore mined and sold by this Operator, subject to percentage royalty due the Government under the provisions of this contract, was made concurrently with this cost audit. Also, a final audit of costs incurred and a third audit of royalties payable to the Government under the terms of Exploration Project Contract No. Idm-E98, Docket No. DMA-1307X, with this Operator, were made during such period. The results of these audits are included in separate audit reports.

The original accounting records pertaining to these audits are located in the Calumet Division general plant office building of the company in Calumet, Michigan, and were made available to this auditor by Mr. B. C. Petersen, Controller, and Mr. Thomas R. Thomas, Internal Auditor, of the Calumet Division. Their cooperation, together with that of other members of the Operator's staff, greatly facilitated the audit work.

II. GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project are completely integrated with the general accounts covering the Calumet Division's exploration, development, underground mining, mill, smelter and other operations.

The Operator employs modern bookkeeping and cost accounting methods including extensive use of IBM machines. A system of internal check and control is maintained. The records were found to be accurate and well maintained so that reliable results were obtained with respect to the exploration project during the period under review.

The Operator's accounts are audited annually by Flaherty, Bliss and Company, Certified Public Accountants, Boston, Massachusetts.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Form MF-104 for the month of July, 1956, which had been adjusted to reflect the amount of disallowances made in the prior interim audit of this contract.

The Operator's reported costs for exploration drifting during July, 1956, amounted to $3,032.03 for 121 feet of drifting making a total of 2,135 feet since the start of the contract. This was 55 feet in excess of 2,080 feet set forth in Exhibit "A" of the contract. In claiming costs on Form MF-104 for July, 1956, the Operator deducted an amount of $1,378.20 described as "Less adjustment for footage". This deduction was based on 55/121 of the total costs for July, 1956. For purpose of this audit, the amount of $1,378.20 has been prorated to the various "Items of Costs" reported on Form MF-104 for July, 1956, on the same basis.

The extent of the audit and the findings under each of the "Items of Cost", as adjusted, follow:

(1) Independent Contracts

This contract makes provision for diamond drilling which may be performed under independent contracts or by the Operator's own force. None of the diamond drilling was accomplished to the date of this audit.

(2) Labor and Supervision

Item	Costs for Period Claimed	Costs for Period Accepted	Accepted Costs to 7-31-56
Labor			
Miners	$1,324.26	$1,324.26	$14,480.82
Trammers	602.47	602.47	6,946.95
Surfacemen	202.38	202.38	6,657.10
Total labor	$2,129.11	$2,129.11	$28,084.87
Supervision			
Mine Captain	$ 37.45	$ -0-	$ -0-
Shift Foremen (2)	71.15	46.04	736.64
Total supervision	$ 108.60	$ 46.04	$ 736.64
Total labor and supervision	$2,237.71	$2,175.15	$28,821.51

Labor

The claimed and accepted costs for wages of miners were found to represent amounts paid to the miners engaged in advancing the drift under the contract at the prevailing days-pay rates in the district, including premium pay; and in addition a bonus of $5.00 per foot for each foot of advance in excess of 3½ feet per shift worked determined on basis of measurements made for each weekly pay period.

Trammers were paid at days-pay rates, plus overtime. They did not participate in the bonus. The shift foreman reported the time of trammers divided between stoping and exploration on basis of actual time engaged in each operation. Only the wages earned in connection with exploration were charged to costs under this contract.

Surfacemen were paid at days-pay rates, plus overtime. A portion of the total wages paid to surfacemen each month was allocated to exploration costs on basis of ratio of relative number of tons of ore and poor rock removed from the exploration drift to total tons of ore and poor rock removed from the entire mine during that month.

The accepted labor costs per foot of advance and per shift worked were as follows:

Item	Accepted Costs	Per foot (2,080 feet)	Per shift worked Shifts	Per shift worked Average
Miners	$14,480.82	$ 6.95	708.8	$20.33
Trammers	6,946.95	3.34	509.6	13.63
Surfacemen	6,657.10	3.20	550.3	12.10
Totals	$28,084.87	$13.49	1,768.7	$15.87

The United Steel Workers of America, C.I.O., is the bargaining agent for employees (except supervisory, technical and clerical employees) of the Calumet Division located in Houghton and Keweenaw Counties, Michigan. The employees at Caledonia Mine, which is located in Ontonagon County, Michigan, are not organized. Such employees receive wage rates and fringe benefits comparable to those of the company employees represented by the Union.

Supervision

The contract provides for two supervisors at $384.00 per month each which are allowable maximums. Also the period of 16 months as well as the total amount of $12,288.00 provided for supervision in the cost estimate are maximums. These maximums were placed in the contract in anticipation of the exploration work being the only work in the mine at the time over which supervision costs could be spread. Inasmuch as mining operations have been conducted concurrently with the exploration, the supervision costs have been prorated and have been substantially less than the contract maximums.

The accepted costs for salaries of two shift foremen amount to $736.64 at rate of $46.04 per month for the maximum period of 16 months provided by the contract. The monthly rate, $46.04, was based on estimates of 10 hours per month by each foreman devoted to supervision of the exploration at $2.302 per hour, the average hourly rate of wages on basis of $384.00 per month, the prevailing rate for shift foremen at the time the contract was entered into. Disallowance of $25.11 has been made in connection with such salaries representing amount claimed for July, 1956, subsequent to the expiration of the 16 month period.

The amount of $37.45 claimed for supervision of the mine captain during the period has been disallowed for the reason that the contract provides for but two supervisors at rates not to exceed $384.00 per month.

(3) Operating Materials and Supplies

Item	Claimed and Accepted Costs for Period	Total Accepted Costs
Timber	$ -0-	$ 123.49
Explosives	1,087.76	10,437.75
Pipe	226.80	2,358.76
Track	206.26	4,253.95
Power	355.26	3,970.56
Drill Steel	-0-	767.81
Miscellaneous	55.41	346.69
Totals	$1,931.49	$22,259.01

All charges for material and supplies during the period covered by this audit were checked against monthly detailed cost summaries and analysis was made to determine propriety of the items charged. Materials are issued from stock on requisitions of mine captains and are priced on average cost basis without addition of a handling markup.

(4) Operating Equipment

(a) Rental

This subcategory is not applicable to this contract.

(b) Purchase

This subcategory is not applicable to this contract.

(c) Depreciation

Items	Monthly Rates (Contract)	Claimed and Accepted Costs Period (1 month)	Claimed and Accepted Costs Total (16 months)
2 tram cars @ $9.00	$ 18.00	$ 18.00	$ 288.00
2 drill machines @ $9.00	18.00	18.00	288.00
1 Eimco loader	76.67	76.67	1,226.72
1 battery locomotive	100.00	100.00	1,600.00
1 compressor	183.33	37.44	925.89
1 truck	260.00	26.55	656.55
Totals	$656.00	$276.66	$4,985.16

The contract specifically enumerates the above items of company-owned equipment to be used in connection with this exploration work and provides that the monthly rates shown above shall be allowable maximums. In addition the contract provides for allowable maximum total charge for depreciation of company-owned equipment amounting to $10,496.00 and for a maximum period of 16 months. None of these maximums have been exceeded.

The tram cars, drill machines, Finco loader and battery locomotive were used exclusively in the exploration work under the contract and the claimed costs applicable to these items have been accepted for purposes of this audit.

The rate of $260.00 per month for depreciation of the truck was stated in the contract, however, as set forth in the prior interim audit it was agreed with the Operator's representatives that a fair rental rate of the truck was $130.00 per month and such rate has been used in computing the claimed and accepted costs shown above.

The truck, as well as the compressor, served all operations at the mine, including production operations. In accord with agreement reached with the Controller of the Calumet Division at the time of the prior interim audit, the depreciation charges properly applicable to the truck at $130.00 per month and the compressor at $183.33 per month have been allocated to exploration costs on basis of ratio of number of tons of ore and poor rock removed from the exploration drift to the total number of tons of ore and poor rock removed from the entire mine during the month, that is, the same basis as has been used to prorate the cost of surface labor at the mine.

(5) Initial Rehabilitation and Repairs

This item is not applicable to this contract.

(6) New Buildings, Improvements, etc.

This item is not applicable to this contract.

(7) Miscellaneous

Items	Costs for Period Claimed	Costs for Period Accepted	Total Accepted Costs
Payroll Taxes	$ 66.92	$ 65.17	$ 895.90
Workmen's Compensation Ins.	66.42	65.92	1,012.84
Health & Accident Ins.	92.08	90.23	814.62
Vacation Allowance	42.39	42.39	1,046.66
Holiday Pay	90.00	90.00	616.33
Total fringe benefits	$357.81	$353.71	$4,386.35
Accounting	86.54	86.54	926.54
Telephone and Telegraph	16.19	16.19	299.22
Maintenance of Equipment	-0-	-0-	29.77
Totals	$460.54	$456.44	$5,643.88

The claimed costs for Payroll Taxes, Workmen's Compensation Insurance, Health and Accident Insurance, Vacation Allowance and Holiday Pay represent the cost to the Operator of "fringe benefits" accruing to employees based on laws of the United States and the State of Michigan. The amounts charged to exploration costs were determined each month on basis of ratios of actual costs accrued during the month to total payrolls during the month. Percentages thus established for the various items were applied to total wages paid to employees as listed under (2) Labor and Supervision, except that no charge was made to exploration costs for Vacation Allowance and Holiday Pay applicable to supervisors (Mine Captain and Shift Foreman).

As set forth under (2) Labor and Supervision disallowances aggregating $62.56 ($25.11 plus $37.45) have been made in connection with supervision charges during this audit. Fringe benefits applicable to such disallowances are as follows:

Item	Amount
Payroll Taxes	$1.75
Workmen's Compensation Insurance	.50
Health and Accident Insurance	1.85
Total	$4.10

The total accepted cost for fringe benefits amounts to $4,386.35, or 15.22 percent of $28,821.51, total accepted costs of labor and supervision and is considered to be reasonable and proper for inclusion in exploration costs.

The charge for accounting amounted to $56.00 per month and is an estimate of actual costs. The charge for accounting is authorized by the contract and the rate of $56.00 per month is considered to be reasonable.

The charge for Telephone and Telegraph represents a proportion of the cost of telephone service at the mine allocated to exploration costs on basis of relative number of tons of ore and poor rock removed from the exploration drifts to the total number of tons of ore and poor rock removed from the mine during the month. The basis used for allocating such cost is considered to be equitable.

IV. CONCLUSIONS

The audit disclosed that all costs charged to this project, with the exception of the disallowances aggregating $66.66, as itemized in the preceding section of this report, are reasonable and proper under the terms of the contract.

The adjustment between "Items of Costs" as shown on the July, 1956, Form MF-104, the disallowances, and the accepted costs as disclosed by this audit are summarized as follows:

Item	Totals July MF-104	Corrected Distribution	Disallowances	Accepted
(2) Labor & Supervision:				
Labor	$28,749.05	$28,084.87	$	$28,084.87
Supervision	831.14	799.20	62.56	736.64
(3) Oper. Matls. & Supp.:				
Timber	123.49	123.49		123.49
Explosives	10,673.67	10,437.75		10,437.75
Pipe	2,358.76	2,358.76		2,358.76
Track	4,410.36	4,253.95		4,253.95
Drill Steel		767.81		767.81
Power	4,071.60	3,970.56		3,970.56
Miscellaneous	1,160.69	346.69		346.69
(4) Operating Equip.:				
Depreciation	4,985.16	4,985.16		4,985.16
(7) Miscellaneous:				
Payroll Taxes	918.47	897.65	1.75	895.90
Workmen's Comp.Ins.	1,034.05	1,033.34	.90	1,032.84
Health & Acc. Ins.		816.47	1.85	814.62
Vacation Allowance		1,046.66		1,046.66
Holiday Pay		616.33		616.33
Accounting		926.54		926.54
Main. of Equip.		29.77		29.77
Tel. & Tel.		299.22		299.22
Miscellaneous	3,835.98			
Adjustment for Postage	(1,378.20)			
Totals	$61,774.22	$61,774.22	$66.66	$61,707.56

This contract contained numerous items of cost expressly designated as "allowable maximums". The status of these allowable maximums, after the adjustments discussed in Section III of this report, is summarized as follows:

	Allowable Maximum	Acceptable Cost	Balance
Independent Contracts:			
3,300 feet of diamond drill.	$16,500.00	(a)	$16,500.00
Cost per foot	$ 5.00	(a)	
Supervision:			
Number of supervisors	2	2	
Time period	16 months	16 months	
Rates of pay ($384/mo.ea.)	$ 768.00	$ 46.04	$ 721.96
Total pay	$12,288.00	$ 736.64	$11,551.36

Item	Allowable Maximum	Acceptable Cost	Balance
Operating Equipment-Depreciation:			
Time period	16 months	16 months	
Monthly rates:			
2 Tram cars	$ 18.00	$ 18.00	
Drill machines (2)	18.00	18.00	
1 Eimco loader	76.67	76.67	
1 Battery locomotive	100.00	100.00	
1 Compressor	183.33	57.87	$ 125.46
1 Truck	260.00	41.03	218.97
Total	$ 656.00	$ 311.57	$ 344.43
Total depreciation of equipment	$10,496.00	$ 4,985.16	$ 5,510.84
Total cost of contract (rounded)	$113,110.00	$61,707.56	$51,402.44
Government participation (50%)	56,555.00	$30,853.78	$25,701.22

(a) None of the diamond drilling work was accomplished prior to the date of this audit.

At the conclusion of the audit on October 19, 1956, the findings were discussed with Mr. B. C. Paterson, Controller, and Mr. Thomas R. Thomas, Internal Auditor, Calumet Division, Calumet & Hecla, Inc., who indicated their concurrence.

C. E. Fisher

C. E. Fisher, Auditor

November 9, 1956

SEP 9 1957

Mrs. Helen R. Miller
Personnel Assistant
Bureau of Mines, Region V
P. O. Box 217
Norris, Tennessee

Re: Docket Nos. DSA-1207 and
DSA-3502 (Copper)
Calumet & Hecla, Inc.
Contract Nos. Id-198 & Id-876

Dear Mrs. Miller:

Thank you for your letter dated August 30, 1957, calling attention to the difference of $0.30 in the amount shown on DSA Form 14 and the amount reported as valid and proper for payment in connection with Contract Id-198. A revised Form 14 will be issued correcting the amount of the contract to $273,499.01. Thus the net amount due the Operator is $120.49.

With regard to the last paragraph of your letter, the policy in this matter is stated in Section 1 of DSA Circular 19, Supplement 4, dated October 9, 1952, as follows:

> "The procedure described herein will adequately relieve the certifying officer of all responsibility if payment is made in accordance with an Audit Certificate covering either a final or interim audit, or a Report of Review, issued by an auditor representative of the Contract Administration and Audit Division."

Sincerely yours,

(Signed) E. D. Talbert

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

CRFisher/vb
September 9, 1957

Copy to: Docket (2)
R. A. Lawrence, Reg. V (2)
Adm. Reading File
Mr. Chambers

EXCHANGE COPY
RECEIVED
DATE CODE

August 30, 1957

Mr. Jay L. Chambers, Director
Contract Administration & Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Dear Mr. Chambers:

Thank you for your letter dated August 22nd regarding Docket Nos. DMEA-1207 and DMEA-3522 (Copper), Calumet & Hecla, Inc., Contracts Nos. Idm-E98 and Idm-E765.

Please be advised that the Audit Certificate dated April 16, 1957, and DMEA Form 14, Obligation Document (terminated contract) covering contract Idm-E98, are not in agreement. According to the audit report, " ----- the amount of Two hundred seventy-three thousand four hundred ninety-nine and 01/100 Dollars:

** $273,499.01**

is valid and proper." However, DMEA Form 14, dated 6/26/57 and signed by Allen S. Dakan, Chief Operations Control and Statistics Division, shows the revised amount of the contract to be $273,498.51 - a difference of $0.50. After posting document form DMEA-14, our records show the balance due the Operator is $139.99.

We now have the July Monthly report and voucher covering Idm-E765, DMEA Docket No. 3522, and before we process this payment in accordance with the last paragraph of the August 22nd letter, we would like to have a clarification on the amount actually due the operator. We were under the opinion that additional allowances could not be paid unless the company made a claim in writing for same. Evidently, in cases of on-site audit on contracts, additional allowances are processed in the same manner as disallowances - the adjustments being made on the next voucher received. Please advise. Thank you.

Sincerely,

Helen R. Miller
Personal Assistant

/hrm
Copies to R. A. Lawrence
W. J. Lynch
Morris Giles
Day Giles

AUG 22 1957

Mrs. Helen R. Miller
Personnel Assistant
Bureau of Mines, Region V
P. O. Box 237
Nashville, Tennessee

Re: Docket Nos. DMA-1207 and
DMA-3522 (Copper)
Calumet & Hecla, Inc.
Contract Nos. Idm-498 and Idm-2765

Dear Mrs. Miller:

Reference is made to payments of $2,450.61 and $298.95 on August 9, 1957, by vouchers Nos. 22 and 23 applicable to exploration contract Idm-498 and Idm-2765, respectively. In each instance the amount paid was based on 50 percent of claimed cost on Forms MY-204 submitted by the Operator.

According to our records the net disbursements applicable to contract Idm-498 amounts to $273,398.52, whereas the final audit report and certificate dated April 16, 1957, indicates $273,499.03 as valid and proper for payment. With respect to contract Idm-2765, disbursements applicable to the period through July 1956 aggregated $30,887.11, whereas the approved Government participation for that period amounted to $30,893.76 according to the second interim audit report and certificate dated November 9, 1956.

It thus appears that $140.49 is due to the Operator in connection with contract Idm-498 and that he has been overpaid $73.33 applicable to contract Idm-2765. Apparently the audit adjustments indicated in the two audit reports have been overlooked. It is suggested that appropriate adjustments for both the underpayment and the overpayment be made in the payment of the next voucher under contract 2765.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

CEFisher/vb
August 22, 1957

Copy to: Docket (2)
R. J. Lawrence, Reg. V (2)
Admr. Reading File
Mr. Chambers

Corrected copy per letter of August 8, 1956

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS

RECEIVED OCT - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA 3522 Contract No. IDM - E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan, Chicago, Illinois

Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:		Adjusted				
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,461.19	27,287.86	28,749.05			
Supervision	70.27	760.87	831.14			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		123.49	123.49			
Explosives	519.03	10,154.64	10,673.67			
Pipe		2,358.76	2,358.76			
Track	344.10	4,066.26	4,410.36			
Misc.	101.60	1,059.09	1,160.69			
Power	222.30	3,849.30	4,071.60			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *		4,985.16	4,985.16			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	45.81	872.66	918.47			
Liability Insurance W/C	45.55	988.50	1,034.05			
(8) Contingencies (specify):						
Misc. *	222.18	3,613.80	3,835.98			
Less adjustment for footage	(1,378.20)		(1,378.20)			
TOTALS	1,653.83	60,120.39	61,774.22	1653.83	60,120.39	61,774.22

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

Date Aug. 9, 1956 *Payee Calumet & Hecla, Inc.

Per R. C. Peterson Title Asst. Treasurer

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

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

(Instructions on reverse)

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

$ 826.92

Signature Helen R. Muller (Authorized Certifying Officer)

Date OCT 5 1956 Vou. No. 53

(See other side)

*See detail for breakdown 826.91

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DME-165 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engr. USBM Date OCT 4 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title ACTING EXECUTIVE OFFICER DMEA REGION V Date OCT 4 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Corrected copy per letter of August 8, 1956

Budget Bureau No. 42-R1151.2

RECEIVED
OCT - 8 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 3522 Contract No. IDM-E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	1653.83	66*	61,774.22	2080	29.266144	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1653.83		61,774.22				

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

Date Aug. 9, 1956 Operator Calumet & Hecla, Inc.

Per R C Peterson Title Asst. Treasurer

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

(Instructions on reverse)

REMARKS:

(For Government use only)

*Adjusted to make "Units to date" 2080 ft, the amount authorized by the contract.

W. A. Beck Mining Engineer
USBM OCT 1956

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

July, 1956

RECEIVED
OCT - 8 1956

Labor	Man Shifts	Rate	Amount
Miners	38.125	21.76944	$ 829.96
Trammers	28.625	14.12611	404.36
Surface Men	18.710	12.12560	226.87
			$ 1,461.19

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Miscellaneous

Vacation Pay	$ 29.09
Holiday Pay	61.76
Health & Accident Ins.	63.07
Telephone & Telegraph	12.26
Accounting	56.00
	$ 222.18

B. C. PETERSON

August 13, 1956
Progress Report on Caledonia Drift
DMEA for the month of July, 1956

The drift advanced 121 feet to 4968 D. M. Drift estimates were: 13 ft. @ 10 lbs. per ton and 108 ft. in poor rock. Drift was in thin, poor vein until the end of the month when there was some mineralization. At the end of the month, drift was breasted in a fault.

C. A. CAMPBELL

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
OCT - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA 3522 Contract No. IDM-E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,461.19	26,505.61	27,966.80	1,461.19	27,287.86	28,749.05
Supervision	70.27	1,124.32	1,194.59	70.27	760.87	831.14
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		123.49	123.49		123.49	123.49
Explosives	519.03	10,154.64	10,673.67	519.03	10,154.64	10,673.67
Pipe		2,358.76	2,358.76		2,358.76	2,358.76
Track	344.10	4,066.26	4,410.36	344.10	4,066.26	4,410.36
Misc.	101.60	4,615.72	4,717.32	101.60	1,059.09	1,160.69
Power	222.30	3,849.30	4,071.60	222.30	3,849.30	4,071.60
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *		10,116.66	10,116.66		4,985.16	4,985.16
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	45.81	850.94	896.75	45.81	872.66	918.47
Liability Insurance W/C	45.55	966.05	1,011.60	45.55	988.50	1,034.05
(8) Contingencies (specify):						
Misc. *	222.18	3,549.41	3,771.59	222.18	3,613.80	3,835.98
Less Adjustment for footage	(1,378.20)	-	(1,378.20)	(1,378.20)		(1,378.20)
TOTALS	1,653.83	68,281.16	69,934.99	1,653.83	60,120.39	61,774.22

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

Date Aug. 9, 1956 *Payee Calumet & Hecla, Inc.

Per [signature] Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$826.92

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

* See detail for breakdown

826.91

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Adm-F765 in accordance with the terms of the contract.

Signature W. T. Beck Title Mining Engr. U.S.B.M. Date AUG 24 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE ACTING EXECUTIVE OFFICER

Signature Robert A. Lemmerman Title DMEA REGION VI Date AUG 24 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 3522 Contract No. IDM-E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	1653.83	66 *	69,934.99	2080	33.62259	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		3032.03		71,313.19				

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

Date Aug. 9, 1956 Operator Calumet & Hecla, Inc.
Per B C Peterson Title Ass't. Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

* Adjusted to make "Units to Date" 2080 ft. the amount authorized by the contract.

W. A. Beck, Mining Engr.
U.S.B.M.

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

July, 1956

RECEIVED
OCT - 8 1956

Labor	Man Shifts	Rate	Amount
Miners	38.125	$ 21.76944	$ 829.96
Trammers	28.625	14.12611	404.36
Surface Men	18.710	12.12560	226.87
			$ 1,461.19

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Miscellaneous

Vacation Pay	$ 29.09
Holiday Pay	61.76
Health & Accident Ins.	63.07
Telephone & Telegraph	12.26
Accounting	56.00
	$ 222.18

RECEIVED
OCT 8 1956

August 7, 1956
Progress Report on Caledonia Drift
DMEA for the month of July, 1956

The drift advanced 121 feet to 4968 D. M. Drift estimates were: 13 ft. @ 10 lbs. per ton and 108 ft. in poor rock. Drift was in thin, poor vein until the end of the month when there was some mineralization. At the end of the month, drift was breasted in a fault.

C. A. CAMPBELL

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG 13 1956

9

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1956 Docket No. DMEA 3522 Contract No. IDM - E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan, Chicago, Illinois

Contract Amount, $ 113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:				NOTE:	Totals adjusted to Interim Audit Certificate dated July 13, 1956	
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,332.10	25,173.51	26,505.61	1107.87	23179.99	24287.86
Supervision	70.27	1,054.05	1,124.32	222.91	933.78	765.87
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		123.49	123.49	20.09	100.40	123.49
Explosives	804.65	9,349.99	10,154.64	1072.38	8553.26	10154.64
Pipe	226.80	2,131.96	2,358.76	324.90	2033.86	2358.76
Track	18.57	4,047.69	4,066.26	582.93	3483.33	4066.26
Misc.	-	4,615.72	4,615.72	3085.22	4114.21	7199.09
Power	234.00	3,615.30	3,849.30	514.80	3334.50	3849.30
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	276.66	9,840.00	10,116.66	419.84	9184.00	4985.16
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	41.93	809.01	850.94	225.43	747.33	972.63
Liability Insurance W/C	41.58	924.47	966.05	141.68	815.32	957.00
(8) Contingencies (specify):						
Misc. *	206.01	3,343.40	3,549.41	526.53	3087.27	3613.80
1676.						30,060.19
	3,252.57	65,028.59	68,281.16	141.54	59878.75	60020.39
TOTALS						

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

Date July 11, 1956 Payee Calumet & Hecla, Inc.

Per B. C. Stevens Title Ass't. Treasurer

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

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

(Instructions on reverse)

*See Detail for Breakdown

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

$ 220.82

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 9 1956 Vou. No. 24
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. F-765 in accordance with the terms of the contract.

Signature R. J. Lynch Title Mining Eng. Date 8-8-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 9 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
AUG 13 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 3522 Contract No. DMEA 765
Operator's Name CALUMET & HECLA, INC. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	3252.57	135	68,281.16	2014	33.90326	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3252.57		68,281.16				

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

Date July 11, 1956 Operator CALUMET & HECLA, INC.

Per B. C. Peterson Title Ass't. Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

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June, 1956

Labor	Man Shifts	Rate	Amount
Miners	40.1875	21.68734	$ 871.56
Trammers	26.9375	14.17763	381.91
Surface Men	6.57	11.96804	78.63
			$ 1,332.10

Supervision

Mine Captain	$ 24.23
Shift Foreman	46.04
	$ 70.27

Depreciation

2	5 Ton Tram Cars @ $9.00 per month each	$ 18.00
2	Cepco Drill Machines @ $9.00 per month each	18.00
1	Eimco 21 Loader @ $76.67 per month	76.67
1	Battery Locomotive @ $100.00 per month	100.00
1	Compressor @ $183.33 per month	37.44
1	Truck @ $130.00 per month	26.55
		$ 276.66

Miscellaneous

Vacation Pay	$ 26.52
Holiday Pay	56.31
Health & Accident Ins.	57.68
Telephone & Telegraph	9.50
Accounting	56.00
	$ 206.01

July 6, 1956
Progress Report on Caledonia Drift
DMEA for the month of June, 1956

The drfit advanced 135 feet to 4847 D. M. Drift estimates were: 135 ft. in poor rock. Drift was in thin, tight vein and poorly mineralized for the entire month.

C. A. CAMPBELL

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

pertaining to Exploration Project Contract No. Idm-2765, Docket No. DMEA-3522, dated February 10, 1955, covering a project for the exploration of copper on property known as Caledonia Mine located in Ontonagon County, Michigan, for the period February 10, 1955, to May 31, 1956.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$65,028.59
Exceptions (see Audit Report for details):		
Prior to this audit	$ -0-	
During this audit	8,160.77	8,160.77
Total Accepted Cost		$56,867.82

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-eight thousand four hundred thirty-three and 91/100 Dollars

$28,433.91

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

C. E. Fisher
C. E. Fisher, Auditor

July 23, 1956

INTERIM AUDIT REPORT

I. INTRODUCTION

During the period June 11 to 28, 1956, an interim audit (covering the period February 10, 1955, to May 31, 1956, inclusive) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-2765, Docket No. DMA-3522, dated February 10, 1955, with:

Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

covering a project for the exploration of copper on property known as Caledonia Mine located in Ontonagon County, Michigan.

An audit of production and sales records relating to ore mined and sold by this operator, subject to percentage royalty due the Government under the provisions of this contract, was made concurrently with this cost audit. Also, a fourth interim audit of costs incurred and a second audit of royalties payable to the Government under the terms of Exploration Project Contract No. Idm-296, Docket No. DMA-1207X, with this operator, were made during such period. The results of these audits are included in separate audit reports dated July 13, 1956.

The original accounting records pertaining to these audits are located in the Calumet Division general plant office building of the company in Calumet, Michigan, and were made available to this auditor by Mr. B. C. Peterson, Controller, and Mr. Thomas R. Thomas, Internal Auditor, of the Calumet Division. Their cooperation, together with that of other members of the operator's staff and Mr. Charles J. Stehlik, Mining Engineer, Bureau of Mines, Houghton, Michigan, greatly facilitated the audit work.

II. GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project are completely integrated with the general accounts covering the Calumet Division's exploration, development, underground mining, mill, smelter and other operations.

The operator employs modern bookkeeping and cost accounting methods including extensive use of IBM machines. A system of internal check and control is maintained. The records were found to be accurate and well maintained so that reliable results were obtained with respect to the exploration project during the period under review.

The operator's accounts are audited annually by Flaherty, Bliss and Company, Certified Public Accountants, Boston, Massachusetts.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Form MF-104, Operator's Monthly Report and Voucher, for the month of May, 1956.

The extent of the audit and the findings under each of the "Items of Cost" follow:

(1) Independent Contracts

This contract makes provision for diamond drilling which may be performed under independent contracts or by the operator's own force. None of the diamond drilling was accomplished during the period under review.

(2) Labor and Supervision

Item	Costs Claimed	Costs Accepted
Labor		
Miners	$13,156.56	$13,156.56
Trammers	6,344.48	6,344.48
Surfacemen	5,672.47	6,454.72
Total Labor	$25,173.51	$25,955.76
Supervision		
Mine Captain	$ 363.45	$ -0-
Shift Foremen (2)	690.60	690.60
Total Supervision	$ 1,054.05	$ 690.60
Technical Services	None	None
Total Labor and Supervision	$26,227.56	$26,646.36

Labor

The claimed and accepted costs for wages of miners were found to represent amounts paid to the miners engaged in advancing the drift under the contract at the prevailing days-pay rates in the district, including premium pay; and in addition a bonus of $5.00 per foot for each foot of advance in excess of 3½ feet per shift worked determined on basis of measurements made for each weekly pay period.

Trammers were paid at days-pay rates, plus overtime. They did not participate in the bonus. The shift foremen reported the time of trammers divided between stoping and exploration on basis of actual time

engaged in each operation. Only the wages earned in connection with exploration were charged to costs under this contract.

Surfacemen were paid at days-pay rates, plus overtime. A portion of the total wages paid to surfacemen each month was allocated to exploration costs on basis of ratio of relative number of tons of ore and poor rock removed from the exploration drift to total number of tons of ore and poor rock removed from the entire mine during that month. During March, April, and May, 1955, errors were made in transcribing wages paid to surfacemen from IBM records to work sheets supporting Forms MF-104 which resulted in undercharges to exploration costs amounting to $782.25, which amount has been included in the accepted costs shown in the above tabulation.

The accepted labor costs per foot of advance and per shift worked during the period were as follows:

Item	Accepted Costs	Per foot (1879 feet)	Per shift worked Shifts	Per shift worked Average
Miners	$13,156.56	$ 7.00	645.8	$20.37
Trammers	6,344.48	3.38	467.1	13.58
Surfacemen	6,454.72	3.43	533.5	12.10
Totals	$25,955.76	$13.81	1,646.4	$15.77

The United Steel Workers of America, C.I.O., is the bargaining agent for employees (except supervisory, technical and clerical employees) of the Calumet Division located in Houghton and Keweenaw Counties, Michigan. The employees at Caledonia Mine, which is located in Ontonagon County, Michigan, are not organized. Such employees receive wage rates and fringe benefits comparable to those of the company employees represented by the Union.

Supervision

The contract provides for two supervisors at $384.00 per month each which are allowable maximums. Also the period of 16 months as well as the total amount of $12,288.00 provided for supervision in the cost estimate are allowable maximums. These maximums were placed in the contract in anticipation of the exploration work being the only work in the mine at the time over which supervision costs could be spread. Inasmuch as mining operations have been conducted concurrently with the exploration, supervision costs have been prorated and have been substantially less than the contract maximums.

The claimed and accepted costs for salaries of two shift foremen amounting to $690.60 at rate of $46.04 per month were based on estimates of 10 hours per month by each foreman devoted to supervision of the exploration at $2.302 per hour, the average hourly rate of wages on basis of $384.00 per month, the prevailing rate for shift foremen at the time the contract was entered into.

The claimed cost for supervision of the mine captain amounting to $24.23 per month was based on estimate of 10 hours per month devoted to supervision of the exploration. Such claimed costs, aggregating $363.45 for the period, have been disallowed by this auditor for the reason that the contract provides for but two supervisors at rates not to exceed $384.00 per month each.

(3) Operating Materials and Supplies

Item	Costs Claimed	Costs Accepted
Timber	$ 123.49	$ 123.49
Explosives	9,349.99	9,349.99
Pipe	2,131.96	2,131.96
Track	4,047.69	4,047.69
Power	3,615.30	3,195.14
Drill Steel	-0-	767.81
Miscellaneous	4,615.72	293.38
Totals	$23,884.15	$19,907.36

All charges for material and supplies during the period covered by this audit were checked against monthly detailed cost summaries and analysis was made to determine propriety of the items charged. Materials are issued from stock on requisitions of mine captains and are priced on average cost basis without addition of a handling mark-up.

The cost of Power was charged to the exploration project at standard rates per machine-day during which such machines were in use. The daily rates, based on the operator's cost experience, and the total claimed and accepted costs for power for 309 days of operation during the period were as follows:

Item	Daily Rates	Costs Claimed	Costs Accepted
Drill Machines	$ 4.95	$1,529.55	$1,529.55
Kinco Loader	4.75	1,467.75	1,467.75
Chargin Locomotive	2.00	618.00	618.00
Totals	$11.70	$3,615.30	$3,615.30

Of Miscellaneous claimed costs amounting to $4,615.72 it was determined that $767.81 represented cost of Drill Steel which has been shown separately in accepted costs in the above tabulation.

Claimed costs under Miscellaneous also included charges during the period January to May, 1956, inclusive, aggregating $3,556.63, representing the cost of 10,028 feet of Simplex cable, plus certain shop and

other costs in connection with the installation of ventilation in the drift. Other charges in connection with this ventilation incurred prior to January, 1956, were not charged to exploration costs under the contract. The amount of $3,556.63 has been disallowed for the reason that the contract does not provide for Government contribution to ventilation costs.

The accepted cost for miscellaneous material amounting to $291.28 includes cost of small equipment, hand tools, hardware, etc.

(4) Operating Equipment

(a) Rental

This subcategory is not applicable to this contract.

(b) Purchase

This subcategory is not applicable to this contract.

(c) Depreciation

Items	Monthly Rate	Costs-(15 months, March, 1955, to May, 1956, inclusive) Claimed	Accepted
2 Tram cars @ $9.00	$ 18.00	$ 270.00	$ 270.00
2 Drill machines @ $9.00	18.00	270.00	270.00
1 Rinse leader	76.67	1,150.05	1,150.05
1 Battery locomotive	100.00	1,500.00	1,500.00
1 Compressor	183.33	2,749.95	888.45
1 Truck	260.00	3,900.00	630.00
Totals	$656.00	$9,840.00	$4,708.50

The contract specifically enumerates the above items of company-owned equipment to be used in connection with this exploration work and provides that the monthly rates shown above shall be allowable maximums. In addition the contract provides for allowable maximum total charge for depreciation of company-owned equipment amounting to $10,496.00 and for a maximum period of use of 16 months. None of these maximums had been exceeded during the period covered by the audit.

The tram cars, drill machines, Rinse leader and battery locomotive were used exclusively in the exploration work under the contract and the claimed costs applicable to these items have been accepted for purposes of this audit.

The rate of $260.00 per month for depreciation of the truck was stated in the contract as including the cost of gasoline and oil used by the truck. The audit did not disclose any separate charges to the exploration costs for such items nor for any other costs of operating the truck such as repairs, tires, etc. The $260.00 rate could not be substantiated by the operator's records and it was agreed by the operator's representatives and this auditor that a fair rental rate for the truck would be $130.00 per month, based on average actual costs during the period September, 1954, to August, 1955, inclusive, computed as follows:

Item	Monthly Average
Gasoline, oil, tires, repairs, etc.	$101.00
Insurance	3.00
License fees	2.00
Depreciation (1/60th of $1,433.75 cost of the truck)	24.00
Total	$130.00

Disallowance of $1,950.00 has been made based on 15 months at excessive rate of $130.00 per month.

The truck, as well as the compressor, served all operations at the mine, including production as well as exploration operations. It was agreed with the Controller of the Calumet Division that a fair basis for allocating the depreciation charges properly applicable to the truck at rate of $130.00 per month and the compressor at $183.33 per month would be the ratio of number of tons of ore and poor rock removed from the exploration drift to the total number of tons of ore and poor rock removed from the entire mine during the month, that is, the same basis as has been used to prorate cost of surface labor at the mine. This resulted in a further disallowance of $1,320.00 applicable to the truck and a disallowance of $1,861.50 applicable to the compressor.

(5) Initial Rehabilitation and Repairs

This item is not applicable to this contract.

(6) New Buildings, Improvements, etc.

This item is not applicable to this contract.

(7) Miscellaneous

Item	Costs Claimed	Costs Accepted
Payroll Taxes	$ 809.01	$ 830.73
Workmen's Compensation Insurance	924.47	946.92
Health and Accident Insurance	711.63	724.39
Vacation Allowance	969.85	1,004.27
Holiday Pay	800.32	526.33
Totals - Fringe Benefits	$3,924.08	$4,032.64
Accounting	840.00	840.00
Telephone and Telegraph	283.03	283.03
Maintenance of Equipment	29.77	29.77
Totals	$5,076.88	$5,185.44

The claimed costs for Payroll Taxes, Workmen's Compensation Insurance, Health and Accident Insurance, Vacation Allowance and Holiday Pay represent the cost to the operator of "fringe benefits" accruing to employees based on laws of the United States and the State of Michigan. The amounts charged to exploration costs were determined each month on basis of ratios of actual costs accrued during the month to total payrolls during the month. Percentages thus established for the various items were applied to total wages paid to employees as listed under (2) Labor and Supervision, except that no charge was made to exploration costs for Vacation Allowance and Holiday Pay applicable to supervisors (Mine Captain and Shift Foreman).

As set forth under (2) Labor and Supervision an additional allowance amounting to $782.25 has been made in this audit report covering omitted wages of surfacemen and disallowance of $363.45 has been made representing portion of salary of the mine captain. Adjustment is hereby made in claimed cost of fringe benefits applicable to such salaries and wages as follows:

Item	Additional Allowance (Surfacemen)	Disallowance (Mine Captain)
Payroll Taxes	$ 28.16	$ 6.44
Workmen's Compensation Insurance	30.19	7.74
Health and Accident Insurance	19.20	6.44
Vacation Allowance	34.42	-0-
Holiday Pay	17.23	-0-
Totals	$129.18	$20.62
Disallowances	20.62	
Net additional allowances	$108.56	

The total accepted costs for fringe benefits amounts to $4,032.64, or 15.43% of $26,646.36, total accepted costs of labor and supervision and is considered to be reasonable and proper for inclusion in exploration costs.

The charge for accounting amounted to $56.00 per month and is an estimate of actual costs. The charge for accounting is authorized by the contract and the amount of $56.00 per month is considered to be reasonable.

The charge for Telephone and Telegraph represents a proportion of the cost of telephone service at the mine allocated to exploration costs on basis of relative number of tons of ore and poor rock removed from the exploration drifts to the total number of tons of ore and poor rock removed from the mine during the month. The basis used for allocating such cost is considered to be equitable.

The charge for Maintenance of Equipment amounting to $29.77 relates to repairs made to equipment used by miners in the exploration drift.

IV. CONCLUSIONS

The audit disclosed that all costs charged to this project, with the exception of the net disallowances aggregating $8,160.77, as itemized in the preceding section of this report, are reasonable and proper under the terms of the contract.

The adjustment between "Items of Cost" as shown on the May, 1956, Form MF-104, the allowances and disallowances, and the accepted costs as disclosed by this audit are summarized as follows:

	Totals May MF-104	Corrected Distribution	Audit Allowances (Disallowances)	Accepted Cost
(2) Labor & Supervision:				
Labor	$25,173.51	$25,173.51	$ 782.25	$25,955.76
Supervision	1,054.05	1,054.05	(363.45)	690.60
(3) Oper. Matls. & Sup.:				
Timber	123.49	123.49		123.49
Explosives	9,349.99	9,349.99		9,349.99
Pipe	2,131.96	2,131.96		2,131.96
Track	4,047.69	4,047.69		4,047.69
Drill Steel	-0-	767.81		767.81
Power	3,615.30	3,615.30		3,615.30
Miscellaneous	4,615.72	3,847.91	(3,556.63)	291.28

	Totals May MT-104	Corrected Distribution	Audit Allowances (Disallowances)	Accepted Cost
(4) Operating Equip.:				
Depreciation	9,840.00	9,840.00	(5,131.50)	4,708.50
(7) Miscellaneous:				
Payroll Taxes	809.01	809.01	21.72	830.73
Workmen's Comp.Ins.	924.47	924.47	22.45	946.92
Health & Accident Insurance	711.63	711.63	12.76	724.39
Vacation Allowance	969.85	969.85	34.42	1,004.27
Holiday Pay	509.12	509.12	17.21	526.33
Accounting	840.00	840.00		840.00
Maintenance of Equip.	29.77	29.77		29.77
Tel. & Tel.	283.03	283.03		283.03
Totals	$65,028.59	$65,028.59	$(8,160.77)	$56,867.82

This contract contained numerous items of cost expressly designated as "allowable maximums". The status of these allowable maximums, after the adjustments discussed in Section III of this report, is summarized as follows:

	Allowable Maximum	Acceptable Cost	Balance
Independent Contracts:			
3,300 feet of diamond drilling	$ 16,500.00	(a)	$16,500.00
Cost per foot	$ 5.00	(a)	
Supervision:			
Number of supervisors	2	2	--
Time period	16 months	15 months	1 month
Rates of pay ($384.00/mo. each)	$ 768.00	$ 46.04	$ 721.96
Total pay	$ 12,288.00	$ 690.60	$11,597.40
Operating Equipment- Depreciation:			
Time period	16 months	15 months	1 month
Monthly rates:			
2 Tram Cars	$ 18.00	$ 18.00	
2 Drill Machines	18.00	18.00	
1 Eimco Loader	76.67	76.67	
1 Battery Locomotive	100.00	100.00	
1 Compressor	183.33	59.23	$ 124.10
1 Truck	260.00	42.00	218.00
Total	$ [illegible]	$ [illegible]	$ [illegible]
Total	$ 10,496.00	$ 4,708.50	$ 5,787.50
Total Cost of Contract (Rounded)	$113,110.00	$56,867.82	$56,242.18
Government Participation (50%)	$ 56,555.00	$28,433.91	$28,121.09

(a) None of the diamond drilling work was accomplished during the period covered by this interim audit.

At the conclusion of the audit on June 28, 1956, the findings were discussed with Mr. E. C. Petersen, Controller, and Mr. Thomas R. Thomas, Internal Auditor, Calumet Division, Calumet & Hecla, Inc., who indicated their acceptance of the proposed disallowances.

C. E. Fisher

C. E. Fisher, Auditor

July 13, 1956

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
BY DATE

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1956 Docket No. DMEA 3522 Contract No. IDM - E765

RECEIVED AUG 13 1956

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan, Chicago, Illinois

Contract Amount, $113,000.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:				NOTE: Totals adjusted to Interim Audit Certificate dated July 13, 1956		
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1993.52	23179.99	25173.51	2775.77	23179.99	25955.76
Supervision	70.27	983.78	1054.05	293.18	983.78	690.60
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	23.09	100.40	123.49	23.09	100.40	123.49
Explosives	796.73	8553.26	9349.99	796.73	8553.26	9349.99
Pipe	98.10	2033.86	2131.96	98.10	2033.86	2131.96
Track	564.36	3483.33	4047.69	564.36	3483.33	4047.69
Misc.	471.41	4144.31	4615.72	3085.22	4144.31	7229.53
Power	280.80	3334.50	3615.30	280.80	3334.50	3615.30
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	9184.00	9840.00	4475.50	9184.00	4708.50
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	61.78	747.23	809.01	83.50	747.23	830.73
Liability Insurance W/C	77.65	846.82	924.47	100.10	846.82	946.92
(8) Contingencies (specify):						
Misc. *	256.13	3087.27	3343.40	320.52	3087.27	3407.79
TOTALS	5349.84	59678.75	65028.59	2810.93	59,678.75	56,867.82

approved totals to date not shown - correct approved totals to date correspond to final report.

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

Date 6/13/56 *Payee Calumet & Hecla, Inc.

Per R. C. Peterson Title Asst. Treas.

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

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

(Instructions on reverse)

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

$ 0

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 9 1956 Vou. No. 24

(See other side)

* See detail for breakdown

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng Date 8/8/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lemmon Title EXECUTIVE OFFICER DMEA REGION V Date AUG 9 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 13 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3522 Contract No. IDM - 0-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	5349.84	158	65028.59	1879	34.60808	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5349.84		65028.59				

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

Date June 13, 1956 Operator Calumet & Hecla, Inc.

Per B C Peterson Title Ass't. Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

May, 1956

RECEIVED
AUG 13 1956

Labor	Man Shifts	Rate	Amount
Miners	46.06250	$ 22.01270	$ 1,013.96
Trammers	36.53125	14.88287	543.69
Surface Men	36.21360	12.03609	435.87
			$ 1,993.52

Supervision

Mine Captain	$ 24.23
Shaft Foremen	46.04
	$ 70.27

Depreciation

2 5 ton tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Eimco 21 Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	$ 656.00

Miscellaneous

Vacation Pay	$ 83.21
Holday Pay	39.69
Health & Accident Ins.	63.46
Telephone & Telegraph	13.77
Accounting	56.00
	$ 256.13

June 8, 1956
Progress Report on Caledonia Drift
DMXX for the month of May, 1956

The drift advanced 158 feet to 4712 D. M. Drift estimates were: 55 ft. @ 5# per ton; 14 ft. @ 10# per ton; and 89 ft. in poor rock. Drift continued in narrow vein and poorly mineralized.

C. A. CAMPBELL

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
MAY 24 1956

Month of April, 1956 Docket No. DMEA Contract No. IDM - E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $113,000.00 Government Participation: 50 % Amount, $56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,524.73	21,655.26	23,179.99			
Supervision	70.27	913.51	983.78			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	100.40	-	100.40			
Explosives	732.40	7,820.86	8,553.26			
Pipe	100.17	1,933.69	2,033.86			
Track	480.04	3,003.29	3,483.33			
Misc.	460.04	3,684.27	4,144.31			
Power	234.00	3,100.50	3,334.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	8,528.00	9,184.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	47.71	699.52	747.23			
Liability Insurance W/C	59.52	787.30	846.82			
(8) Contingencies (specify):						
Misc. *	213.36	2,873.91	3,087.27			
TOTALS	4,678.64	55,000.11	59,678.75	4678.64	55000.11	59678.75

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 21, 1956 *Payee Calumet & Hecla, Inc.
Per R. C. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 2339.32
Signature Helen R. Miller
(Authorized Certifying Officer)
Date MAY 22 1956 Vou. No. 232
(See other side)

*See detail for breakdown 2339.32

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 745 in accordance with the terms of the contract.

Signature Charles J Stichlich Title Mining Eng Date May 17, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAY 21 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 24 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 3522 Contract No. IDM-E 765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	4,678.64	128	59,678.75	1721	34.67679	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,678.64		59,678.75				

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

Date May 11, 1956 Operator Calumet & Hecla, Inc.

Per R. A. Peterson Title Ass't. Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Charles J Stehlik
Mining Eng
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

May 3, 1956
Progress Report on Caledonia Drift
DMEA for the month of April, 1956

The drift advanced 128 feet to 4554 D. M. Drift estimates were: 97 feet @ 5 pounds per ton and 31 feet in poor rock. Vein was narrow and poorly mineralized.

C. A. CAMPBELL

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

April, 1956

RECEIVED
MAY 24 1956

Labor	Man Shifts	Rate	Amount
Miners	40.00000	$ 20.85000	$ 834.00
Trammers	30.18750	14.57193	439.89
Surface Men	20.67535	12.13232	250.84
			$ 1,524.73

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2 5 ton tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Eimco 21 Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	$ 656.00

Miscellaneous

Vacation Pay	63.64
Holiday Pay	30.35
Health & Accident Ins	49.03
Telephone & Telegraph	14.34
Accounting	56.00
	$ 213.36

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No.

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED MAY 10 1956

Month of March, 1956 Docket No. DMEA 3522 Contract No. IDM-E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $113,000.00 Government Participation: 50 % Amount, $56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						M
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,907.80	19,747.46	21,655.26			
Supervision	70.27	843.24	913.51			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	873.33	6,947.53	7,820.86			
Pipe		1,933.69	1,933.69			
Track	116.92	2,886.37	3,003.29			
Misc.	2,537.08	1,147.19	3,684.27			
Power	280.80	2,819.70	3,100.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	7,872.00	8,528.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	59.20	640.32	699.52			
Liability Insurance W/C	74.33	712.97	787.30			
(8) Contingencies (specify):						
Misc. *	248.75	2,625.16	2,873.91			
TOTALS	6,824.48	48,175.63	55,000.11	6824.48	48175.63	55000.11

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

Date April 17, 1956 Payee Calumet & Hecla, Inc.

Per B. C. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$ 3412.24

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 8 1956 Vou. No.
(See other side)

13

* See detail for breakdown 3412.24

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 765 in accordance with the terms of the contract.

Signature Charles J. Stebbins Title Mining Eng Date April 25, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION Date MAY 1 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
MAY 10 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 3522 Contract No. IDM-E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	6824.48	161	55,000.11	1593	34.52612	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6824.48		55,000.11				

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

Date April 17, 1956 Operator Calumet & Hecla, Inc.
Per R. C. Peterson Title Ass't. Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Charles J. Stehlik
Mining Eng
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

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MAY 10 1956

April 4, 1956
Progress Report on Caledonia Drift
DMEA for month of March, 1956

The drift advanced 161 ft. to 4426 D. M. Drift estimates were: 54 ft. at ≠ 5 lbs. per ton and 107 ft. in poor rock. Vein continued to be narrow with little mineralization.

C. A. CAMPBELL

C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Mines

RECEIVED
MAY 10 1956

c/o Michigan College of Mining and Technology
Bureau of Mineral Research, Houghton, Michigan

April 25, 1956

To: Robert A. Laurence, Executive Officer, IMEA, Region V

From: Charles J. Stehlik, Mining Engineer, Houghton, Michigan

Subject: Contract Idm-E98, Docket 1207x, and Contract Idm-E765, Docket 3522, Calumet & Hecla Inc.

Attached are four copies each of the monthly operators reports for the subject contracts for the month of March. Each has been checked for errors and contract adherance.

Contract Idm-765 (Caledonia Mine) has an unusually high figure under Item 3 for miscellaneous ($2,537.08), which figure is ordinarily under $100. Inquiry disclosed that it is for ventilation now being installed. Ventilation was badly needed when the mine was last visited on March 19.

s/ Charles J. Stehlik

copied by zm.

cc:
Opr. Com-
Finance Office
Laurence
Lynch

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

March, 1956

RECEIVED
MAY 1 0 1956

Labor	Man Shifts	Rate	Amount
Miners	50.18750	$ 21.43223	$ 1,075.63
Trammers	37.37500	14.40696	538.46
Surface Men	24.21788	12.12782	293.71
			$ 1,907.80

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2 5-ton tram cars @ $9.00 per month each	$ 18.00
2 Cepco Drill Machines @ $9.00 per month each	18.00
1 Eimco 21 Loader, @ $76.67 per month	76.67
11 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	$ 656.00

Miscellaneous

Vacation Pay	$ 79.63
Holiday Pay	37.99
Health & Accident Insurance	60.82
Telephone & Telegraph	14.31
Accounting	56.00
	$ 248.75

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1956 Docket No. DMEA 3522 Contract No. IDM-E765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $ 113,100.00 Government Participation: 50% Amount, $ 56,550.00

RECEIVED APR 16 1956

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1044.77	18,702.69	19,747.46			
Supervision	70.27	772.97	843.24			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	549.87	6,397.66	6,947.53			
Pipe	54.76	1,878.93	1,933.69			
Track	71.07	2,815.30	2,886.37			
Misc.	43.04	1,104.15	1,147.19			
	163.80	2,655.90	2,819.70			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	7,216.00	7,872.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	33.31	607.01	640.32			
Liability Insurance W/C	40.95	672.02	712.97			
(8) Contingencies (specify):						
Misc. *	164.32	2,460.84	2,625.16			
TOTALS	2,892.16	45,283.47	48,175.63	2892.16	45,283.47	48,175.63

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

Date March 9, 1956 Payee Calumet & Hecla, Inc.

Per R. R. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$1446.08

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date APR 13 1956 Vou. No.
(See other side)

* See detail for breakdown

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-763 in accordance with the terms of the contract.

Signature Charles J. Stehlik Title Mining Eng. Date April 1, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date APR 11 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 16 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 3522 Contract No. IDM -E765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	2,892.16	82	48,175.63	1,432	33.64220	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,892.16		48,175.63				

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

Date March 9, 1956 Operator Calumet & Hecla, Inc.

Per R. C. Peterson Title Ass't. Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only) Charles J Stehlik
Mining Eng.
U. S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

February, 1956

RECEIVED
APR 16 1956

Labor	Man Shifts	Rate	Amount
Miners	29.4375	$ 19.34234	$ 569.39
Trammers	20.1250	15.05640	303.01
Surface Men	14.2139	12.12686	172.37
			$1,044.77

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2	5 ton tram cars @ $9.00 per month each	18.00
2	Copco Drill Machines @ $9.00 per month each	18.00
1	Eimco - 21 Loader @ $76.67 per month	76.67
1	Battery Locomotive @ $100.00 per month	100.00
1	Compressor @ $183.33 per month	183.33
1	Truck @ $260.00 per month	260.00
		$ 656.00

Miscellaneous

Vacation Pay	$ 43.61
Holiday Pay	20.80
Health & Accident Insurance	34.25
Maint. of Equipment	-
Telephone & Telegraph	9.66
Accounting	56.00
	$ 164.32

March 2, 1956
Progress Report on Caledonia Drift
DMEA for the month of February

The drift advanced 82 feet to 4265 D. M. Drift estimates were 8 feet at 9# per ton and 74 feet in poor rock. Drift was in faulted area. Vein thickness averaged one foot with little mineralization.

C. A. CAMPBELL

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ATTACHED ON VOUCHER & SCHEDULE OF PAYMENTS

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1956 Docket No. DMEA 352 Contract No. IDM-E-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $ 113,100.00 Government Participation: 50% Amount, $ 56,550.00

RECEIVED MAR 9 1956

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1641.22	17061.47	18702.69			
Supervision	70.27	702.70	772.97			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	835.04	5562.62	6397.66			
Pipe	224.51	1654.42	1878.93			
Track	33.78	2781.52	2815.30			
Misc.	45.06	1059.09	1104.15			
Power	234.00	2421.90	2655.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	6560.00	7216.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	51.21	555.80	607.01			
Liability Insurance W/C	64.02	608.00	672.02			
(8) Contingencies (specify):						
Misc. *	223.21	2237.63	2460.84			
TOTALS	4078.32	41205.15	45283.47	4078.32	41,205.15	45,283.47

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

Date Feb. 14, 1956 *Payee Calumet & Hecla, Inc.

Per B C Peterson Title Asst. Treasurer

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

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

(Instructions on reverse)

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

$ 2039.16

Signature Peter R. Meier
(Authorized Certifying Officer)

Date MAR 7 1956 Vou. No.

(See other side)

* See detail for breakdown

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. F-745 in accordance with the terms of the contract.

Signature Charles J. Stoblik Title Mining Eng. Date Feb 20, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAR 2 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR - 9 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1956 Docket No. DMEA 3522 Contract No. DMA-E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Avenue, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	4078.32	143	45283.47	1350	33.54331	2000	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4078.32		45283.47				

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

Date Feb. 14, 1956 Operator Calumet & Hecla, Inc.

Per R C Peterson Title Ass't. Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Charles J Stihlik
Mining Eng
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
MAR 09 1956

January - 1956

Labor	Man Shifts	Rate	Amount
Miners	42.00	21.87381	$ 918.70
Trammers	31.25	14.02496	438.28
Surface Men	23.4382	12.12721	284.24
			$1,641.22

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2	5 ton tram cars @ $9.00 per month each	$ 18.00
2	Copco Drill Machines @ $9.00 per month each	18.00
1	Eimco Loader @ $76.67 per month	76.67
1	Battery Locomotive @ $100.00 per month	100.00
1	Compressor @ $183.33 per month	183.33
1	Truck @ $260.00 per month	260.00
		$ 656.00

Miscellaneous

Vacation Pay	$ 68.50
Holiday Pay	32.68
Health & Accident Ins.	52.61
Maint. of Equipment	-
Telephone & Telegraph	13.42
Accounting	56.00
	$ 223.21

B. C. PATERSON

February 3, 1956
Progress Report on Caledonia Drift
DMEA for the Month of January, 1956

The drift advanced 143 feet to 4183 D.M. Drift was in poor rock all month. Vein thickness averaged one foot with little mineralization.

Very truly yours,

C. A. CAMPBELL

CAC:dr

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-
RECEIVED
FEB 2 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1955 Docket No. DMEA Contract No. DMEA - 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $ 113,100.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2008.39	15,053.08	17,061.47			
Supervision	70.27	632.43	702.70			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	835.48	4,727.14	5,562.62			
Pipe	103.98	1,550.44	1,654.42			
Track	784.17	1,997.35	2,781.52			
Misc.		1,059.09	1,059.09			
Power	292.50	2,129.40	2,421.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	5,904.00	6560.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	47.19	508.61	555.80			
Liability Insurance W/C	41.16	566.84	608.00			
(8) Contingencies (specify):						
Misc. *	187.99	2049.64	2237.63			
TOTALS	5027.13	36178.02	41205.15	5027.13	36178.02	41205.15

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

Date Jan. 13, 1956 *Payee Calumet & Hecla, Inc.

Per [signature] Title Asst. Treasurer

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

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

(Instructions on reverse)

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

$ 2513.56

Signature [signature]
(Authorized Certifying Officer)

Date FEB 6 1956 Vou. No.
(See other side)

10

2513.57

* See detail for breakdown

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-745 in accordance with the terms of the contract.

Signature Charles J. Stehlik Title Mining Eng. Date Jan 30, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 2 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1955 Docket No. DMEA 3522 Contract No.
Operator's Name Calumet & Hecla, Inc. Minerals
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	5027.13	165	41205.15	1207	34.13848	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5027.13		41205.15				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Jan. 13, 1956 Operator Calumet & Hecla, Inc.

Per B. C. Peterson Title Asst. Treasurer

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

(Instructions on reverse)

REMARKS:

(For Government use only)

Charles J Stahlik
Mining Eng
U. S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
FEB - 8 1956

December 1955

Labor	Man Shifts	Rate	Amount
Miners	51.75000	21.24831	$ 1099.60
Trammers	39.25000	13.89299	545.30
Surface Men	29.97467	12.12657	363.49
			$ 2008.39

Supervision	
Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation	
2 - 5 ton tram cars @ $9.00 per month each	$ 18.00
2 - Copo Drill Machines @ $9.00 per month each	18.00
1 - Eimco Loader @ $76.67 per month	76.67
1 - Battery Locomotive @ $100.00 per month	100.00
1 - Compressor @ $183.33 per month	183.33
1 - Truck @$260.00 per month	260.00
	$ 656.00

Miscellaneous	
Vacation Pay	$ 60.28
Holiday Pay	16.21
Health & Accident	55.50
Maint. of Equipment	
Telephone & Telegraph	
Accounting	56.00
	$ 187.99

RECEIVED
FEB - 8 1956

B. C. PETERSON

January 10, 1956
Progress Report on Caledonia Drift
DMEA for the Month of December 1955

The drift advanced 165 feet to 4040 DM. Drift estimates were 20 feet at 20 pounds per ton, 22 feet at 15 pounds per ton, 62 feet at 10 pounds per ton, and 61 feet in poor rock. Lode has been mineralized but lode thickness has been narrow; consequently, a great deal of rock has been sent for poor rock. No unusual conditions were encountered.

C. A. CAMPBELL

CAC:dr

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

IDM E - 765

Month of November 5 3922
Operator's Name Calumet & Hecla, Inc. 105 Docket No. DMEA
Address 122 South Michigan, Chicago, Illinois 50
Contract Amount, $ 113,100.00 Government Participation: ____% Amount, $

RECEIVED JAN 11 1956

Contract No.
Minerals 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
	1842.55	13,210.53	15,053.08			
(2) Labor and Supervision:	70.27	562.16	632.43			
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:	659.48	4,067.66	4,727.14			
Timber	56.96	1,493.48	1,550.44			
Explosives	171.99	1,825.36	1,997.35			
Pipe	.51	1,058.58	1,059.09			
Track Misc.	245.70	1,883.70	2,129.40			
Power						
(4) Operating Equipment:						
Rental						
Purchase *	656.00	5,248.00	5,904.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	63.82	444.79	508.61			
Sampling and Analysis	57.26	509.58	566.84			
Payroll Taxes W/C						
Liability Insurance						
(8) Contingencies (specify): Misc. *	226.99	1,822.65	2,049.64			
	4,051.53	32,126.49	36,178.02			
TOTALS				4,051.53	32,126.49	36,178.02

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

Date Dec. 19, 1955 *Payee Calumet & Hecla, Inc.

Per [signature] Title Ass't Treasurer

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

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

(Instructions on reverse)

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

$ 2025.77

Signature [signature] (Authorized Certifying Officer)

Date JAN 6 1956 Vou. No. 31

(See other side)

9 2025.76

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature Charles J. Stehlik Title Mining Eng. Date Jan 3, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date JAN 5 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 11 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1955 Docket No. DMEA 3522 Contract No. IDM E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	4,051.53	135	36,178.02	1042	34.71979	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Dec. 19, 1955 Operator Calumet & Hecla, Inc.

Per R. C. Gibson Title Ass't Treasurer

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

(Instructions on reverse)

REMARKS:

(For Government use only)

Charles J. Stehlik
Mining Eng
U. S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

December 6, 1955
Progress Report on Caledonia Drift
DMEA for the Month of November

The drift advanced 135 feet to 3875 D. M. Drift estimates were 14 feet at 20 pounds per ton, 11 feet at 15 pounds per ton, 28 feet at 10 pounds per ton, and 82 feet in poor rock. Vein thickness has been 2 - 3 with little copper.

C. A. CAMPBELL

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
JAN 11 1956

D M E A 3522 I D M E -765

Labor	Man Shifts	Rate	Amount
Miners	45.0000	20.82778	$ 937.25
Trammers	42.7500	13.34620	570.55
Surface Men	27.5856	12.13495	334.75
			$ 1,842.55

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2 tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Eimco Loader @ $ 76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	$ 656.00

Miscellaneous

Vacation Pay	$ 56.23
Holiday Pay	18.75
Health & Accident Ins.	54.00
Maintenance of Equipment	19.77
Telephone & Telegraph	22.24
Accounting	56.00
	$ 226.99

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

FOR VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED DEC 16 1955

Month of October, 1955 Docket No. DMEA 3522 Contract No. I.D.M.-2765

Operator's Name Calumet & Hecla Inc. Minerals Copper

Address 122 South Michigan, Chicago, Illinois

Contract Amount, $ 113,100.00 Government Participation: ____% Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1726.50	11,484.03	13,210.53			
Supervision	70.27	491.89	562.16			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	258.79	3,808.87	4,067.66			
Pipe		1,493.48	1,493.48			
Track	183.59	1,641.77	1,825.36			
Misc.	2.59	1,055.99	1,058.58			
Power	198.90	1,684.80	1,883.70			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	4,592.00	5,248.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	54.00	390.79	444.79			
Liability Insurance W/C	69.00	440.58	509.58			
(8) Contingencies (specify): Misc. *	271.01	1,551.64	1,822.65			
TOTALS	3,490.65	28,635.84	32,126.49	3490.65	28,635.84	32,126.49

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

Date Nov. 17, 1955 *Payee Calumet & Hecla

Per R C Peterson Title Ass't Treasurer

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

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

(Instructions on reverse)

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

$ 1745.32

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date DEC 14 1955 Vou. No. 22
(See other side)

*See Detail for Breakdown

1745.33

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 765 in accordance with the terms of the contract.

Signature Charles J. Stubblefield Title Mining Eng Date Dec 2, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date DEC 12 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 16 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1955 Docket No. DMEA 3522 Contract No. I.D.M.-1765
Operator's Name Calumet & Hecla Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	3,490.65	90	32,126.49	907	35.4261	2000	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,490.65		32,126.49				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Nov. 17, 1955 Operator Calumet & Hecla Inc.

Per R C Peterson Title Ass't Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Charles J Stublik
Mining Eng
Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 83-38475

CALUMET DIVISION
Calumet & Hecla Inc.
Calumet, Michigan
October, 1955

RECEIVED
DEC 1 6 1955

D.M.E.A. 3522

I.D.M. E-765

Labor	Man Shifts	Rate	Amount
Miners	45.31250	20.63494	$ 935.02
Trammers	38.81250	13.12876	509.56
Surface Men	23.25600	12.12246	281.92
			1,726.50

Supervision	
Mine Captain	$ 24.23
Shift Foremen	46.04
	70.27

Depreciation	
2 tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Eimco Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	$ 656.00

Miscellaenous	
Vacation Pay	$ 55.00
Holiday Pay	47.00
Health & Accident Ins.	58.00
Maintanance of Equipment	-
Telephone & Telegraph	55.01
Accounting	56.00
	$ 271.01

RECEIVED
DEC 16 1955

November 8, 1955
Progress Report on Caledonia Drift
DELA for the month of October

The drift advanced 90 feet to 3740 D. M. Drift estimates were 7 feet at 15 pounds per ton, 78 feet at 10 pounds per ton, and 5 feet in poor rock. Drift was in fractured ground with crossings and little copper for the entire month. Fault caused vein to be displaced towards the hanging.

C. A. CAMPBELL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
c/o Michigan College of Mining and Technology
Houghton, Michigan

RECEIVED
DEC 1 0 1955

December 2, 1955

To: Robert A. Laurence, Executive Officer, DMEA, Region V

From: Charles J. Stehlik, Mining Engineer, Houghton, Michigan

Subject: DMEA Monthly progress reports, Idm-E98 and Idm-E765, Calumet & Hecla Inc.

Enclosed are four copies each of the subject contract reports for the month of October. One each has been retained by this office. No errors were discovered in the E765 contract but two discrepancies were found in the E98 contract. They are:

1. Error in the amount carried forward from the September report. This occured on three of the sheets and is obviously typographical so I made the correction. The totals are correct.

2. On the Unit Cost sheet their "Unit cost to date" is shown as $31.022130; their "Authorized by contract, Unit cost" as $31.01. This appeared then to be an override of the allowable limit. By Amendment No. 7 however, the limit can be calculated as $31.03 (6661 feet @ $206,691.60). I have therefore allowed the discrepancy. I can not determine either if Amendment No. 7 sets the limit at $31.03 as it reads "Summary of Estimated Costs".

Please advise.

Charles J. Stehlik

Charles J. Stehlik

cc E98 file
E765 file

RECEIVED
DEC 5 - 1955
U. S. Bureau of Mines
Michigan College of Mining and Technology
Houghton, Mich.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 195 5 Docket No. DMEA 3522 Contract No. IDM-2765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Ave., Chicago, Illinois
Contract Amount, $113,110.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,567.87	9,916.16	11,484.03			
Supervision	70.27	421.62	491.89			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	571.02	3,237.85	3,808.87			
Pipe	395.16	1,098.32	1,493.48			
Track	1,120.73	521.04	1,641.77			
Misc.	604.34	451.65	1,055.99			
Power	234.00	1,450.80	1,684.80			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	3,936.00	4,592.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	49.00	341.79	390.79			
Liability Insurance W/C	63.00	377.58	440.58			
(8) Contingencies (specify):						
Misc. *	187.00	1,364.64	1,551.64			
TOTALS	5,518.39	23,117.45	28,635.84	5518.39	23,117.45	28635.84

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

Date Oct. 26, 1955 *Payee Calumet & Hecla, Inc.

Per R. C. Peterson Title Asst. Treas.

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

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

(Instructions on reverse)

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

$ 2759.20

Signature Helen R. Melin
(Authorized Certifying Officer)

Date [illegible] Vou. No. 35
(See other side)

*See detail for breakdown

2759.19

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 765 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 11/7/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lemon Title EXECUTIVE OFFICER DMEA REGION V Date NOV 7 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED

Month of September 1955 Docket No. DMEA 3522 Contract No. DMC-3765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 120 South Michigan Ave., Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	5,510.39	136	28,635.84	817	35.04999	2,000	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5,510.39		28,635.84				

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

Date October 26, 1955 Operator Calumet & Hecla, Inc.

Per R C Peterson Title Ass't. Treas.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

V J Lynch
Mining Eng.
Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

September, 1955

DMRA 3522 IDM E-765

Labor	Man Shifts	Rate	Amount
Miners	40.62500	21.74769	$ 883.50
Trammers	30.12500	13.12199	395.30
Surface Men	23.83360	12.12867	289.07
			$1,567.87

Supervision:	
Mine Captain	24.23
Shift Foremen	46.04
	$ 70.27

Depreciation:	
2 tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Kimco Loader @ $76.67 per month	76.67
1 Battery locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	$ 656.00

Miscellaneous:	
Vacation Pay	$ 50.00
Holiday Pay	42.00
Health & Accident Insurance	39.00
Maintenance of Equipment	-
Telephone & Telegraph	-
Accounting	56.00
	$ 187.00

B. C. Peterson

October 11, 1955
Progress Report on Caledonia Drift
: DM & Loan for the Month of September

The drift advanced 136 feet to 3650 D.M. Drift estimates were 26 feet at 20 pounds per ton, 48 feet at 15 pounds per ton, 28 feet at 10 pounds per ton, and 34 feet in poor rock. Vein thickness averaged between 4 - 5 feet. No unusual conditions were encountered.

Footage:	D.M. Beginning of the Month	3514 D.M.
	D.M. End of the Month	3650 D.M.
	advance	136 feet

C. A. Campbell

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

27

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1955 Docket No. DMEA 35 RECEIVED Contract No. IDM-E765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Ave., Chicago, Illinois OCT 13 1955
Contract Amount, $ 113,110.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,707.06	8,209.10	9,916.16			
Supervision	70.27	351.35	421.62			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	456.81	2,781.04	3,237.85			
Pipe		1,098.32	1,098.32			
Track	24.94	496.10	521.04			
Misc.	22.26	429.39	451.65			
Power	234.00	1,216.80	1,450.80			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	3,280.00	3,936.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	51.21	290.58	341.79			
Liability Insurance W/C	66.03	311.55	377.58			
(8) Contingencies (specify):						
Misc. *	221.35	1,143.29	1,364.64			
TOTALS	3,509.93	19,607.52	23,117.45	3509.93	19607.52	23,117.45

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

Date Sept. 15, 1955 Payee Calumet & Hecla, Inc.

Per R. Peterson Title Ass't. Treas.

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

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

(Instructions on reverse)

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

$ 1754.96

Signature Helen R. Martin
(Authorized Certifying Officer)

Date OCT 11 1955 Vou. No. 75

(See other side)

See detail for breakdown.

1754.97

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE 765 in accordance with the terms of the contract.

Signature Charles J. Stuhlik Title Mining Eng. Date Oct 5, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date OCT 10 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 13 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3522 Contract No. IDM-E765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan Ave., Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	3,509.93	108	23,117.45	681	33.94633	2,080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,509.93		23,117.45				

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

Date Sept. 15, 1955 Operator Calumet & Hecla, Inc.

Per R C Peterson Title Ass't. Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
OCT 13 1955

August, 1955

DMEA 3522 IDM E-765

Labor	Man Shifts	Rate	Amount
Miners	37.00000	19.24730	$ 712.15
Trammers	23.00000	12.23304	281.36
Surface Men	60.42580	11.80870	713.55
			$1,707.06

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2 tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill machines @ $9.00 per month each	18.00
1 Eimco Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 truck @ $260.00 per month	260.00
	$656.00

Miscellaneous

Vacation pay	$ 54.63
Holiday pay	46.09
Health and accident insurance	39.94
Maintenance of equipment	-
Telephone & telegraph	24.69
Accounting	56.00
	$221.35

RECEIVED
OCT 1 2 1955

B. C. Peterson

September 16, 1955
Progress Report on Caledonia Drift
DMEA Loan for the Month of August

The drift advanced 108 feet to 3514 D.M. Drift estimates were 11 feet at 20 pounds per ton, 17 feet at 15 pounds per ton, 26 feet at 10 pounds per ton, and 54 feet in poor rock. Mine was closed on August 12 and reopened on August 23.

Footage:	D.M. Beginning of the month	3406 D.M.
	D.M. End of the month	3514 D.M.
	Advance	108 feet

C. A. Campbell

CAC:mc

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K RECEIVED AUG 29 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA Contract No. Tom 6-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Avenue, Chicago, Ill.
Contract Amount, $113,110.00 Government Participation: 50% Amount, $56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1718.50	6490.60	8209.10			
Supervision	70.27	281.08	351.35			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	432.13	2348.91	2781.04			
Pipe	317.29	781.03	1098.32			
Track	479.25	16.85	496.10			
Miscellaneous	27.00	402.39	429.39			
Power	222.30	994.50	1216.80			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	2624.00	3280.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	61.87	228.71	290.58			
Liability Insurance W/C	66.33	245.22	311.55			
(8) Contingencies (specify):						
Miscellaneous *	242.14	901.15	1143.29			
TOTALS	4293.08	15314.44	19607.52	4,293.08	15,314.44	19,607.52

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

Date Aug. 11, 1955 *Payee Calumet & Hecla, Inc.

Per R. R. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$ 2146.54

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 25 1955 Vou. No. 37
(See other side)

* See Detail for breakdown

2146.54

5

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature W. J. Schroeder Title Mining Engineer Date 8/19/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date AUG 24 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 29 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA _____ Contract No. IDM E 765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Avenue, Chicago, Ill.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	4293.08	101	19607.52	573	34.21905	2080	46.15
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4293.08		15314.44				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4293.08		15314.44				

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

Date Aug. 11, 1955 Operator Calumet & Hecla, Inc.

Per R C Peterson Title Ass't. Treas.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

W. J. Schroeder

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
AUG 29 1955

July, 1955

DMEA 3522 IDM E-765

Labor	Man Shift	Rate	Amount
Miners	38.0000	20.45737	$ 777.38
Trammers	30.0000	11.90933	357.28
Surface Men	50.6214	11.53346	583.84
			1,718.50

Supervision	
Mine Captain	24.23
Shift Foremen	46.04
	70.27

Depreciation	
2 tram cars @ $9.00 per month each	18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Eimco Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month	260.00
	656.00

Miscellaneous	
Vacation Pay	75.61
Holiday Pay	37.81
Health & Accident Insurance	43.65
Maintenance of Equipment	-
Telephone & Telegraph	29.07
Accounting	56.00
	242.14

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
AUG 20 1955

PROGRESS REPORT ON CALEDONIA DRIFT DMEA LOAN FOR THE MONTH OF JULY

August 11, 1955

The drift advanced 101 feet to 3406 D.M. Drift estimates were 5 feet at 10 pounds per ton and 96 feet in poor rock. At D.M. 3342, a fault was encountered which displaced the vein about 30 feet to the footwall. Vein was hit near the end of the month.

Footage:	D.M. Beginning of the month -	3305 D.M.
	D.M. End of the month -	3406 D.M.
	Advance	101 feet

C. A. Campbell

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 9

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED AUG - 8 1955

Month of June, 1955 Docket No. DMEA 3522 Contract No. IDM E-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 So. Michigan Ave., Chicago, Illinois
Contract Amount, $113,100.00 Government Participation: ____% Amount, $56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,512.27	3,978.33	6,490.60			
Supervision	70.27	210.81	281.08			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	631.13	1,717.78	2,348.91			
Pipe	699.47	81.56	781.03			
Track		16.85	16.85			
Misc.	342.79	59.60	402.39			
Power	234.00	760.50	994.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	1,968.00	2,624.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	90.44	138.27	228.71			
Liability Insurance W/C	96.98	148.24	245.22			
(8) Contingencies (specify):						
Misc. *	341.70	559.45	901.15			
TOTALS	5,675.05	9,639.39	15,314.44	5675.05	9639.39	15,314.44

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

Date July 13, 1955 *Payee Calumet & Hecla, Inc.

Per B. C. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse)

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

$2837.53

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 4 1955 Vou. No. ____
(See other side)

*See details for breakdown

4 2837.52

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature W. J. Schroeder Title Mining Engineer Date 8/1/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 3 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 5 Docket No. DMEA 2522 Contract No. [illegible]-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 120 South Michigan Avenue, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	5,675.05	115	15,314.44	472	32.4459	2080	26.45
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5,675.05		15,314.44				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5,675.05		15,314.44				

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

Date July 13, 1955 Operator Calumet & Hecla, Inc.

Per B C Peterson Title Asst. Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

H. J. Schwesler

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

June, 1955

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AUG - 8 1955

DMLA 3522

Labor	Man Shifts	Rate	Amount
Miners	48.8750	18.01473	$ 880.47
Trammers	39.3750	12.11885	477.18
Surface Men	93.9304	12.29229	1,154.62
			$2,512.27

Supervision

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation

2 tram cars @ $9.00 per month each	$ 18.00
2 Copco drill machines @ $9.00 per month each	18.00
1 Kimco Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @	260.00
	$ 656.00

Miscellaneous

Employee's Liability Insurance	$ 96.98
Vacation Pay	110.54
Holiday Pay	55.27
Health & Accident Insurance	63.81
Payroll Taxes	90.44
Maintainance & Equipment	-
Telephone & Telegraph	56.08
Accounting	56.00
	$ 529.12

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
AUG - 8 1955

PROGRESS REPORT ON CALEDONIA DRIFT OMBA LOAM
June, 1955

The drift advanced 115 feet to 3305 D. M. Drift estimates were 44 feet at 20 pounds per ton, 10 feet at 15 pounds per ton, 21 feet at 10 pounds per ton, and 40 feet in poor rock. There were no unusual conditions encountered during the month.

Footage:	D.M. Beginning of the Month	3190 D.M.
	D.M. End of the Month	3305 D.M.
	Advance	115 feet

C. A. Campbell

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
JUL 11 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1955 Docket No. DMEA 3522 Contract No. DM E765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois
Contract Amount, $ 113,100.00 Government Participation: 50 % Amount, $ 56,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,451.05	2,527.28	3,978.33			
Supervision	70.27	140.54	210.81			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	576.55	1,141.23	1,717.78			
Pipe	81.56		81.56			
Track		16.85	16.85			
Misc.	34.40	25.20	59.60			
Power	234.00	526.50	760.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	1,312.00	1,968.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	52.24	86.03	138.27			
Liability Insurance W/C	56.01	92.23	148.24			
(8) Contingencies (specify):						
Misc. *	219.06	340.39	559.45			
TOTALS	3,431.14	6,208.25	9,639.39	3431.14	6208.25	9639.39

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

Date June 14, 1955 Payee Calumet & Hecla, Inc.

Per B C Peterson Title Ass't. Treas.

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

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

(Instructions on reverse)

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

$ 1715.57

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date 7-7-55 Vou. No.
(See other side)

3

*See detail for breakdown.

1715.57

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 765 in accordance with the terms of the contract.

Signature W. J. Schroeder Title Mining Engineer Date 6/27/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Rauseo Title EXECUTIVE OFFICER DMEA REGION V Date JUN 30 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 5 Docket No. DMEA 3522 Contract No. 1DM E765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	3,431.14	115	9,639.39	357	27.001	2,080	46.45
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,431.14		9,639.39				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,431.14		9,639.39				

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

Date June 14, 1955 Operator Calumet & Hecla, Inc.

Per B C Peterson Title Ass't. Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

H. J. Schroeder

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

May, 1955

DMEA 3522 IDM E-765

Labor	Man Shifts	Rate	Amount
Miners	40.3750	20.2556	$ 817.82
Trammers	30.1875	12.4442	375.66
Surface Men	21.4475	12.0093	257.57
			$1,451.05

Supervision:

Mine Captain	$ 24.23
Shift Foremen	46.04
	$ 70.27

Depreciation:

2 tram cars @ $9.00 per month each	$ 18.00
2 Copco Drill machines @ $9.00 per month each	18.00
1 Eimco Loader @ $76.67 per month	76.67
1 Battery Locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month (includes gas & oil)	260.00
	$ 656.00*

Miscellaneous:

Employee's Liability Insurance	$ 56.01
Vacation Pay	63.84*
Holiday Pay	31.92*
Health & Accident Insurance	36.86*
Payroll Taxes	52.24
Maintenance of Equipment	-
Telephone & Telegraph	30.44*
Accounting	56.00*
	$ 327.31

CALUMET DIVISION
Calumet & Neela, Inc.
Calumet, Michigan

PROGRESS REPORT ON CALEDONIA DRIFT D.M.E.A. LOAN
for the Month of May

The drift advanced 115 feet to 3190 D.M. Drift estimates were 27 feet at 20 pounds per ton, 21 feet at 15 pounds per ton, 19 feet at 10 pounds per ton, and 48 feet in poor rock. Vein thickness varied a great deal. A fault was encountered at 3162 D.M. and the lode was displaced roughly 20 feet to the hanging.

Footage:	D.M. Beginning of the Month	3075 D.M.
	D.M. End of the Month	3190 D.M.
	Advance	115 feet

C. A. Campbell

04 (Rev.)
052)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No. 66

RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1955 Docket No. DMEA 3522 Contract No. IDM E-765

Operator's Name Calumet & Hecla, Inc. Minerals Copper

Address 122 South Michigan Avenue, Chicago 3, Illinois

Contract Amount, $113,100.00 Government Participation: 50 % Amount, $56,555.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,166.58	1,360.70	2,527.28			
Supervision **	70.27	70.27	140.54			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	342.57	798.66	1,141.23			
Pipe						
Track		16.85	16.85			
Misc.	7.52	17.68	25.20			
Power	234.00	292.50	526.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00	656.00	1,312.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	42.00	44.03	86.03			
Liability Insurance w/c	45.03	47.20	92.23			
(8) Contingencies (specify):						
Misc. *	162.62	177.77	340.39			
TOTALS	2,726.59	3,481.66	6,208.25	2,726.59	3,481.66	6,208.25

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

Date May 27, 1955 *Payee Calumet & Hecla, Inc.

Per B. C. Peterson Title Ass't. Treasurer

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

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

(Instructions on reverse) 1363.30

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

$ 1363.29

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 6-7-55 Vou. No.
(See other side)

* See detail for breakdown. ** Adjusted per R. A. Laurence letter 5/9/55 to B.C.Peterson

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature H. J. Schroeder Title Mine Expl. & Exploration Engr. Date 6/2/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date JUN 6 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

104A
(32)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN - 9 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1955 Docket No. DMEA _____ Contract No. IDM E-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Avenue, Chicago 3, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	2,726.59	110	6,208.25	242	25.65393	2,080	46.45
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,726.59		6,208.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,726.59		6,208.25				

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

Date May 27, 1955 Operator Calumet & Hecla, Inc.

Per R. C. Peterson Title Assistant Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

H. J. Schroeder

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

RECEIVED
JUN - 9 1955

May 1955

DMSA 3522 IDM E-765

Labor	Man Shifts	Rate	Amount
Miners	41	19.39097	795.03
Trammers	17	14.91882	253.62
Surface Men	10-1/2	11.23142	117.93
			1,166.58

Supervision

Mine Captain	24.23
Shift Foremen	46.04
	70.27

Depreciation

2 Tram Cars @ $9.00 per month each	18.00
2 Cepco drill machines @ $ 9.00 per month each	18.00
1 Eimco Loader @ 76.67 per month	76.67
1 Battery Locomotive @ 100.00 per month	100.00
1 Compressor @ 183.33 per month	183.33
1 Truck @ 260.00 per month (includes gas & oil)	260.00
	656.00

Miscellaneous

Employer's Liability Insurance	45.03
Vacation Pay	51.32
Holiday Pay	25.66
Health & Accident Insurance	29.64
Pay Roll Taxes	42.00
Accounting	56.00
	249.65

CALUMET DIVISION
Calumet & Hecla, Inc.

May 10, 1955

PROGRESS REPORT ON CALEDONIA DRIFT
DMEA LOAN FOR THE MONTH OF APRIL

The drift was advanced 110 feet to 3075 D.M. Drift estimates were 39 feet at 20 pounds per ton, 26 feet at 15 pounds per ton, 36 feet at 10 pounds per ton and 9 feet in poor rock. Vein thickness varies a great deal from two feet up to seven feet. Vein rolls considerably; consequently, the drift is not straight. Drifted around the Old Mass shaft in the foot lode and returned to the Knowlton vein on April 5.

Footage:	D.M. Beginning of the Month	2,965 D.M.
	D.M. End of the Month	3,075 D.M.
	Advance	110 Feet

C. A. Campbell

Form MF-10 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE 62 OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Defense Minerals Administration RECEIVED MAY 17 1955

Month of March, 1955 Docket No. DMEA 3522 Contract No. IDM E-765
Operator's Name Calumet & Hecla, Inc. Minerals Copper
Address 122 South Michigan Avenue, Chicago 3, Ill.
Contract Amount, $ 113,110.00 Government Participation: 50 % Amount, $ 56,555.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,360.70		1,360.70			1360.70
Supervision	90.73		90.73	70.27		70.27
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	798.66		798.66	798.66		798.66
Pipe						
Track	16.85		16.85	16.85		16.85
Misc.	17.68		17.68	17.68		17.68
Power	292.50		292.50	292.50		292.50
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation *	656.00		656.00	656.00		656.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	44.03		44.03	44.03		44.03
Liability Insurance W/C	47.20		47.20	47.20		47.20
(8) Contingencies (specify):						
Misc. *	177.77		177.77	177.77		177.77
TOTALS	3,502.12		3,502.12	3481.66		3481.66

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

Date Apr. 26, 1955 *Payee Calumet & Hecla, Inc.

Per R. C. Peterson Title Asst. Treasurer

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

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

(Instructions on reverse)

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

$ 1740.83

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 5-16-55 Vou. No.
(See other side)

* See detail for breakdown.

1740.83

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-765 in accordance with the terms of the contract.

Signature H. J. Schroeder Title Mine Engineer Engr. Date 5/2/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAY 9 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

PROGRESS REPORT ON CALEDONIA DRIFT
D.M.E.A. Lease for the Month of March
April 13, 1955

The drift advanced 132 feet from 2,833 D.M. to 2,965 D.M. Drift estimate was 132 feet in poor rock. Drift was driven in the foot wall in order to get under the Old Mass Shaft.

Footage: D.M. Beginning of the Month		2,833
D.M. End of the Month		2,965
	Advance	132 Feet

C. A. Campbell

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1955 Docket No. DMEA

Contract No. IDM E-765

Operator's Name Calumet & Hecla, Inc.

Minerals Copper

Address 122 South Michigan Avenue, Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
		3481.66		3481.66		26.38		
Drifting	Foot	3,502.12	132	3,502.12	132	26.53121	2,080	46.45
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,502.12		3,502.12				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date April 26, 1955 Operator Calumet & Hecla, Inc.

Per B C Peterson Title Ass't. Treasurer

REMARKS:

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

(Instructions on reverse)

W. J. Schroeder

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan

PROGRESS REPORT ON CALEDONIA DRIFT
D.M.E.A. Loan for the Month of March
April 13, 1955

The drift advanced 132 feet from 2,833 D.M. to 2,965 D.M. Drift estimate was 132 feet in poor rock. Drift was driven in the foot wall in order to get under the Old Mass Shaft.

Footage: D.M. Beginning of the Month		2,833
D.M. End of the Month		2,965
	Advance	132 Feet

C. A. Campbell

CALUMET DIVISION
Calumet & Hecla, Inc.
Calumet, Michigan
March 1955

DMEA 3522 IDM E-765

Labor	Man Shifts	Rate	Amount
2 Miners	50.187	18.06563	906.66
2 Trammers	21.125	14.92733	315.34
2 Surface Men	12.4206	11.16693	138.70
			1,360.70

Supervision

Director of Mining	Contract only allows for 2 supervisors	~~20.46~~
Mine Captain		24.23
Shift Foramen		46.04
		~~90.73~~ 70.27

Depreciation

2 Tram cars @ $9.00 per month each	18.00
2 Copco Drill Machines @ $9.00 per month each	18.00
1 Eimco Loader @ $76.67 per month	76.67
1 Battery locomotive @ $100.00 per month	100.00
1 Compressor @ $183.33 per month	183.33
1 Truck @ $260.00 per month (includes gas & oil)	260.00
	656.00

Miscellaneous

Employer's Liability Insurance	47.20
Vacation Pay	53.81
Holiday Pay	26.90
Health & Accident Insurance	31.06
Pay Roll Taxes	44.03
Maintenance of Equipment	10.00
Accounting	56.00
	269.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1[illegible] POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED

May 9, 1955

Mr. T. G. Peterson, Controller
Calumet Division
Calumet & Hecla, Inc.
Calumet, Michigan

Re: DMA-3522, Idm-1765, copper
Calumet & Hecla, Inc.

Dear Mr. Peterson:

Reference is made to your operator's monthly report and voucher for March 1955, on the subject contract.

Under supervision you have listed salaries for three supervisors amounting to $90.73. Under the terms of the contract, supervision is limited to two supervisors. Please refer to Personal Services, Category 2, of the contract. While the amount of $90.73 is much less than the $304.00 per month allowed in the contract for supervision, it will be necessary to reduce the number of supervisors from 3 to 2. We have, therefore, deleted the $20.46 claimed for the Director of Mining, making a total of $70.27 for supervision and reducing the 'Monthly Total' on Form-HF-104 to $3,451.06.

Please correct your copy to conform with ours.

Very truly yours,

Robert A. Lawrence
Executive Officer, DMA
Region V

[illegible]/[illegible]
cc:

Mr. [illegible]
[illegible]
[illegible]
[illegible]
[illegible]

EXTRA COPY
O. M. E.
RECEIVED APR 9 1959
DATE
800

April 7, 1959

Mr. James P. Pollock, Chief Geologist
Calumet Division
Calumet & Hecla, Inc.
Calumet, Michigan

re: DMA-3522 (Copper)
Caledonia Mine
Ontonagon County, Michigan
Contract No. 14m-8765

Dear Mr. Pollock:

This will acknowledge, with thanks, the receipt of your final report on the Caledonia exploration project.

However, on reviewing the report, I note that no estimate of reserves is included. Although, of course, an independent estimate can be made from the basic data provided in your final and monthly reports, we need to have an estimate of grade and tonnage made by the Operator's own staff, using their regular methods and based on their experience in the district.

Will you please send me, at your earliest convenience, your estimate of the reserves indicated by the DMA work, regardless of whether they are considered to be economic, marginal, or non-economic?

Sincerely yours,

Robert A. Laurence
Executive Officer
OME Field Team, Region V

RAL/mg
cc - Operating Committee (2)
Mr. W. J. Lynch
Mr. Charles J. Stehlik
File

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

NOV 18 1958

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mr. E. R. Lovell, President
Calumet & Hecla, Inc.
127 South Michigan Avenue
Chicago 3, Illinois

Pursuant to the provisions of Exploration Project Contract No. 1dm-[illegible], dated February 18, 1955, Docket No. DMA-1572, hereinafter called the "contract", between Calumet & Hecla, Inc. a corporation, and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Drifting on the synclinoidal Knowlton Lode of the Evergreen flow series has proved the existence of copper ores occurring within this lode.

Date: NOV 18 1958

WRGriswold/er 11-10-58
Copy to: Docket
Mr. C.A. Fredell, Dir.TES,DMS
Mr. Lamb, USBM
Mr. Killeghard, USGS
Dir. Head. File
Op. Committee
Cont. Adm & Audit Div.
Finance Office
Region V (2)
Mr. Johnson
W.R. Griswold
Chron.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Acting Director, Office of
Minerals Exploration

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

NOV 18 1958

Mr. E. A. Lovell, President
Calumet & Hecla, Inc.
122 South Michigan Avenue
Chicago 3, Illinois

Re: Docket No. DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Calumet Mine
Ontonagon County, Michigan
Contract No. 1da-2765

Dear Mr. Lovell:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. 1da-2765, dated February 10, 1955, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the certification, all minerals mined or produced from February 10, 1955, to February 10, 1967, are subject to the Government's percentage royalty as set forth in the contract until the sum of $30,639.89 is repaid.

Royalty payments should be made as in the past, but addressed to Executive Officer, OME Field Team, Region V, Room 2-B, Post Office Building, Knoxville 2, Tennessee. Checks should be made payable to the Office of Minerals Exploration.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of the settlement sheets, showing quantity and grade of the product and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 7(d), relating to the preservation of the Government's right to a percentage royalty on production. Also, if production ceases at any time for an extended period, please notify the Executive Officer at six-month intervals that such is the case.

Sincerely yours,

Frank E. Johnson

Acting Director

WRGriswold/er 11-10-58
Copy to: Docket
Mr. C.A.Fredell, Dr.TDS.BMS.
Mr. Lamb, USBM
Mr. Kiilsgaard, USGS
Dir.Read.File
Op. Committee - Mr. Johnson
Cont.Adm & Audit Div.
Finance Office
Region V(2) - WRGriswold
Chrono

Enclosure

NOV 18 1958

Mr. Clarence A. Fredell, Director
Technical Research & Development Division
Defense Materials Service
General Services Administration
Room 3034
7th and D Streets, S.W.
Washington 25, D. C.

Re: Docket No. DMA-3522 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract No. Idm-5765

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-5765.

The contract was dated February 10, 1955, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $113,110.00. Actual expenditures were $61,279.79, with the Government's share being half of such amount or $30,639.89.

The total amount of work provided for under the contract consisted of 2,000 feet of drifting and 3,300 feet of diamond drilling. The work actually done consisted of 2,000 feet of drifting and 1,493 feet of diamond drilling.

The discovery consisted of copper ores occurring within the amygdaloidal Kearsarge lode of the Evergreen flow series. The estimated ore reserve resulting from the work of exploration under the contract is 100,000 tons with an average grade of 18 pounds of copper per ton.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

WHGriswold/er 11-10-58
Copy to: Docket
Mr. Lamb, USBM
Mr. Killingsgaard, USGS
DMA Read File
Op. Committee
Cont. Adm & Audit Div.
Region V (2)
Mr. Johnson
Mr. Griswold
Chron.

NOV 18 1958

Mr. Clarence A. Fredell, Director
Technical Research & Development Division
Defense Materials Service
General Services Administration
Room 3024
7th and D Streets, S.W.
Washington 25, D. C.

Re: Docket No. DMA-3582 (Copper)
Calumet & Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan
Contract No. 1dm-2765

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. 1dm-2765.

The contract was dated February 10, 1955, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $113,110.00. Actual expenditures were $61,279.79, with the Government's share being half of such amount or $30,639.89.

The total amount of work provided for under the contract consisted of 2,080 feet of drifting and 3,300 feet of diamond drilling. The work actually done consisted of 2,080 feet of drifting and 1,493 feet of diamond drilling.

The discovery consisted of copper ores occurring within the amygdaloidal Knowlton Lode of the Evergreen flow series. The estimated ore reserve resulting from the work of exploration under the contract is 100,000 tons with an average grade of 18 pounds of copper per ton.

Sincerely yours,

Frank E. Johnson

Acting Director

WWGriswold/er 11-10-58
Copy to: Docket
Mr. Lamb, USBM
Mr. Killsgaard, USGS
BMM. Read File
Op. Committee
Cont. Adm & Audit Div.
Region V (2)
Mr. Johnson
Mr. Griswold
Chron.

Enclosures

OFFICIAL FILE COPY
DMEA

Audit's Copy

TERMINATION AGREEMENT

It is agreed this 7th day of April [illegible] between the United States of America, acting [illegible] the Department of the Interior, Bureau of Reclamation, hereinafter called the "Government", and Kaiser [illegible], Inc., hereinafter called the "Contractor", pursuant to that certain Contract No. [illegible], dated [illegible], as amended, hereinafter called the "Contract", that:

1. Effective January 1, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall compensate the Contractor [illegible] for all services performed prior to said effective date, [illegible] (a) the preparation and dissemination of reports for the use of which the Government has established, and (b) the [illegible] and publishing of reports and records.

3. The Contractor shall promptly perform all clerical and ministerial services provided for in the Contract, including the delivery of the drawings, [illegible], photographs, or other items to the use of which the Government has established prior to the publishing of the final report and final account.

4. All rights of the Government regarding certification of accuracy of development, preliminary [illegible] and items in annual payment [illegible], [illegible] of Contractor's records, accounts, [illegible], and the right to review any [illegible], are hereby preserved.

5. The Contractor hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

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

THE UNITED STATES OF AMERICA

By C. Mitterdorf
Administrator, Atomic Energy
Exploration Administration

CALDWELL & KEELA, INC.

By J. J. Crowe

Title Vice President

Audit copy

EXPLORATION PROJECT CONTRACT
CALUMET & HECLA, INC.
DOCKET NO. DMEA-3522

AMENDMENT NO. 2

It is agreed this 25th day of October, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Calumet & Hecla, Inc., that Exploration Project Contract No. Idm-8765 (Docket No. DMEA-3522), dated February 10, 1955, as amended, is further amended effective October 10, 1957, as follows:

1. In Article 3 the time fixed for completion of the work is further extended from October 10, 1957, to April 10, 1958.

2. In Article 3(b)(2), the period "twelve years" is substituted for the period "eleven years."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

CALUMET & HECLA, INC.

Sfte

By F H Cramer

Title Vice President & General Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 9, 1957

Mr. Charles Stehlik
U. S. Bureau of Mines
Houghton, Michigan

Re: DMEA-3522, Idm-E765 (Copper)
Calumet and Hecla, Inc.
Caledonia Mine
Ontonagon County, Michigan

Dear Mr. Stehlik:

Under the terms of the recess agreement signed on October 22, 1956, Calumet and Hecla agreed to begin the drilling at the Caledonia Mine on or before May 1, 1957. Will you please find out from them when they plan to begin this drilling? If they are unable to begin by May 1, we can probably obtain an extension of the recess period, but it will have to be approved by the Washington office.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/as
cc
Opr. Com. 2
Lynch
Files

EXTRA COPY
DMEA
RECEIVED
DATE | INITIALS | COPY
800

Government's copy

EXPLORATION PROJECT CONTRACT
CALUMET & HECLA, INC.
DOCKET NO. DMEA-3522

AMENDMENT NO. 1

It is agreed this 22nd day of October, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Calumet & Hecla, Inc., that Exploration Project Contract No. Idm-E765 (Docket No. DMEA-3522), dated February 10, 1955, is amended, effective October 1, 1956, as follows:

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

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

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is extended to October 10, 1957.

3. In Article 8(b)(2), the period "eleven years" is substituted for the period "ten years."

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

CALUMET & HECLA, INC.

By A. E. Petermann

Title Vice President

Mr. Chambers

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

AUG - 4 1955

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, P. O. Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-3522 (Copper)
Calumet & Hecla, Inc.
Ontonagon County, Michigan
Contract No. IDm-1765

Dear Mr. Laurence:

The purpose of this letter is to confirm our telephone conversation of August 3, 1955, in regard to the Government's contribution to drifting costs under the subject Exploration Project Contract.

You requested advice as to whether a recently received Form MF-104 claiming costs in excess of $46.45 per foot could be processed for payment without deduction of excess costs. The question has arisen as a result of the following provision in Exhibit "A" of the contract:

> "The Government will contribute to those allowable actual costs of drifting which do not exceed an average of $46.45 per foot, computed monthly. However, allowable costs which exceed said maximum unit cost of $46.45 per foot may be credited against subsequent monthly vouchers up to said maximum unit cost." (Underscoring supplied.)

Prior Forms MF-104 applicable to this contract have claimed costs considerably less than the maximum rate authorized. Therefore, it did not appear to the Field Team that it would be equitable to deduct the excess on the current claim for possible credit against subsequent vouchers when prior vouchers were available for such credit.

I advised you that it was my opinion that: (a) the purpose of the quoted provision of the Exhibit "A" was to assure that the Government did not contribute, at any time, to costs averaging in the aggregate more than $46.45 per foot; (b) that the use of the word "subsequent" appeared to be unfortunate; and (c) that for the intent and purpose of the provision the word "other" could be substituted for "subsequent". Mr. Grimsold, Chief of the Base Metals Division, has verified that this was the intent and purpose of the provision and he concurs with my opinion.

Accordingly, in the audit or review of this project, the auditor representatives of the Contract Administration and Audit Division will not take exception to costs of drifting exceeding an average of $46.45 per foot in any one month, provided that the costs are otherwise allowable and the cumulative costs do not exceed such average.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
August 4, 1955

Copy to: Docket
Admr. Reading File
Helen Miller
Mr. Selfridge
Mr. Griswold
Mr. Chambers

MME Form 14
Sept. 1958

Contract No. Idm-E) 765
XXXXX)

Docket No. DMEA) 3522
XXX)

Date of Action 10/21/58

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Additional release

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor: Calumet & Hecla, Inc.
122 South Michigan Ave.
Chicago 3, Illinois

Date of Contract	Region	State	Commodity
February 10, 1955	V	Michigan	Copper
	Reserve		Obligation
Prior Amount	0		32,120.88
Increase	0		0
Decrease	0		1,480.99
Revised Amount	0		30,639.89

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 765

Docket No. 3522

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
February 10, 1955	V	Michigan	Copper

Name and Address of Operator: Calumet & Hecla, Inc.
122 South Michigan Ave.
Chicago 3, Illinois

	Reserve	Obligation
Prior Amount	0	56,555.00
Increase	0	0
Decrease	0	24,434.12
Revised Amount	0	32,120.88

Remarks:

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

Date delivered to Bureau of Mines, Washington 8/29/58

22845

Docket No. ~~DMEA - 3522~~

Commodity ~~Copper~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 765

Date of Contract ~~or Amendment~~ Feb. 10, 1955

Name and Address of Operator:

Calumet & Hecla, Inc., a Michigan Corp.
122 South Michigan Ave.,
Chicago 3, Illinois

Amount of Government participation ____ $ 56,555.00

Percent of Government participation 50 %

Region: V State: Michigan

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

(Title)

Date Delivered to Bureau of Mines, Washington.

2/10/55

54458

Government's Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 29 1955

MF-200
(Revised June 1954)

Docket No. DMEA 3522

Commodity Copper

Contract No. Idm-E - 765

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 10th day of February, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Calumet & Hecla, Inc., a Michigan Corporation, whose mailing address is 122 South Michigan Avenue Chicago 3, Illinois, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Copper. The work to be performed is described in Exhibit "A." The Operator on or before 60 days from date of contract shall commence the work, and on or before 2 yrs. from date of contract (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $113,110.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $56,555.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O Mitchundy
Administrator, Defense Minerals
Exploration Administration

CALUMET & HECLA, INC.
(Operator)

By E R Lowell
President

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

A. E. Petermann
Assistant Secretary

[CORPORATE SEAL]

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 29 1955

EXPLORATION PROJECT CONTRACT
CALUMET & HECLA, INC.
DOCKET NO. DMEA-3522

ANNEX I

The land referred to in Article 2 of the Contract is outlined in red on a map entitled, "Plan of Exploration in Mass-Flint Steel Area, Calumet & Hecla Consolidated Copper Co. . . .February 1939 . . .Revised to May 1954," attached hereto and made a part hereof.

The land is comprised of that part of Township 50 North, Range 39 West, and Township 51 North, Range 38 West, in the County of Ontonagon, State of Michigan, which lies northeast of a vertical plane which strikes N60°W and passes through a point "A" 5,801.5 feet N 72° - 21' - 30" E of the section corner of Sections 1, 2, 11, 12, Township 50 North, Range 39 West and southwest of a vertical plane striking N 60° W which passes thru a point 2,720 feet N 30° E of the above point "A".

Exclusion From the Land

Any lode which is not a part of the Evergreen Series of lodes is excluded from the land described in this Annex I. The "Evergreen Series of lodes" is defined as those lodes lying between and including the Knowlton and Evergreen lodes.

EXPLORATION PROJECT CONTRACT
CALUMET & HECLA, INC.
DOCKET NO. DMEA-3522

Defense Minerals Administration
RECEIVED
MAR 29 1953

Exhibit "A"

Description of the Work

The purpose of the project is to explore for copper ores. The work consists of diamond drilling and drifting on the Knowlton Lode, both on the level of the Caledonia No. 4 Adit, as follows:

Extend the Caledonia No. 4 Adit a distance of 2,080 feet. This drift shall be approximately 9 feet by 9 feet in cross section. The drift shall be timbered as necessary.

3,300 feet of diamond drilling shall be done to explore parallel lodes from locations within the Caledonia Adit. The drilling shall be done with AX size bits, unless conditions make it necessary to complete some of the holes with EX size bits.

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

ESTIMATED COSTS OF THE PROJECT

Category (1) Independent Contracts [1]

3,300 feet of diamond drilling @ $5.00/ft.	$ 16,500.00

The Operator may elect to do all or part of the diamond drilling itself and in such event all schedules in Article 6 are waived, provided that the allowable actual costs may not exceed the maximum unit cost of $5.00 per foot.

The schedules of actual costs which follow below apply to drifting only. The Government will contribute to those allowable actual costs of drifting which do not exceed an average of $46.45 per foot, computed monthly. However,

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[1] The costs of supervision, assaying, and all other costs whatsoever shall be borne by the Operator without contribution by the Government.

allowable costs which exceed said maximum unit cost of $46.45 per foot may be credited against subsequent monthly vouchers up to said maximum unit cost.

Category (2) Personal Services

(a) (b) Supervision and Technical Services

2 supervisors @ $384.00/mo. each

$768.00/mo. for 16 months $ 12,288.00

(c) Labor

2 miners @ $380.46/mo. each	$ 760.92	
2 trammers @ $294.66/mo. each	589.32	
2 surface men @ $240.93/mo. each	481.86	
	1,832.10	
$1,832.10/mo. for 16 months		29,313.60

Category (3) Operating Materials and Supplies

Explosives per month	$ 715.00	
Pipe per month	276.90	
Track per month	403.00	
Small tools & misc. per month	146.90	
Power per month	217.10	
Drill steel per month	299.00	
	$ 2,057.90	
$2,057.90/mo. for 16 months		$ 32,926.40

(Gas and oil for truck is not allowable cost under this category.)

Category (4) Operating Equipment

(a) and (b) Rental and Purchases
None

(c) Depreciation

2 tram cars @ $9.00/mo. each	$ 18.00	
2 drill machines @ $9.00/mo. each	18.00	
1 Eimco loader, rate per mo.	76.67	
1 Battery locomotive, rate per mo.	100.00	
1 Compressor, rate per mo.	183.33	
1 truck (includes gas & oil) rate per month.	260.00	
	$ 656.00	
$656.00/mo. for 16 months		$ 10,496.00

Category (5) Initial Rehabilitation and Repairs

None

Category (6) New buildings, fixtures and installations

None

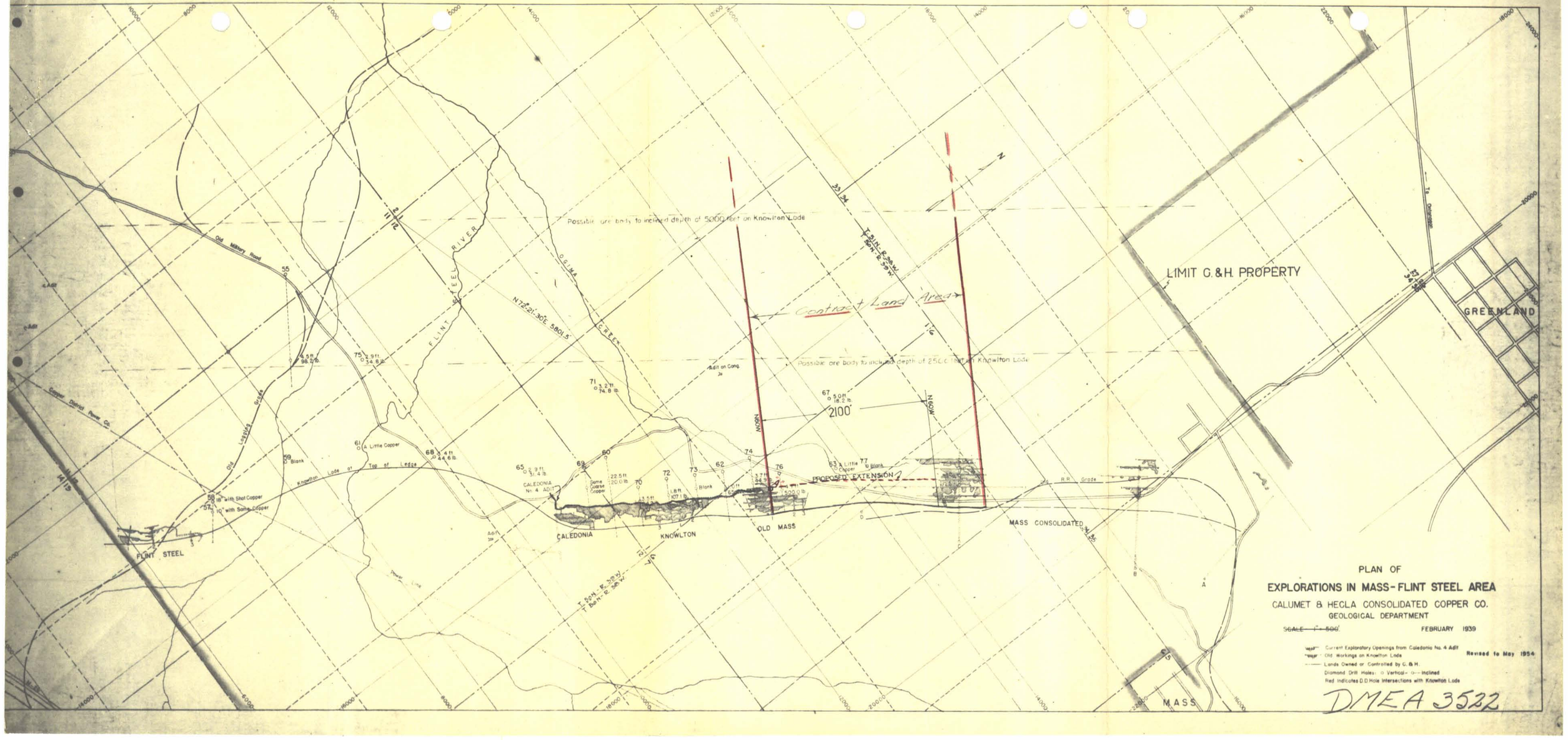
Category (7) Miscellaneous

Employers' Liability Insurance	$ 100.62	per	month
Vacation pay	104.00	"	"
Holiday pay	62.40	"	"
Health and Accident Insurance	76.96	"	"
Pay Roll Taxes	85.80	"	"
Maintenance of equipment	195.00	"	"
Telephone and telegraph	43.33	"	"
Accounting	56.00	"	"
	$ 724.11	per	month

$724.11/mo. for 16 months $ 11,585.76

Estimated Total Cost of Project (rounded to) $113,110.00

Government's participation @ 50% $ 56,555.00


PLAN OF
EXPLORATIONS IN MASS-FLINT STEEL AREA
CALUMET & HECLA CONSOLIDATED COPPER CO.
GEOLOGICAL DEPARTMENT
~~SCALE 1" = 500'~~
FEBRUARY 1939
Revised to May 1954
Current Exploratory Openings from Caledonia No. 4 Adit
Old Workings on Knowlton Lode
Lands Owned or Controlled by C. & H.
Diamond Drill Holes: o Vertical- o-- Inclined
Red Indicates D.D. Hole Intersections with Knowlton Lode
LIMIT C.&H. PROPERTY
GREENLAND
Contract Land Area
PROPOSED EXTENSION
Possible ore body to inclined depth of 5000 feet on Knowlton Lode
Possible ore body to inclined depth of 2500 feet on Knowlton Lode
2100'
N72°21'30"E 5801.5
FLINT STEEL RIVER
CREEK
Old Military Road
Old Ledges
Knowlton Lode at Top of Ledge
Copper Dispute Rivers Co.
CALEDONIA No. 4 ADIT
Adit on Cong.
Adit
Tower Line
R.R. Grade
FLINT STEEL
CALEDONIA
KNOWLTON
OLD MASS
MASS CONSOLIDATED
MASS
T. 50 N. - R. 29 W.
T. 50 N. - R. 28 W.
T. 51 N. - R. 29 W.
T. 51 N. - R. 28 W.
N60W
N60W
A Little Copper
Blank
Some Coarse Copper
10" with Some Copper
18" with Shot Copper
A Little Copper
Blank
DMEA 3522