DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 325

DMEA NO. 2485

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery - 2/6/56
- [x] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) 4/25/57
- [x] Operator's Final Report (Tab) - 2/23/57
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [x] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [x] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with transmittal, narrative and maps.

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

Folders No. 3 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

(ex)
17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E325, Docket DMEA-2485 (lead-zinc), dated June 22, 1952, with

Dale Mining Company
811 Kentland Drive
Neosho, Missouri

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Patterson, Dale, or Big Four Mine located in Newton County, Missouri, during the period February 14, 1957, through September 1, 1960.

A certification of discovery or development was issued on February 6, 1956, and, in accordance with Amendment No. 4 and Annex I of the contract, royalty is payable on all minerals 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 dated March 13, 1956, indicated accepted costs under the exploration contract amounting to $21,820.80 with the Government's contribution on a 50 percent basis being $10,910.40.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Royalty Audit Certificate which found the sales subject to the Government's royalty through February 13, 1957, to be $126,454.32. The royalty account as of February 13, 1957, was:

Total Royalty Payable	$6,322.69
Total Royalty Paid	6,322.69
Balance of Royalty Due	$ -0-

As of September 1, 1960, the royalty account of this project was found to be:

Total Royalty Payable	$6,322.69
Total Royalty Paid	6,322.69
Balance of Royalty Due	$ -0-

March 6, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Under the provisions of Annex I (which by Amendment No. 3 was substituted for Article 6 of the contract) the Operator, as principal if the producer or as surety if not the producer, is obligated to pay the Government a royalty on any mineral production from the land under the contract, as amended. The contract form contains the so-called "abandonment" provision; however, this provision was deleted by Amendment No. 4. The Operator (a partnership composed of D. P. Klepinger, 203 W. Dartmouth, Kansas City, Mo., J. A. Worley, Baxter Springs, Kans., and G. E. Klepinger, 811 Kentland, Neosho, Mo.) was in possession of the land as lessee.

The land under the contract, when originally executed, consisted of all of the NE¼ of Sec. 30, T. 25 N., R. 30 W. except ground within 250 feet of the Patterson shaft. This tract was acquired under a May 19, 1951, Mining Lease from Dennis and Mary V. Patterson, c/o First National Bank, Neosho, Mo. In connection with Amendment No. 4, which eliminated the "abandonment" provision and extended the royalty period to 12 years, the Pattersons executed an Owner's Consent to Lien dated July 2, 1955.

Amendment No. 1 added to the contract property described as the E½ of the NE¼ of the NW¼ of Sec. 20, T. 25 N., R. 30 W. This tract was leased to the Operator by Silas and Velma Clark on December 10, 1951. During 1954 the Clarks sold the property to N. R. and Bertha Sitler and, in connection with Amendment No. 4 to the contract, the Sitlers executed an Owner's Consent to Lien dated July 7, 1955.

Exploratory drilling under the contract was suspended at the end of February 1955 and never resumed. Mining operations, which were carried on concurrently with the exploratory work and resulted in the sale of 242.15 SDT of zinc concentrates and 4.30 SDT of lead concentrates, had previously been discontinued and the mine allowed to flood.

In November 1955 the mine was dewatered and rehabilitated by the Big Four Mining Company, Picher, Okla., under a lease agreement with the Operator. Thereafter, under operations which continued until September 1956, the sub-lessees produced and sold 1,157.48 SDT of zinc concentrates and 10.87 SDT of lead concentrates.

All of the aforementioned sales of production are set forth in a Royalty Audit Report and Certificate dated March 8, 1957, covering an audit of the Operator's production and sales records. Subsequent examinations of the property and inquiries disclosed no further activity during the period covered by this review.

On February 23, 1957, the Operator's executive partner (G. E. Klepinger) advised of the "surrender and complete abandonment". A subsequent check of the Newton County Circuit Court records by a Government representative found that the Operator's release to the Pattersons had been recorded and that "the ownership of the Clark /Sitler/ portion has been transferred to Patterson".

In a September 1, 1960, reply to an inquiry on MME Form 63, G. E. Klepinger, signing as secretary-treasurer, indicated that neither production nor change in property status had occurred since October 1956, but added a note: "This company is no longer operating and will never operate again. All leases have been returned to landowners".

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

(1) The files indicate that the property under the contract has been inactive during the period covered by this review;

(2) All prior production subject to royalty is covered by a Royalty Audit Report and Certificate; and

(3) 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.

Klug.
Belly

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 zinc and lead concentrates for the period June 22, 1952, to February 13, 1957, by

Dale Mining Company, a partnership consisting of
Gerald E. Klepinger, Dr. D. P. Klepinger, and Jess Worley
811 Kentland Drive
Neosho, Missouri

produced from Patterson Mine, located in Newton County, Missouri, on which royalty is due the U. S. Government under terms of Contract Idm-E325, Docket No. DMEA-2485 (Lead-Zinc), dated June 22, 1952, as amended.

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

The audit established that total sales of such concentrates for this period, subject to DMEA royalties, to be $126,454.32. Royalty due the Government at 5 percent is $6,322.69. The royalty paid and balance due are as follows:

Total Royalty Due	$6,322.69
Total Royalty Paid	6,322.69
Balance of Royalty Due	$ -0-

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

March 8, 1957

FIRST ROYALTY AUDIT REPORT

I. INTRODUCTION

On February 13, 1957, an audit was made of the production, sales, and royalty accounts and records of

Dale Mining Company, a partnership consisting of
Gerald F. Klepinger, Dr. D. P. Klepinger, and Jess Worley
811 Kentland Drive
Neosho, Missouri

pertaining to the sale of zinc and lead concentrates during the period June 22, 1952, to February 13, 1957, produced from property known as Patterson Mine located in Newton County, Missouri, on which royalty is due the U. S. Government under the terms of Contract Ldm-E325, Docket No. DMEA-2485 (Lead-Zinc), dated June 22, 1952, as amended.

The Operator's records of production and sales, consisting of memorandum work sheets and copies of settlement sheets issued by purchasers of the ore, were examined at the home of Gerald F. Klepinger, executive partner, 811 Kentland Drive, Neosho, Missouri. Clinton C. Knox, Executive Officer, DMEA Region IV, Joplin, Missouri, was present and assisted in the audit.

II. GENERAL INFORMATION

Article 6 of the exploration contract as amended by Amendments Nos. 3 and 4 provides that should the Government, within 6 months after completion or termination of the exploration project certify that a discovery or development has resulted from the work, the Operator shall be obligated to pay a percentage royalty on the net smelter returns or other net proceeds realized from the ore, concentrates, or metals produced from the land described in Article 2 within a period of 12 years from the date of the contract, until the total amount contributed by the Government, without interest, is fully repaid or said 12 years have elapsed, whichever occurs first. A certificate of discovery or development was issued on February 6, 1956.

According to a report of review in lieu of final cost audit dated March 13, 1956, prepared by E. D. Talbert, DMEA Auditor, the total accepted costs of the exploration amounted to $21,820.80, with the Government's contribution, on a 50 percent basis, being $10,910.40.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

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

(a) The Operator does not stockpile ore subject to DMEA royalty; nor are low grade ores, tailings, or middlings that may have a potential value within the royalty payment period stockpiled.

(b) Some commingling is made of production subject to DMEA royalty with production from Patterson Mine and other mines not subject to DMEA royalty. The allocation made of such commingled production is considered to be equitable and adequate royalty payments have been made to the Government.

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

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

(e) Examination indicated that the Operator has properly reported production subject to DMEA royalty.

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

B. Audit of Settlement Statements

A considerable amount of preaudit work was accomplished in the DMEA offices in Washington, D. C., Joplin, Missouri, and Bartlesville, Oklahoma, prior to the field audit. During this preaudit work a statement of royalty received was prepared from copies of settlement sheets furnished by the Operator in support of payments made to the regional DMEA Executive Officer. The royalty receipts were verified with deposits made by the regional Finance Officer. All of the data included in the statement were confirmed. This statement, which is filed as a part of my audit work papers, was reconciled with the production and sales records during the on-site audit.

Zinc concentrates produced by the Operator were sold to Matthiessen and Hegler Zinc Company, Joplin, Missouri. One sale of lead concentrates was made to Ozark Smelting and Mining Company, Joplin, Missouri, and two sales of lead concentrates were made to the Galena, Kansas, smelter of The Eagle-Picher Company. These smelters did not withhold amounts of Government royalty from settlements made with the Operator. Instead the Operator has paid the royalty due to the Government each month computed on basis of settlements received from the smelters during the month.

Mining operations on which royalty accrued and was paid to the Government occurred during two periods; namely, April to September, 1953, by Dale Mining Company and December, 1955, to September, 1956, by Big Four Mining Company. The last reported sale subject to DMEA royalty consisted of zinc concentrates sold to Matthiessen and Hegler Zinc Company on September 24, 1956, included in royalty settlement payment made in October, 1956.

During the first period production was accomplished from the portion of the mine included from Article 2 of the contract as well as from the land subject to DMEA royalty. It is the opinion of this auditor and the Executive Officer that the allocation of such production resulted in proper royalty payments to the Government. Royalty was paid on all production during the second period.

During the on-site audit, the matter of possible surrender of the Operator's lease of Patterson Mine was discussed with Mr. Klepinger. He was advised that under Article 7 of contract Idm-E325 such surrender of leasehold coupled with complete abandonment of all interest in or operations of the land would release him from the royalty obligation applicable to future production. Subsequently, it was noted that paragraph 3 of Amendment No. 4 to the contract had revised Article 7 to provide that the Operator shall not make any voluntary or involuntary transfer or conveyance of its rights in the land without making suitable provisions for the preservation of the Government's right to a percentage royalty. In a letter dated February 26, 1957, the Executive Officer so advised Mr. Klepinger.

IV. CONCLUSIONS

A summary analysis of the Operator's production and sales of zinc and lead concentrates subject to DMEA royalty follows:

Item	Net Receipts Amount	Per SDT Concentrate	Royalty Due - 5%
Period: April to September, 1953			
Zinc Concentrates			
Sold to M & H Zinc Co. 242.15 SDT	$ 17,170.51		$ 858.52
Lead Concentrates			
Sold to Ozark S & M Co. 4.30 SDT	559.47	130.11	27.97
Totals-April to Sept. 1953	$ 17,729.98		$ 886.49
Period: December 1955 to September 1956			
Zinc Concentrates			
Sold to M & H Zinc Co. 1,157.48 SDT	$106,729.78		$5,336.48
Lead Concentrates			
Sold to Eagle-Picher Co. 10.87 SDT	1,994.56	183.49	99.72
Totals-Dec. 1955 to Sept. 1956	$108,724.34		$5,436.20
Grand totals	$126,454.32		$6,322.69
Royalty Paid			6,322.69
Balance Royalty Due			-0-

The audit has confirmed the accuracy and propriety of the royalty payments received by the regional Finance Officer which are applicable to zinc and lead concentrate sales during the period June 22, 1952, to February 13, 1957.

C. F. Fisher

C. F. Fisher, Auditor

March 8, 1957

Check Sheet of Examining Engineer

Operator's Name Dale Mining Company

Address 811 Kentland Drive

Neosho, Missouri

Exploration Contract No. Idm-E325 Docket No. DMEA-2485(Pb-Zn)

	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.

*I consider that there might have been some room for doubt on the small 1953 production due to poor accounting methods but entirely unintentional; entirely equitable in 1955-56. The productive operations were disbanded September 28, 1956.

Clinton C. Knox
Clinton C. Knox
Mining Engineer

Date March 5, 1957

82448

file Cop
Surname

J. Alt
Dwyer
Appd. Sol.
Talbert
Kilsgaard
Stehlin
Martin
Fitzpatrick

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

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Pursuant to the provisions of Exploration Project Contract No. Idm-8325, dated June 22, 1952, Docket No. DMEA-2485, hereinafter called the "contract", between you 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: Churn drilling done on the Patterson and Clark leases has proven the existence of zinc-lead ores occurring as a sheet-ground type of deposit in limestone rocks.

Dated FEB 6 1956

THE UNITED STATES OF AMERICA

By C Mitchell
Administrator, Defense Minerals Exploration Administration

WRGriswold/er (1/27/56)
Copy to:
Docket
C. A. Fredell, Dr.,MD,EPS
Mr. Bishop, 3617
Mr. Kiilsgaard, 5224
Admr R. File
Op. Committee
Base Metals
Cont.Adm.&Audit Div.
Finance Office
Region IV (2)
Mr. F. E. Johnson
Mr. W. R. Griswold
Chron.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/15	Murphy	120M
7/15	Talbert	800
	Selkridge	120
7/15	Johnson	110
		100
		220

JUL 16 1964

Dale Mining Company
c/o Mr. Gerald Kiepinger
811 Kentland Drive
Neosho, Missouri

Re: IHEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-E325

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 6, 1956, all minerals mined or produced from June 22, 1952, to June 22, 1964, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm (7/15/64)
cc: Mr. and Mrs. Dennis Patterson, Route 2, Granby, Missouri
Mr. and Mrs. N. R. Sitler, Route 2, Granby, Missouri
Director's Reading File
CA&A Division
R. A. Laurence w/cy of Form 63 dated 6/22/64
Docket
120M

43683

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Copy
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REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Dale Mining Company
811 Kentland Drive
Neosho, Missouri

pertaining to Exploration Project Contract No. Idm-8325, Docket No. DMEA-2485, including Amendment Nos. 1, 2, 3, and 4, for the months of July 1952, to February 1955, inclusive, covering a project for the exploration of lead and zinc on property, known as the Patterson Mine located in Newton County, Missouri.

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

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

> all of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$21,820.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$21,820.00 Talbert

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 Ten thousand nine hundred ten and 40/100 Dollars

$10,910.40

is considered valid and proper, provided 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.

E. D. Talbert
E. D. Talbert, Auditor

March 13, 1956

Docket copy
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JUL 14 1955
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MATERIALS TECHNOLOGY
DIVISION
JUN 2 1955
BUREAU OF MINES
JOPLIN, MO.

EXPLORATION PROJECT CONTRACT
DALE MINING COMPANY
DOCKET NO. DMEA-2485

AMENDMENT NO. 4

It is agreed this 27th day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Dale Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E325, Docket No. DMEA-2485, dated June 22, 1952, as amended, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning March 1, 1955, and ending not later than December 1, 1955.

(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 further extended to June 22, 1956.

3. In Article 7 of the Contract form, that part of the second sentence beginning with the word "Provided" is deleted.

4. The maximum period for royalty payments and lien for the payment thereof, provided for in the Contract, is increased to 12 years.

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

(a) Effective March 1, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

(d) All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

(e) The Operator 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 agreement.

This agreement shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute under the provisions of the Contract.

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 P Mittendorf
Administrator, Defense Minerals
Exploration Administration

DALE MINING COMPANY

By Gerald Klopinger

Chamberlin

Robert Hoffland
Asst. Sol. Off.

J. Alt

Winfred Selfridge

B J Johnson

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Dale Mining Company
Docket No. DMEA- 2485
Contract No. Idm-E 325
Contract Date June 22, 1952

CONSENT TO LIEN

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JUL 14 1955

To the United States of America:

Referring to that certain land in the County of Newton, State of Missouri, described as follows:1/

East 1/2 of the NE 1/4 of the NW 1/4 of Section 30, Township 25 N., Range 30 W., containing 20 acres more or less,

which is the subject of ~~a proposed~~ an exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" ~~in consideration of~~ Amendment No. 4 to the contract and as an inducement to the Government to enter into it, the undersigned hereby--

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

RECEIVED
MINERALS TECHNOLOGY DIVISION
JUN 2 1955
BUREAU OF MINES
JOPLIN, MO.

~~None~~

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 7th day of July, 195 5

N R Sitler [Seal]
N. R. Sitler

[Seal]
Bertha Sitler

Bertha Sitler [Seal]

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

_____
[Corporate Seal]

MF-203
Revised March 24, 1955

RECEIVED
JUL 14 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Dale Mining Company
Docket No. DMEA- 2485
Contract No. Idm-E 325
Contract Date June 22, 1952

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Newton, State of Missouri, described as follows:1/

All of the NE¼ of Section 30, Township 25 N., Range 30 W., except ground within 250 feet of the Patterson shaft,

which is the subject of ~~a proposed~~ an exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government," ~~in consideration of~~ Amendment No. 4 to the contract and as an inducement to the Government to enter into it, the undersigned hereby--

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

RECEIVED
MINERALS TECHNOLOGY
DIVISION
JUL 12 1955

JUN 2 1955
BUREAU OF MINES
JOPLIN, MO.

BUREAU OF MINES
JOPLIN, MO.

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 2nd day of July, 1955.

Dennis Patterson [Seal]

Dennis Patterson

_____ [Seal]

Mary V. Patterson

Mary V. Patterson [Seal]

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

_____

[Corporate Seal]

cket Copy

EXPLORATION PROJECT CONTRACT
DALE MINING COMPANY
DOCKET NO. DMEA-2485

AMENDMENT NO. 3

It is agreed this 9th day of July, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Gerald E. Klepinger, D. F. Klepinger, and Jess Worley, partners, doing business as Dale Mining Company, hereinafter called the "Operator," that Exploration Project Contract I4m-K325 (Docket No. DMEA-2485), dated June 22, 1952, as amended, hereinafter called the "Contract," is further amended, effective as of June 22, 1952, as follows:

1. In Article 3 of the Contract form, the first sentence is replaced by the following:

> The Operator shall continue work on a project of exploration for lead and zinc in and upon the described lands of the Contract (as amended by Amendment No. 1), and shall bring the project to completion prior to June 22, 1955 (in lieu of June 22, 1954, provided by Amendment No. 2).

2. Annex I attached hereto and made a part hereof is substituted for Article 6 of the Contract form.

3. In Article 4 of the Contract form, delete the sums "$7,776.00" and "$15,552.00" provided by Amendment No. 2, and substitute the sums "$15,552.00" and "$31,104.00," respectively.

4. Exhibit "A" is revised to read as follows:

EXHIBIT "A"

<u>Description of the Work</u>

The objectives of the project are the determination of mineralization and the delineation of any ore runs.

The work consists of three stages.

Stage I

This stage consists of churn drilling 12 holes to a depth of approximately 270 feet each in an area between the Federal Mont and the Patterson mines, and around the Patterson mine. Tentative locations of the drill holes are shown on the map attached to the Contract entitled "Dale Mining Co., Dennis Patterson Lease in the NE¼ of Sec. 30, T. 25 N., R. 30 W., Newton County, Mo." Actual locations and depth of the holes are, however, subject to modification with approval of the Government as drilling progresses, to the extent necessary to achieve the objectives of the project.

Stage II

Twelve holes shall be churn drilled to a depth of approximately 270 feet each, 6 of which are to be located on the Patterson lease in the NE¼ of Section 30, Township 25 N., Range 30 W., and tentatively indicated on the map attached to Amendment No. 2; and 6 holes on the Clark lease in the E½ of the NE¼ of the NW¼ of Section 30, Township 25 N., Range 30 W., and tentatively located on the map attached to Amendment No. 2.

The location, direction, and inclination of all holes shall be subject to the approval of the Government.

Stage III

Twenty-four holes shall be churn drilled to a depth of approximately 270 feet each, at the tentative locations on the lands known as the Patterson and Clark leases as indicated on the map attached hereto and made a part hereof.

The location, direction, and inclination of all holes shall be subject to the approval of the Government.

Agreed Unit Costs of Project

Stage I

3,240 feet of churn drilling @ $2.40/ft.	$7,776.00

Stage II

3,240 feet of churn drilling
@ $2.40/ft. $7,776.00

Stage III

6,480 feet of churn drilling
@ $2.40/ft. 15,552.00

Agreed Estimated Total Cost of Project $31,104.00

Government Participation @ 50% $15,552.00

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mattendorf
Administrator, Defense
Minerals Exploration
Administration

Contrs
H H Kelley
Talbert

DALE MINING COMPANY

By Gerald E. Klepinger (Partner)

By P. P. Klepinger (Partner)
By G. E. Klepinger

By Jesse Worley (Partner)
By G. E. Klepinger

EXPLORATION PROJECT CONTRACT
DALE MINING COMPANY
DOCKET NO. DMEA-2485

ANNEX I

The following provisions are in lieu of Article 6:

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 the Operator has rendered the final report and final account, 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, for 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

* The period "eleven years" is substituted for the period "ten years."

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 raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. 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.

g. 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.

h. 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 mining or production operations.

i. 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.

58694

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

AUG 27 1954

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

All of the NE¼ of Section 30, Township 25 N., Range 30 W., except ground within 250 feet of the Patterson shaft.

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

2/ Dale Mining Company, a partnership consisting of Gerald E. Klepinger, D. P. Klepinger, and Jess Worley, 811 Kentland, Neosho, Missouri

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production ~~(as set forth on the reverse side hereof)~~ and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of Amendment No. 3 to said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

Dated this 29th day of June, 1954.

Dennis Patterson [Seal]
Dennis Patterson

[Seal]
Mary V. Patterson

Mary V. Patterson [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and [illegible]ed in book _____ page _____ official records of said county." If (b) is used, [illegible] and page of recordation cannot be dispensed with. If the space provided is insuf- [illegible] use an Annex, and refer to the Annex in the space.

[illegible]he name of the Operator as it will appear in the exploration project contract.

[illegible]or production from the land is not required, and in the absence of production there is [illegible]gation to repay the Government.

47318

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

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

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

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

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

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior--Duplicating Section, Washington, D. C.

MF-203.
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

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

East ½ of the NE¼ of the NW¼ of Section 30, Township 25 N., Range 30 W., containing 20 acres more or less,

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

2/ Dale Mining Company, a partnership consisting of Gerald E. Klepinger, D. P. Klepinger, and Jess Worley, 811 Kentland, Neosho, Missouri,

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production ~~(as set forth on the reverse side hereof)~~ and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of Amendment No. 3 to said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions

Dated this 29th day of June, 1954.

M R Sillen [Seal]
~~Silas Clark~~

Bertha Sillen [Seal]
~~Velma Clark~~

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

~~RELEVANT CONTRACT PROVISIONS~~

~~Repayment by Operator. a. Certification.--If at any time the Government considers that~~ a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

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

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

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

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

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production ~~operations.~~

Interior--Duplicating Section, Washington, D. C. 47318

Defense Minerals Ad
RECEIVED

Docket Copy.

EXPLORATION PROJECT CONTRACT
DALE MINING COMPANY
DOCKET NO. DMEA-2485

AMENDMENT NO. 2

It is agreed this 7th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Dale Mining Company, a partnership consisting of Gerald E. Klepinger, Dr. D P. Klepinger and Jess Worley, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E325, Docket No. DMEA-2485, dated June 22, 1952, as amended, between the parties hereto, be further modified and amended as follows:

1 This amendment shall be effective as of August 28, 1953.

2 To the description of land in Article 2, the following is added: The E½ of the NE¼ of the NW¼ of Section 30, Township 25 N., Range 30 W., in Newton County, State of Missouri, known as the Clark lease, and containing 20 acres more or less.

3. In Article 3, the first sentence is replaced by the following: The Operator shall continue work on a project of exploration for lead and zinc in and upon the described lands and shall bring the project to completion prior to JUNE 22, 1954.

4. Exhibit "A" is revised to read as follows:

EXHIBIT "A"

Description of the Work

The work is to consist of two stages.

Stage I

The exploration project is to consist of churn drilling 12 holes to an average depth of 270 feet in an area between the Federal Moss and the Patterson Mines, and around the Patterson Mine. The objectives of the project are the determination of mineralization and the delineation of possible ore runs.

Tentative locations of the drill holes are shown on the map attached to the Exploration Project Contract entitled "Dale Mining Co. Dennis Patterson Lease in the NE¼ of Sec. 30, T 25 N., R. 30 W., Newton County, Mo." Actual locations and depth of the holes are, however, subject to modification with approval of the Government as drilling progresses to the extent necessary to achieve the objective of the project.

Stage II

Twelve holes shall be churn drilled to an average depth of 270 feet, six of which are to be located on the Patterson Lease in the NE¼ of Section 30, Township 25 N., Range 30 W., and tentatively indicated on the attached map; and six holes on the Clark Lease in the E½ of the NE¼ of the NW¼ of Section 30, Township 25 N., Range 30 W., and tentatively located as indicated on the map attached hereto and made a part hereof.

The location, direction and inclination of all holes shall be subject to the approval of the Government.

Agreed Unit Costs of Project

Stage I

3,240 feet of churn drilling @ $2.40/ft. $7,776.00

Stage II

3,240 feet of churn drilling @ $2.40/ft. 7,776.00

Total Agreed Unit Cost of Project	$15,552.00
Government Participation @ 50%	$ 7,776.00

Executed in sextuplicate the day and year first above written.

UNITED STATES OF AMERICA

By C. F. Mattesson
Administrator, Defense Minerals Exploration Administration

DALE MINING COMPANY

By G. E. Klepinger Partner
Oil Kan Partner

By D. P. Klepinger Partner
Chamber

By J. A. Worley Partner

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

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

All of the Northeast Quarter (NE¼) of Section 30, Township 25 North, Range 30 West, except ground within 250 feet of the Patterson shaft.

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

2/ Dale Mining Company, a partnership consisting of Gerald E. Klepinger, Dr. D. P. Klepinger, and Jess Worley
811 Kentland, Neosho, Missouri Phone Neosho ~~974-W~~ 1567

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

Dated this 29 day of Oct, 1953.

Dennis Patterson [Seal]
Mary Vivian Patterson [Seal]
_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

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

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

APR 14 1953

Docket Copy

EXPLORATION PROJECT CONTRACT
DALE MINING COMPANY
DOCKET NO. DMEA-2485

AMENDMENT NO. 1

It is agreed this 11th day of April, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Dale Mining Company, a partnership consisting of Gerald E. Klepinger, Dr. D. F. Klepinger, and Jess Worley, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E325, Docket No. DMEA-2485, dated June 22, 1952, between the parties, hereto be modified and amended as follows:

1. This amendment shall be effective as of June 22, 1952.

2. To the description of land in Article 2, the following is added: The E½ of the NE¼ of the NW¼ of Section 30, Township 25N, Range 30W, in Newton County, State of Missouri, and containing 20 acres more or less.

3. In Article 3, the first sentence is replaced by the following: The Operator shall continue work on a project of exploration for lead and zinc in and upon the described land and shall bring the project to completion prior to November 1, 1953.

4. In Article 4, the figures $3,888.00 and $7,776.00 are changed to $7,776.00 and $15,552.00 respectively.

5. Exhibit "A" is revised to read as follows:

EXHIBIT "A"

Description of the Work

The work is to consist of two stages.

Stage I

The exploration project is to consist of churn drilling 12 holes to an average depth of 270 feet in an area between the Federal Moss and Patterson Mines, and around the Patterson Mine. The objectives of the project are the determination of mineralization and the delineation of possible ore runs.

Tentative locations of the drill holes are shown on the map attached to the Exploration Project Contract entitled "Dale Mining Co. Dennis Patterson Lease in the NW¼ of Sec. 30, T.25N., R30W, Newton Co., Mo." Actual locations and depth of the holes, are, however, subject to modification with approval of the Government as drilling progresses and to the extent necessary to achieve the objective of the project.

Stage II

Twelve holes shall be churn drilled to an average depth of 270 feet as tentatively indicated on the map attached hereto and made a part hereof and entitled "Patterson Lease in the NW¼ of Sec. 30, T25N, R30W, Newton County, Mo." The total amount of drilling shall not exceed 3,240 feet.

The location, direction and inclination of all holes shall be subject to the approval of the Government.

Agreed Unit Costs of Project

Stage I

3,240 feet of churn drilling @ $2.40 per foot $7,776.00

Stage II

3,240 feet of churn drilling @ $2.40 per foot 7,776.00

Total Agreed Unit Cost of Project $15,552.00

Government Participation @ 50% $ 7,776.00

Executed in sextuplicate the day and year first above written.

DALE MINING COMPANY

By Gerald Klepinger
Partner

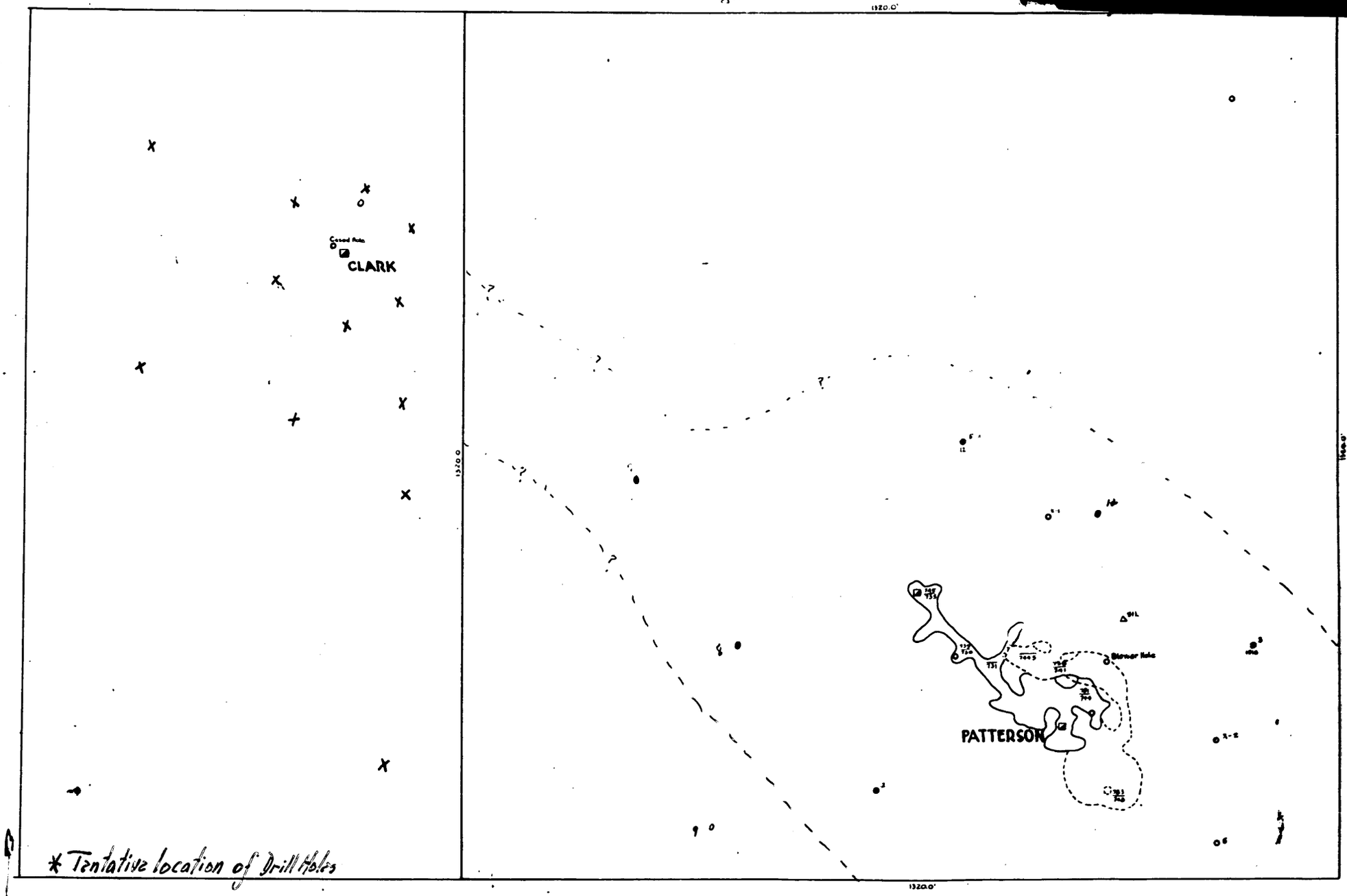
By Dr. J. P. Klepinger
Partner

By Jess Worley
Partner

UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

Elaine Hoffland
Chandler



PATTERSON LEASE

in the NW ¼ of Sec. 30, T25N, R34W
Newton County, Mo

Scale 1" = 100' January, 1953

WILLIAM M. STEWART ENG. CO.
Joplin, Mo.

Dale Mining Company
DMCA-2465

Docket Copy

APR 14 1953

MF-203

OWNER'S CONSENT TO LIEN

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

East ½ of N E ¼ of N W ¼

Sec. 30; T. 25; R. 30 containing 20 acres, more or less

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

2/ Dale Mining Company, a partnership consisting of

Gerald E. Klepinger, Dr. D. P. Klepinger, and Jess Worley

611 Kentland, Neosho, Missouri Phone Neosho 974-W

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 7,776.00, or ten years have elapsed from the date of the contract.

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

Dated this 11th day of April, 1953.

Silas Clark [~~Seal~~]

Velma Clark [~~Seal~~]

[~~Seal~~]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-200 (A)
(February 1952)

Docket No. DMEA 2185

Commodity Lead-Zinc

Docket copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 22nd day of June, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Dale Mining Company, a partnership consisting of Gerald E. Klepinger, Dr. D. P. Klepinger, and Jess Werling 321 Kentland, Neosho, Missouri Phone Neosho 974-W

hereinafter called the "Operator," as follows:

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

Article 2. *Operator's property rights.*—With respect to that certain land situated in the State of Missouri, County of Barton, described as follows:[3]

All of the Northeast Quarter (NE¼) of Section 30, Township 25 North, Range 30 West, except ground within 250 feet of the Patterson shaft.

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

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

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

Article 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Lead-Zinc

in or upon the described land; and shall bring the project to completion within a period of eight (8) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

Article 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay fifty (50) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $3,888.00, which is 50 percent of $7,776.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

DALE MINING COMPANY

By Gerald E. Klepinger
Partner (Operator)

By D. P. Klepinger
Partner

By J. A. Mosley
Partner

THE UNITED STATES OF AMERICA

By O. D. Mitteeday

Acting Administrator
Defense Minerals Exploration
Administration

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT

Dale Mining Company, a Partnership

Docket No. DMEA 2685

EXHIBIT "A"

Description of the Work

The exploration project is to consist of churn drilling 12 holes to an average depth of 270 feet in an area between the Federal Mass and Patterson Mines, and around the Patterson Mine. The objectives of the project are the determination of mineralization and the delineation of possible ore runs.

Tentative locations of the drill holes are shown on the attached map. Actual locations and depth of the holes are, however, subject to modification with approval of the Government as drilling progresses and to the extent necessary to achieve the objective of the project.

Estimate of Costs

3,240 feet of churn drilling @ $2.40 per foot.....$7,776.00

MF-203

OWNER'S CONSENT TO LIEN

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

All of the Northeast Quarter (NE¼) of Section 30, Township 25 North, Range 30 West, except ground within 250 feet of the Patterson shaft.

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

2/ Eagle Mining Company, a partnership consisting of

Donald S. Chapman, Dr. D. P. Chapman, and Jesse Lewis

Oil Rockland, Joplin, Missouri Home Rocks 2Wh-7

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 3,888.00, or ten years have elapsed from the date of the contract.

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

Dated this 8 day of _____, 195 ___.

Dennis Patterson [Seal]

Mary V. Patterson [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2485
Metal or Mineral
Date Received 4-15-52
Amount $
Participation (Government %)

Dale Mining Company

811 Kentland
Neosho, Missouri

Name and address of applicant

Date April 12, 1952

If you have already filed MF-100, give date filed May 29, 1951, type of assistance requested ,

DMA Docket Number (if available)

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. (Attached)

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. (Attached)

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. (Attached)

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area. (Both areas same)

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. (Attached)

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
RECEIVED
APR 15 1952

2. (*a*) What metals or minerals do you expect to find? (Zinc and Lead)

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

(Attached)

16—64067-2

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project. (Attached)

   (*b*) State the time required to start the project and to complete it. (Six months)

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc. (Attached)

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition. (Does not apply)

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item. (Does not apply)

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented (None)

   (*b*) Purchased (None)

   (*c*) Furnished by you (None, Drilling to be contracted)

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each. (None, Job to be contracted)

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above. (Attached)

10. (*a*) How much are you prepared to invest in the proposed project? (Fifty per cent- 50%)

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)? (Yes)

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. (None)

CERTIFICATION

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

Dale Mining Co. (Name of company)

By Gerald Keplinger (Signature of authorized official)

April 12, 1952 (Date)

Owner (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

DMEA-2485

MINE VALUATIONS
MINE AND LAND SURVEYS
DRAFTING

REGISTERED PROFESSIONAL ENGINEER
MISSOURI No. E-831 OKLAHOMA No. 448
MEMBER A. I. M. & M. E.

PHOTO-COPIES
BLACK LINE PRINTS
BLUE PRINTS
DISTRICT MAPS

WILLIAM M. STEWART ENGINEERING CO.
MINING AND CIVIL ENGINEERS
40 YEARS EXPERIENCE IN TRI-STATE DISTRICT
216 WEST THIRD STREET
PHONE 11
JOPLIN, MISSOURI

April 11,1952

Dale Mining Company
811 Kentland
Neosho, Missouri

Gentlemen:

Pursuant to your request, I have analized and classified all the available data relative to your mine and lease situated in the Granby Mining district and herewith submit my report thereon:

This deposit has not been adequately explored. Therefore from the examinations of the property, we feel this area warrents drilling and it appears that a relatively small drilling program would extend the existing ore body.

The ore in this district consists of Lead Sulphide, Zinc Sulphide and Codium Sulphide.

The Lead Sulphide

The lead sulphide (PbS) in this area occurs chiefly in cubic crystals usually in aggregrates weighing up to several pounds, while the gangue material has been removed from the ore the concentratesis a very high grade Galena containing about 84% metal, the zinc sulphide (ZnS) in this area occurs in rosin colored crystals, in irregular shaped particles dissiminated through the flint, and limestone. The zinc sulphide also carries codium sulphide in this area, it occurs as a bright yellow coating on the surface and along some of the cleaverage planes of zinc sulphide, this ore adds approximately ten($10.00) dollars to twelve($12.00) dollars per ton to zinc on long term contracts.

History

Mining was started in Granby about 1853, thus making Granby one of the oldest mining camps in the Tri-State Zinc & Lead District, (Kan., Mo., & Okla.). One of the largest operations was started in 1865, when the Granby Mining and Smelting Company was organized The lease in question lies in ALL THE NE¼ SEC.30, T-25N,R-30W, NEWTON COUNTY, MISSOURI.
The mine was first operated by the St. George Mining Company in 1925, the decline in the prices of Concentrates in 1927 made it

Continued

MINE VALUATIONS
MINE AND LAND SURVEYS
DRAFTING

REGISTERED PROFESSIONAL ENGINEER
MISSOURI No. E-831 OKLAHOMA No. 448
MEMBER A. I. M. & M. E.

PHOTO-COPIES
BLACK LINE PRINTS
BLUE PRINTS
DISTRICT MAPS

WILLIAM M. STEWART ENGINEERING CO.
MINING AND CIVIL ENGINEERS
40 YEARS EXPERIENCE IN TRI-STATE DISTRICT
216 WEST THIRD STREET
PHONE 11
JOPLIN, MISSOURI

necessary to suspend operations in 1925 pending a better market for the ore. The St. George Mining Company operations was at the 271 ft. level, which was below the ore Horizon. The property was dormant until the present operators pumped the water and started mining in 1951. The mine was unwatered to the 271 ft. level with a good showing of ore as outlined on the accompanying map. We have spotted what we beleive to be the logical places to drill on this lease from a study of the underground workings. Therefore we are recommending that the holes be drilled on this property, and that this drilling would undoubtly result in the discovery of considerable additional tonnages; Based on the evidence from examinations of the Federal Moss and the 260 ft. level of the Patterson Mine. While we have spotted 12 churn drill holes, the location of the proposed holes after the first six(6) holes have been drilled would be changed as warrented by the evidence shown in the first six(6) holes. The present recovery on the 260 ft. level is 3. 5% ZnS and 0.5 % PbS, on a present price and 6% Rajally this gives gross value to the operator of $5.92 per. rock ton. We estimate the cost of this exploration as follows:

EXploration Costs

12 holes 270 ft. deep = 3,240 ft. @ $2.00 per.ft. $6,480.00
Engineering Consulting 2 days per .mth. @ $50.00 per.da. $300.00
Supervision, Engineering, Sampling(this includes drill hole locations, elevations, lan lines, drafting, maps, etc.) $1,372.00

Total cost Project $8,152.00

Respectfully Submitted

William M. Stewart Engineering Co.

By _____
Mining Engr.

GWL;ld
ENC:

VIA AIR MAIL

Operating Committee
Defense Minerals Exploration Admin.,
Department of the Interior,
Washington 25, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

RECEIVED
JUL 26 1956

PROJECT SUMMARY REPORT

By: J. W. Alt July 16, 1956

1. Docket No. DMEA-2485 (Lead-Zinc)
Contract No. Idm-E325
Property: Patterson Mine
Newton County, Missouri

Operator: Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Operator's Property Rights: Lessee
Mining Lease - Dennis & Mary V. Patterson, dated May 1951.
Mining Lease - Silas Clark, dated December 10, 1951.
Owner's Consent to Lien - Dennis & Mary V. Patterson, not dated.
Owner's Consent to Lien - Silas & Velma Clark, dated April 11, 1953.
Owner's Consent to Lien - Dennis & Mary V. Patterson, dated October 29, 1953.
Consent to Lien - Dennis & Mary V. Patterson, dated July 2, 1955.
Consent to Lien - N. R. & Bertha Sitler, dated July 7, 1955.

2. Contract dated June 22, 1952.
To complete - Eight months.

Work Authorized: (Short Form Contract)

The exploration project is to consist of churn drilling 12 holes to an average depth of 270 feet.

Estimate of Cost

3,240 feet of chrun drilling @ $2.40 per foot	$7,776.00
Government's participation at 50%	$3,888.00

Amendments

No. 1 Effective date June 22, 1952.

The work is to consist of two stages.

Stage I

The work as proposed under the terms of the contract.

Stage II

Twelve holes to be drilled to an average depth of 270 feet on the Clark Lease.

Agreed Unit Costs of Project

Stage I

3,240 feet of churn drilling @ $2.40 per foot	$ 7,776.00

Stage II

3,240 feet of churn drilling @ $2.40 per foot	$7,776.00
Total Agreed Unit Cost of Project	$15,552.00
Government's participation @ 50%	$ 7,776.00

No. 2 Effective date August 28, 1953.

Extends completion time to June 22, 1954.

Changes Stage II of Amendment No. 1 - Twelve holes are to be churned drilled, six to be located on the Patterson lease and six holes on the Clark lease. No change in costs.

No. 3 Effective date June 22, 1952.

Extends completion time to June 22, 1955.

Stages I and II remain the same as in Amendments Nos. 1 and 2.

Stage III - Twenty four holes shall be churn drilled to a depth of approximately 270 feet on the Patterson and Clark leases.

Amendments (Continued)

No. 3 (continued) Agreed Unit Costs

Stage I

3,240 feet of churn drilling @ $2.40/ft.	$ 7,776.00

Stage II

3,240 feet of churn drilling @ $2.40/ft.	$ 7,776.00

Stage III

6,480 feet of churn drilling @ $2.40/ft.	$15,552.00
Agreed Estimated Total Cost of Project	$31,104.00
Government Participation @ 50%	$15,552.00

No. 4 Dated May 27, 1955.

Recess work of project from March 1, 1955 and ending not later than December 1, 1955.

Extends completion time to June 22, 1956.

Increases royalty payment period to 12 years.

If work is not resumed on December 1, 1955, Contract is automatically terminated as of March 1, 1955.

Work Completed

9,092 feet of churn drilling @ $2.40/ft. 34 holes were completed, 28 on the Patterson lease and 6 on the Clark lease.	$21,820.00

Work on the project was started on July 15, 1952. Project was automatically terminated on March 1, 1955, when Operator failed to resume operations on December 1, 1956.

3. Audit Certificate (Report of Review) dated March 13, 1956.

Total Cost as billed by Contractor	$21,820.80
Exceptions - None	---------
Total accepted cost of the project	$21,820.80
Government's participation, 50%	$10,910.40

Operator's final report dated February 23, 1956.
Final Field Team report dated March 29, 1956.

4. Certification date February 6, 1956.

The discovery consisted of zinc-lead ores occurring as a sheet-ground type of deposit in limestone rocks. The ore reserve indicated as a result of such work consisted of 240,000 tons with an average grade of 3.0 per cent zinc and 0.1 per cent lead.

5. Comments

The project results were reasonably satisfactory considering that the Operator had never conducted an exploration program.

Marginal sheet-ground type ore was indicated by 15 of the total 35 holes drilled by the Operator (Costs of hole No. 22 were disallowed under the contract) which, as estimated in the Interim Field Team Report (dated May 6, 1955) upon discontinuance of the project work, amounted to about 240,000 tons of indicated reserves, averaging about 3.00 per cent zinc and 0.10 lead; additional extensions of these reserves were inferred from the drilling data which showed 11 of the other holes penetrated less significant zinc-bearing strata than the 1½ per cent cutoff grade used for calculating the indicated reserves. The important indicated reserves are in chertified areas of the Reeds Spring formation, ranging to 273 feet below the surface; on flanks of the indicated slight structural basins occupied by those important-appearing reserves some obviously spotty ore is indicated and inferred as shallow as 215 feet below the surface in the Grand Falls chert strata.

The Field Team states: "Additional exploration and development is warranted, financed either privately or in part by the Government."

J. W. Alt

J. W. Alt

JWAlt/er 7/17/56
Copy to: Docket
Base Metals
Chron.

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: Dale Mining Company		Actual Cost	
State: Missouri		Agreed Unit Cost	x
Final Report of Audit		Commodity: Lead-Zinc	Docket No. DMEA-2485
Final Report of Review	x		Contract No. Idm-E325

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling Churn (Specify)	12,960' @ $2.40	$31,104.00	9,092'	$21,820.80	$21,820.80
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 31,104.00		$21,820.80	* $ 21,820.80

* Net cost total must agree with final report of audit or review.

Prepared by W. P. Klugescheid/er Date 4/1/58

31390

Recd for Review

☒ Audited 3/13/56. WO[illegible] ANALYSIS SHEET - DMEA PROJECT [illegible] ☐ Actual Cost

☒ Certified 2/6/56. Analysis as of 4/11/55. ☒ Agreed Unit Costs

Incl. Voucher for February 1955

Name DALE MINING COMPANY. Docket No. 2,485

State MISSOURI Commodity LEAD-ZINC. Idm-E No. 325

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Churn	12,960' @ 2.40	$31,104.00	9,092'	$21,820.80	$21,820.80
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$31,104.00		$21,820.80	$21,820.80

Total Royalties to 2/29/56 $ 2,309.04

Completions extended to 6/22/55.

Amend. #3. Incorporated, → Check audit

Amend #4. Recess 3/1/55 – 12/1/55. completions date 6/22/56.

Field Team Final Report received. 4/3/56.

Automatic Termination under Amend. #4 – Dec. 1, 1955.

Expiration date of Royalty Payments. June 22, 63.

Prepared by O. R. Rheuscher

Ore Reserves:

Indicated: 240,000 tons @ 3% Zn + 0.10% Pb taking 1½% Zn cutoff and 7' thickness.

Operator's Final Report received.

Project Summary Report written.

Royalty Payments to date $4,866.65 6/20/56.

71626

Agreed Unit Costs

E-325

Dale Mining Co. — Missouri — 2,485

Amend #1 + 2. Stage I (Orig. Contract)

3,240' Churn Drilling @ 2.40 $7,776.00

Stage II

3,240' Churn Drilling @ 2.40 7,776.00

Amend III

adds $15,552.00

Stage III

6,480' Churn Drilling @ 2.40 15,552.00

$ 31,104.00

February 1955 Spent

9,092' Churn Drilling @ 2.40 $21,820.80

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/15	Murphy	120M
7/15	Talbert	800
	Selfridge	120
7/15	Jones	110
		100
		220

JUL 16 1964

Mr. and Mrs. Dennis Patterson
Route 2
Granby, Missouri

Re: DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-E325

Dear Mr. and Mrs. Patterson:

Thank you for returning the completed Form 63's mailed to you on June 22, 1964.

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien signed by you on July 2, 1955, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (7/15/64)
cc: Director's Reading File
Region IV - Mr. R. A. Laurence
Docket
120M

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/13	Murphy	120M
7/25	[illegible]	8000
	[illegible]	120
7/15	Johnson	110
	[illegible]	100
		220

JUL 16 1964

Mr. and Mrs. N. R. Sitler
Route 2
Granby, Missouri

Re: DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-K325

Dear Mr. and Mrs. Sitler:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien signed by you on July 7, 1955, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
7/15/64
cc: Director's Reading File
R. A. Laurence
Docket
Code 120M

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/8	GCS	120
		225

MAR 8 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-E325

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

George C. Selfridge (246)

Enclosure

GCSelfridge/hb (3/8/62)
cc to: Docket DMEA-2485
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, Region IV, w/cy of Report of Royalty Review dtd 3/6/62 & orig. cy of memo dtd 3/6/62 to Chf., Div. of Field Operations from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

MAR 6 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMFA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-5325

Enclosed are the original and two copies of a Report of Royalty Review 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; and

(b) Two copies to Region IV files.

This report is for OMB record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of the report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 3-6-62

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/27	Griswold	500
11/27	Taffuto	800
11/27	Lodge	120
11	Johnson	110
11-27	Fumich	100
11/28	gad	220

NOV 2 8 1961

Mr. Gerald E. Klepinger 811 Kentland Drive

Neosho, Missouri

Re: DMEA-2485 (Lead-Zinc)
Dale Mining Company (a partnership)
Patterson Mine
Newton County, Missouri
Contract Idm-E325

Dear Mr. Klepinger:

If known to you, would you be kind enough to provide us with the address of N. R. Sitler and Bertha Sitler, and of Dennis Patterson and Mary V. Patterson, who executed the Consents to Lien pertaining to the referenced project contract.

In this same connection, you stated in your notation of September 1, 1960, that the Dale Mining Company was out of business and all leases had been returned to the owners.

You had already advised us of this on February 23, 1957, and under date of February 26, 1957, Mr. Clinton C. Knox advised you that the partnership (which obviously includes all partners, individually and collectively) would remain responsible, as surety, for the payment of royalties on production from the land in question, even if you were not the producer.

Sincerely yours,

George Fumich, Jr.

Director

WRGriswold/gla 11-24-61
Rewritten: 11-27-61
cc to: Director's Reading File
Region IV
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/24	Griswold	500
		800
		120
		110
		100
		220

Mr. Gerald E. Klepinger

Neosho, Missouri

Re: DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-E325

Dear Mr. Klepinger:

If known to you, would you be kind enough to provide us with the address of N. R. Sitler and Bertha Sitler, and of Dennis Patterson and Mary V. Patterson, who executed the Consents to Lien pertaining to the referenced project contract.

In this same connection, you stated in your notation of September 1, 1960, that the Dale Mining Company was out of business and all leases had been returned to the owners.

You had already advised us of this on February 23, 1957, and under date of February 26, 1957, Mr. Clinton C. Knox advised you that the partnership (which obviously includes all partners, individually and collectively) would remain responsible for the payment of royalties on production from the land in question, ~~should such royalty obligations not be met by the producers or the owners of the land~~.

Sincerely yours,

Director

WRGriswold/gla
11-24-61
cc to: Director's Reading File
Region IV
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/24	Talbert	800
		120
		110
		100
		220

October 24, 1961

Memorandum to the File

From: W. R. Griswold, Chief, Division of Minerals

Subject: DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-E325

Reference is made to the November 8, 1961, memorandum of Mr. Talbert to the effect that:

(1) Form 63 should be sent to the people who executed Consents to Lien.

No addresses are available in the docket.

(2) A letter should have been sent to each of the Dale Mining Company partners upon receipt of a notation on Form 63, received September 1, 1960.

This matter was fully covered in a February 26, 1957, letter by Clinton C. Knox to Gerald Klepinger, advising the partnership of continuance of royalty responsibility, regardless of whether or not the leasehold was maintained.

The September 1, 1960, notation to which Mr. Talbert refers contains no information which was not conveyed to us by Mr. Klepinger in his letter of February 23, 1957. This letter was replied to promptly by Mr. Knox in a proper and comprehensive manner.

W. R. Griswold

43683

Mr. Selfridge:

In re DMEA-2485, Dale Mining Co., I believe it is time for Form 63 to be sent to the landowners, the Sitlers and Pattersons, who executed Owner's Consents to Lien on 6/29/54.

Also, a letter should go to each of the Dale partners advising that, regardless of operating status, the partners individually and collectively are surety for royalty under provisions of Annex I attached to Amend. No. 3. (This should have been done on receipt of 9/1/60 reply on Form 63).

Incidentally, the landowners apparently were not notified of certification.

Talbut
11/8/61

Reg. IV

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: ACTING Field Officer, OME
Region IV
Washington 25, D. C.

Concerning:
Docket No. DMEA-2485
Property Dale Mining Company

Location Newton County, Missouri
Contract Idm-E325

Date: August 29, 1960

Dale Mining Company
811 Kentland
Neosho, Missouri

This company is no longer operating and will never operate again. All leases have been returned to landowners.
G.K.

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return one copy to this office with copies of any pertinent documents.

ACTING Field Officer Lawrence L. Hoch

1. Since Oct. 18, 1956, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☑

2. Since Oct. 18, 1956, has there been any production from the property?* Yes ☐ No ☑

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

Submitted by:

Name Gerald Klepinger Title Sec. Tres.

Address Neosho, Mo. Date 9-1-60

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/5	Hoch	124
5/5	Selfridge	120
"	Johnson	110
5-5	gad	220

MAY 5 1960

REGION IV

Mr. R. K. Stroup
P.O. Box 308
Baxter Springs, Kansas

Re: DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract Idm-E325

Dear Mr. Stroup:

Reference is made to your letter of April 29, 1960, addressed to Mr. Robert A. Laurence, former Executive Officer, Region V, and referred to me for reply. Following are answers to your four questions:

1. The official records on docket DMEA-2485 in your custody may not be made available to the landowners. This information is for the use of the Government only and there are no procedures for removing the restrictions.

2. The amount still due the Government is $4,587.71.

3. The Government lien against the property expires June 22, 1964.

4. The Clark lease (E½ of NE ¼ of NW¼ of Sec. 30, T. 25 N., R-30W) is included in the contract area.

Sincerely yours,

Acting Field Officer

LGHouk/fw-5/4/60
cc: Docket
CA&A Division
Chron.
Reg. IV

43683

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 2, 1960

Memorandum

To: L. G. Houk, Acting Field Officer, Region IV

From: R. A. Laurence, Knoxville, Tennessee

Subject: DMEA-2485, Idm-E325 (lead-zinc), Dale Mining Company, Patterson Mine, Newton County, Missouri

The enclosed letter from R. K. Stroup, concerning the subject contract is being referred to you for reply. From documents and correspondence in the former Joplin files, I would assume the following answers to Mr. Stroup's question to be correct:

1. Can't be done.
2. $4,587.71 (letter, Knox to Piper, 12-4-56).
3. June 22, 1964 (item 4, amendment 4).
4. Clark lease (E$\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 30, T. 25 N., R-30W) was included by terms of item 2, Amendment 2, dated 10-7-53.

Robert A. Laurence

Robert A. Laurence

Enclosures

Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 1, POST OFFICE BLDG.
KNOXVILLE 2, TENNESSEE

May 2, 1960

Mr. R. K. Stroup
P.O. Box 308
Baxter Springs, Kansas

Re: DMEA-2485 (lead-zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Stroup:

Your letter of April 29 is being referred to Mr. Lawrence G. Houk, Acting Field Officer, Region IV, Office of Minerals Exploration, Washington 25, D. C., for reply. The former Field Team, Region V was superseded on April 18, 1960 by the Acting Field Officer, Region IV, and all inquiries concerning DMEA and OME in this region should now be directed to him.

Sincerely yours,

Robert A. Laurence

RAL/zm
Knox
Files

Post office Box 308.
Baxter Springs Kansas.
April 29 1960.

Mr. Robert A. Laurence, Executive Officer.
Office of Mineral Exploration.
Room 13 Federal Building.
Knoxville 2 Tenn.

Dear Mr. Laurence:

Reference is made to Docket DMEA-2485 concerning the prospecting by the Dale Mining Co. on the Patterson and Clark lands near Aroma, Newton County Mo. You have seen copies of some correspondence between Clint Knox and myself on this matter. I as custodian of the Bureau of Mines records remaining in the Joplin have been asked by the landowner to furnish that data to some interested parties. Since that time however the former operator has made his files available.

The county court records now show that the release given by the Dale Mining Co. to Mr. Patterson has been recorded and that the ownership of the Clark portion has been transfered to Patterson. There is no record of the goverments lien against the property on record.

The land owner and other interested parties would like to be clear on the following points and Mr. Knox has suggested that we contact you.

1- what steps would be required to remove all restrictions on this file making the information available at the land owners request?

2- what is the amount still due to the government?

3- what is the date which this obligation will expire?

4- Does all the above points include the Clark or was it a seperate contract?

We will greatly appreciate this information.

Very truly yours,
R.K.Stroup
R.K.Stroup.

RECEIVED
MAY 2 - 1960
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

Box 431
Joplin, Missouri
March 14, 1957

3/18 C 226
3/19 6 E.E. 1800
225

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

In accordance with the stated intent when Mr. Fisher and I conferred with you and examined your production records February 13, forwarded herewith is your copy of the First Royalty Audit Certificate and Report as received yesterday from the Washington Office of DMEA.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

encl.

cc: DMEA Op.Com.(2)
2485 file

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

Box 431
Joplin, Missouri
March 14, 1957

RECEIVED MAR 18 1957

	INITIALS	CODE
3/18	C	220
3/19	EEF	800
		225

Mrs. Cora A. Piper, Regional Fiscal Officer
U. S. Bureau of Mines
206 Federal Building
Bartlesville, Oklahoma

Re: DMEA-2485 (lead-zinc)
Dale Mining Company
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mrs. Piper:

Furnishing you with the original of the First Royalty Audit Certificate and Report, enclosed herewith for your files on the cited Project Contract, signifies my concurrence with the findings set forth therein.

One copy has been furnished to the subject Operator and another retained in the Field Team file here.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team Region IV

encl. (2) w/c encl.let.

cc: DMEA Op.Com.(2)
2485 file

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/11	Fisher	800
3/12	C	220
/		225

MAR 11 1957

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
P. O. Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idn-E325

Dear Mr. Knox:

Enclosed herewith are the original and two copies of First Royalty Audit Certificate and Report pertaining to the above-cited project.

If you concur with the findings therein, the original should be forwarded to the Regional Finance Officer for filing with the contract, one of the copies should be furnished to the Operator, and the other copy should be retained in your files.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

CEFisher/wb
March 11, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Mo.

March 5, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 7 1957

DATE	INITIALS	CODE
3-8	C	220
3-8	JWA.	500
		225

Mr. C. E. Fisher, Auditor
DMEA Contract Administration
and Audit Division
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA--2485(Lead-Zinc)
Contract No. Idm-E325
Dale Mining Company
Newton County, Mo.

Dear Mr. Fisher:

Thanks for your letters of February 20 and 26, respectively calling my attention to "Provided" clause deleted by Amendment #4 to the subject contract, and the erroneous impression given in my check sheet for you for the royalty audit on that contract.

The original and three copies of my corrected check sheet are enclosed.

Sincerely yours,

Clinton Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Reg. IV

CCK/jd

encl. 4

cc: DMEA Op.Com.
2485 File(2)

OFFICIAL FILE COPY DMEA RECEIVED MAR 1 1957		
DATE	INITIALS	CODE
3/1	C	220
3/1	[illegible]	800
		225

Box 431
Joplin, Missouri

February 26, 1957

Mr. Gerald Klepinger
Executive Partner
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485(lead-zinc)
Patterson Mine
Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This will acknowledge receipt yesterday of your letter formally notifying that Dale Mining Company has surrendered its mining leases on the Sitler(Clark) and Patterson tracts, and completely abandoned all interests and mining operations.

You will recall the discussion Mr. C. E. Fisher, DMEA Auditor, and I had with you concerning this abandonment when we came to your home office on February 13, 1957. We referred to the second sentence of Article 7 of the copy of the Contract in your files, and particularly to that part beginning with the word "Provided" which stated that "surrender of a leasehold..... coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance".

I also received a letter from Mr. Fisher yesterday stating that he just had returned to Washington and wished to call my attention to Paragraph 3 of Contract Amendment No. 4 reviewed in the files there, which upon your signature had been made effective May 27, 1955, specifically deleting the above-mentioned "Provided" clause from the original contract.

Thus, this is primarily to advise you that under the Contract, as amended, no voluntary or involuntary transfer or conveyance of the rights of the Dale Mining Company in the Sitter and Patterson mining tracts shall be made without making suitable provisions for the preservation of the Government's right to a percentage royalty.

Therefore, I believe you will realize that under the Contract, as amended, mere abandonment of your leaseholds and all interests in the mining operations will not release Dale Mining Company from the responsibility for payment of any royalty that may accrue on production from the property even though production henceforth may be accomplished by other than the Dale Mining Company.

I will study the matter and be glad to discuss it further with you on the next opportunity for us to meet.

Sincerely yours,

CCK/jd

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA OpCom.(2)w/c
Klepinger ltr
Laurence,USGS,Knoxville
w/c Klepinger Ltr
King,USGS,Denver,w/c
Klepinger ltr
2485 File

C
O
P
Y

DALE MINING CO.
(Plant,Stark City, Mo.)
811 Kentland Drive
P.O., Neosho, Mo.

Feb. 23, 1957

Mr. Clinton C. Knox
DMEA Field Team Region 4
Joplin, Mo.

DMEA 2485
Patterson Mine
Contract Idm E325

Dear Clinton:

We have discontinued mining the Patterson lease and returned the lease to the land owner. Also returned the N. R. Sitler lease which was the Clark lease.

This surrender of the leases and complete abandonment by the Dale Mining Co. of all interest and operation on the land terminates the above contract.

Very truly yours;

/s/G. E. Klepinger
/t/G. E. Klepinger
Dale Mining Co.
Partner

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 1 1957

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2-26	Chambers	800
2-27	C	220
		425

FEB 26 1957

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
P. O. Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Contract No. Idm-E325
Dale Mining Company

Dear Mr. Knox:

I am returning check sheet of examining engineer pertaining to the subject contract with the request that further explanation be furnished or that the report be revised as you may find necessary upon further consideration.

My understanding was that the Operator does not buy from or sell to other operators, unless it could be that some quantities of ore may have been purchased at the Stark Mill. It would seem that if any ore were milled for other operators it would be handled on a toll basis. Perhaps your answer to Question No. 7 should be "No".

With respect to the footnote, I wonder whether "abandoned" is not too inclusive. I understand that mining operations have ceased but we have not as yet fully determined that Dale Mining Company has surrendered its lease, removed its equipment from the property, and taken other actions indicating abandonment. The notation "no further production to account for" should be omitted. See my letter to you dated February 20, 1957.

I wish to thank you for your many courtesies during my recent visit to Joplin and our tour of a part of Region IV.

Sincerely yours,

SIGNED
C. E. Fisher
DMEA Auditor

Enclosure

CEFisher/wb
February 26, 1957

Copy to: Docket
Admr. Reading File
Mr. Fisher

8623

DMEA Form 7
(12-56)

Chambers

OFFICIAL FILE COPY

Date	Surname	Code
2/20	[illegible]	800
2-20	C	220
		225

FEB 20 1957

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Knox:

During our meeting with Gerald Klepinger of Dale Mining Company on February 13, 1957, the matter of surrender of that operator's lease of Patterson Mine property was discussed.

I called attention to the second sentence of Article 7 of the contract and particularly to that part beginning with the word "Provided" which stated that "surrender of a leasehold ~~xx~~ coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance."

Since returning to Washington, I have noted that paragraph 3 of Amendment No. 4 has specifically deleted the "Provided" clause from Article 7. Thus the contract, as amended, provides that the operator shall not make any voluntary or involuntary transfer or conveyance of its rights in the land without making suitable provisions for the preservation of the Government's right to a percentage royalty.

I believe that you should call Mr. Klepinger's attention to the amendment so he will realize that abandonment of the leasehold will not release Dale Mining Company from the payment of any royalty that may accrue on production from the property subject to the contract even though the production may be accomplished by someone other than Dale Mining Company.

Sincerely yours,

C. E. Fisher
DMEA Auditor

CEFisher/wb
February 20, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

EXTRA COPY DMEA RECEIVED FEB 7 1957		
DATE	INITIALS	CODE
2/8	C	220
		225

Airmail

February 5, 1957

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1371 (lead-copper)
Contract No. Idm-E48 (Amended)
National Lead Company

and

Docket No. DMEA-2485 (lead-zinc)
Contract No. Idm-E325
Dale Mining Company

Dear Mr. Chambers:

In reply to your January 30 letter I am planning to be in this office all next week and will expect Mr. Fisher to arrive February 12 for the audits you mentioned on the subject dockets.

If not already done, I gladly will arrange for inspections also of the records of the Bureau Finance Officer at Bartlesville and the respective Operator's offices at Fredericktown and Neosho.

The December MF-104 Report received from the National Lead Company January 28 is being processed for approval, which will permit making the audit as of December 31, 1956.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

cc: DMEA Op.Com.(2)
1371 file
2485 file
Fin.Officer,Bartlesville

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-30	Fisher	800
1-31	C	220
		225

JAN 30 1957

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket No. DMEA-1371 (Lead-Copper)
Contract No. Idm-E48 (Amended)
National Lead Company

and

Docket No. DMEA-2485 (Lead-Zinc)
Contract No. Idm-E325
Dale Mining Company

Dear Mr. Knox:

It is planned that Clarence E. Fisher, an auditor representative of this Division, will arrive at your office Tuesday morning, February 12, 1957, for the purpose of conducting an interim cost audit pertaining to contract Idm-E48 and a first royalty audit of contract Idm-E325.

Such audits will include review of your records and those of the Regional Finance Officer, relating to these contracts as well as inspections of the accounting records kept by the operators. It is believed that the field audit work can be completed by the end of that week.

Will you please advise promptly whether the proposed date can be fitted into your schedule. If some other time will be more satisfactory to you please suggest a date.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

CEFisher/wb
January 30, 1957

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

R.C.S.

8623

Surnamed JWAlt
Griswold
Rewritten HCRubin 12/13

140

Rubin
Dwyer
AW.
Griswold
Chambers
Selfridge
Robinson

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

DEC 1 8 1956

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Klepinger:

Mr. Clinton C. Knox, Executive Officer, Region IV, has forwarded to us for reply your letter to him, dated October 24, 1956.

We are in sympathy with the problem stated in your letter. However, as we find no advantage running to the Government from the facts stated in your letter, there is no legal basis upon which granting the request to reduce the royalty percentage could be supported. Therefore, it is regretted that your request must be denied.

Sincerely yours,

C. O. Mittenthal

Administrator

JWAlt/ HCRubin/wog
December 13, 1956
Copy to: DMEA Docket
Admin. Reading File
Operating Com.
J.L.Chambers
T.H.Kiilsgaard, USGS
O.M.Bishop
W.R.Griswold (2)
Field .Team, Reg. IV (2)
R.P.Dwyer
H.C.Rubin
Chron.

FROM SOLICITOR
DEC 1 4 1956
FOR SIGNATURE

R.G.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED DEC 6 1956 D.M.E.A.

December 4, 1956

Mrs. Cora A. Piper, Fiscal Officer
U. S. Bureau of Mines, Region IV
206 Federal Bldg.
Bartlesville, Okla.

Re: DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson mine
Newton County, Mo.
Certified Contract Idm-E325

Dear Mrs. Piper:

In the November 7 letter from Washington advising that the DMEA Contract Administration and Audit Division after January 1, 1957 would audit the Project Cost Claims of the National Lead Co., Amended Contract Idm-E48, it also stated that the auditor on the same trip will make a royalty audit on the account of the above-cited Operator.

As yet I never have participated in a royalty audit but with reference to the DMEA manual entitled "Procedure For Royalty Audits", a copy of which I sent you last March 7, and information Donald Finch imparted when last here in February 1955, I should alert you for an itemized list of the royalty payments which have been made and the documentary support thereof in your files.

The Field Team file on the subject royalty account contains copies of ore settlement sheets, certified to be correct by this Project Operator, covering the following sales of zinc and lead concentrates and royalty payments received thereon as I have posted on the Production and Royalty Record sheets here:

Date	Car No.	Dry Weight (tons)	Value	Royalty Paid	
4-4-53	143647	37.350	$2,725.75	4/18	$136.29
duplicate payment by Operator's error				5/26	136.29
5-23-53	15323	45.115	3,139.53	6/8	156.98
6-6-53	77768	31.485	2,179.44	7/20	108.97
7-11-53	10724	37.450	2,714.68		
	102657	42.260	2,964.89	9/8	283.97
9-4-53	160700	48.490	3,446.22	10/6	36.02
10-16-53	163942	4.300	559.47	12/9	27.97
(Shut down)					

Date	Car No.	Dry Weight (tons)	Value		Royalty Paid
12-29-55	277548	6.390	$569.65		
	"	29.430	2,563.64	1/6	$156.66
1-5-56	129509	11.955	1,073.48		
	"	27.745	2,433.52		
1-14-56	72397	9.395	891.62		
	"	28.885	2,645.84		
1-28-56	88540	42.810	3,949.59	2/23	549.70
2-23-56	572290	42.740	3,940.99		
	70390	31.905	2,959.81		
2-18-56	92280	44.850	4,129.35		
2-25-56	49063	35.800	3,293.62	3/15	716.19
3-3-56	86322	31.370	2,901.32		
3-7-56	33474	36.530	3,329.66		
3-13-56	67686	26.845	2,461.93		
	"	10.550	980.99		
3-24-56	18321	43.110	3,959.60	4/26	681.67
4-3-56	159872	18.830	1,747.78		
	"	28.365	2,604.19		
4-11-56	185096	35.745	3,274.18		
	"	13.435	1,243.35		
4-23-56	20317	11.975	1,108.97		
	"	35.665	3,301.66		
4-26-56	(trucked)	4.450	921.19	5/28	710.04
5-3-56	147416	42.745	3,984.66		
5-11-56	208	29.325	2,744.44		
	"	17.850	1,665.88		
5-23-56	129369	30.855	2,885.25		
	"	11.135	1,044.13	6/26	616.17
6-1-56	123880	25.305	2,364.95		
	"	15.655	1,479.26		
6-9-56	51499	22.200	2,073.47		
	"	11.850	1,104.69		
6-20-56	18880	25.500	2,395.12		
	"	17.095	1,577.11	8/1	549.73
7-3-56	32202	16.940	1,552.17		
	"	27.730	2,606.84		
7-9-56	128297	21.530	2,019.68		
	"	11.040	1,019.08		
7-21-56	172798	28.555	2,654.93		
	"	10.755	983.80	8/27	541.82
7-30-56	(trucked)	6.420	1,073.37		
8-3-56	6180	22.405	2,029.65		
	"	10.335	920.43		
8-14-56	4830	29.030	2,680.87		
	"	10.735	941.26		
8-28-56	148770	28.985	2,663.36		
	"	12.270	1,122.93	9/20	571.59
9-10-56	33539	23.365	2,190.22		

Date	Car No.	Dry Weight (tons)	Value		Royalty Paid
	33539	10.565	$985.12		
9-24-56	12193	30.400	2,849.98		
	"	9.000	827.37	10/17	342.63
(Shut down)	Totals	1,414.800	$126,454.32	(16)	$6,322.69

The total Government participation by the final DMEA Audit Certificate dated March 13, 1956, amounted to $10,910.40. Therefore, according to my royalty ledger sheets, a balance of $4,587.71 remains to be paid on this account. I would appreciate being advised if these records are not in accordance with yours.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CC: DMEA Op.Com.(2)
Laurence,USGS,Knoxville
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED NOV 29 1956 D.M.E.A.

November 26, 1956

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

Re: DMEA-2485 (lead-zinc)
Dale Mining Company
Patterson mine
Newton County, Mo.
Certified Contract Idm-E325

Dear Mr. Selfridge:

With reference to my October 26 letter regarding this contract, please advise when I may expect to receive the policy position of the Washington Office as background for replying to the Operator's October 24 letter, copies of which were furnished you.

Evidently this Operator has failed to interest any mining concern in resuming production there, however, because I noticed in the local November 24 newspaper that all of the mining equipment is advertised for sale.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op.Com.
2485 file

cw

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

11-7-56

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket No. DMEA-1371 (Lead-Copper)
National Lead Company
Fredericktown Area
Madison County, Missouri
Amended Contract No. Ldm-2,5

Dear Mr. Knox:

Your letter of November 2, 1956, requesting an interim audit on the above-cited project has been referred to the Contract Administration and Audit Division, which will arrange such audit sometime after January 1, 1957. On the same trip the auditor will make a royalty audit on Dale Mining Company, Docket No. DMEA-2185, Contract No. Ldm-2325.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JLChambers/wb
November 6, 1956

Copy to: Docket (2)
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Bishop, USBM
Mr. Grimwold
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
OCT 29 1956

October 26, 1956

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

Re: Docket No. DMEA-2455 (lead-zinc)
Dale Mining Company
Patterson mine
Newton County, Missouri
Contract No. Idm-[illegible]325

Dear Mr. Selfridge:

In response to your September 20 letter referring to a statement in my Semi-Annual Report on the cited Certified Project for the period ending June 30, 1956, the following cost figures for the mine dewatering and rehabilitation, and mill repairs during November and December 1955, were furnished by the Operators:

Dewatering:

New transformer connection charge by Power Co.	none
Elect. power to operate the 6" deep-well pump - 6 wks.	$400
2 pump watchmen 6 wks. at $50.00/wk, ea.	0600
Approximate total for dewatering	$1,000

Underground re-equipping:

Winch truck rental and operator	$400
Labor lowering through the 6x6-foot shaft reassembling old equipment underground (incl. crawler-mounted drilling jumbos, high-lift loaders, rubber-tired diesel haulage trucks, and install shuttle car-loading mechanism and ventilation fans)	$1,000
Approximate total for re-equipping	$1,400

Rehabilitation of underground workings and truck haulageways:

Labor on mine cleanup and bulldozer-grading of underground haulage roads, approx. total	$1,600
Approximate total spent on the mine rehabilitation	$4,000

by Big Four Mng. Co., the mining contractor, as related by Mr. Burl Blevins, Executive Partner and Mine Foreman, who also said that while the figures given were rounded, he believed them to be substantially correct although no bookkeeper had been employed at the time.

Mr. Gerald Klepinger, Executive Partner of the Dale Mining Co., which entered into the mining contract described in Operator's Final Engineering-Geologic Report of February 23, 1956, stated that about $2,750 also was spent by the Dale Mining Co. last December at its mill in Stark City in repairing and changing over from the previous trial tailing retreatment operations to resume Patterson mine production which included cutting a sub-surface pocket at the mill into which the ore trucks could dump and can hoisting arrangement in the upper part of the old Dungy mine shaft there for elevating the ore to the mill crusher bin, replacing the ramp arrangement which was lost in the caving reported as of July 1954.

Thus, altogether probably about $7,000 has been spent in rehabilitation for resumption of the Patterson mine production.

Mr, Klepinger also said that the Big Four Mining Co. paid from its share of the returns the $0.25 per ton for surface haulage of the ore from the Patterson mine to the Stark City mill, 4 miles to the east; the Dale Mining Co. paying from its share the average wages of $125 per week for the hoistman and car-loader who elevated the ore to the crushing plant bin at the mill.

The Big Four Mining Co. discontinued all mining operations September 28, reportedly because its 60 percent of all the mill production returns had failed to cover the actual mining costs. Mr. Klepinger stated that apparent direct financial operating losses in aggregate for both companies concerned were roughly equivalent to the $6,322.69 which has been paid the Government in royalties from January 16 through October 17, 1956, presumably excluding the initial $7,000 rehabilitation outlay last November and December.

Supplementing my latest Semi-Annual Report, Mr. Klepinger has reported this Patterson mine production from December, 1955 to September 28, 1956 as 46,065 tons of material from which about 10.9 tons of lead concentrate, averaging 73 percent lead, and 1,157.5 tons of zinc-cadmium concentrate, which I calculate averaged roughly 63.5 percent zinc and 0.5 cadmium, reportedly were sold to local buying agents; according to the representatives of both companies involved, mill tailing averaged under 0.50 percent zinc with the one tailing sample assay I was shown containing 0.42 percent.

Mr. Klepinger recently explained that some 5,000 or 6,000 tons of that mine production was sub-marginal material from the mine clean up, from an enlargement north of the 270-foot level shaft pocket to ease turning of the underground diesel semi-trailer haulage trucks, and from some unsuccessful prospecting for lead ore in the roof along the south wall of the stoped area. Even considering that, the metallic content of ore minerals evidently averaged little over 2 percent, or only two-thirds the average content I calculated in the Field Team Final Report of May 6, 1955, for the indicated 240,000-ton reserve there.

As indicated on my sketch map attached here from my latest underground inspection there on August 8, 1956, however, stoping to that date had cut only two of the holes churn drilled on the subject DMEA Project Contract; also stoping heights averaged at least 10 feet whereas the actual thickness of the indicated ore rarely exceeded 6 feet.

The Dale Mining Co. has been negotiating for another mining concern to resume the production operations but so far none have indicated any willingness. The Eagle-Picher Co. reportedly examined it carefully three months ago but although it is said to have acquired new properties and have started rather aggressive exploration projects anew in the Kansas sector of the Picher mining field, evidently at least these small marginal Missouri mining properties appear insufficiently attractive to entice it into setting up an organization and milling facilities at such a distance from its centralized Picher operations. Mr. Harold W. Sheeran, formerly a geologist of the Eagle-Picher Co., and since one of its most productive sub-leasers, and others, reportedly have examined the Patterson mine and records more recently. ASARCO reportedly is planning a rather large exploration project centered some ten miles northwest of the Patterson mine, and own much mining property adjacent to the north, but evidently is not showing any interest in this Patterson property.

In a phone call to me on October 22, Mr. Klopinger urged that DMEA agree to reduce its royalty percentage sufficiently so that he could afford to offer a more attractive deal to prospective mining contractors in hopes that productive operations could be resumed which might result in at least a livelihood for those involved here, and eventual repayment of all the $4,587.71 yet due the Government under the subject Project Contract. I suggested that he reiterate his position in a letter which was received today (copies attached), and said that I doubted if DMEA had authority to change the Contract stipulation involved but since it appeared to be a top-level policy matter, I would be happy to refer his request to the Washington Office of DMEA for an authoritative reply; also, I assured him that all in DMEA personally would be in sympathy with his problem, and from a practical standpoint would rather be receiving some royalty than fail to collect the remainder due. He also pointed out that the landowner's had been very reasonable in their royalty demands.

Please advise.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/cmn
encl.(6)
cc: DMEA Op,Com.
Laurence,USGS,Knoxville w/2 encl.
Semi-Annual Rep.file
2485 file

Copy

Copy

DALE MINING COMPANY
(Plant, Stark City, Mo,)
811 Kentland Drive
P,O,, Neosho, Mo.

RECEIVED
OCT 29 1956

Mr, Clinton C. Knox
Defense Minerals Adm.
Joplin, Mo.

Oct, 24, 1956

The Big Four Mining Co. that has been operating the Patterson mine for the last 10 months discontinued operation last month.

We are now pumping and keeping the water out of the mine; hoping to find another mine operator.

So that we may be able to help get the mine started we are asking if the Government will reduce the royalty that the Dale Mining Co. is paying on their exploration drilling loan.

Our dirt runs approximately 3½% and we receive about $90.00 per ton of Zinc; that makes our rock worth $3.15. The landowner receives 4% royalty leaving the mine operator $1.81 and the Dale Mining Co. receives $1.21 per ton of rock milled. The mine is 4 miles from the mill and this costs .25 per ton for hauling, leaving the mine operator $1.56 per ton.

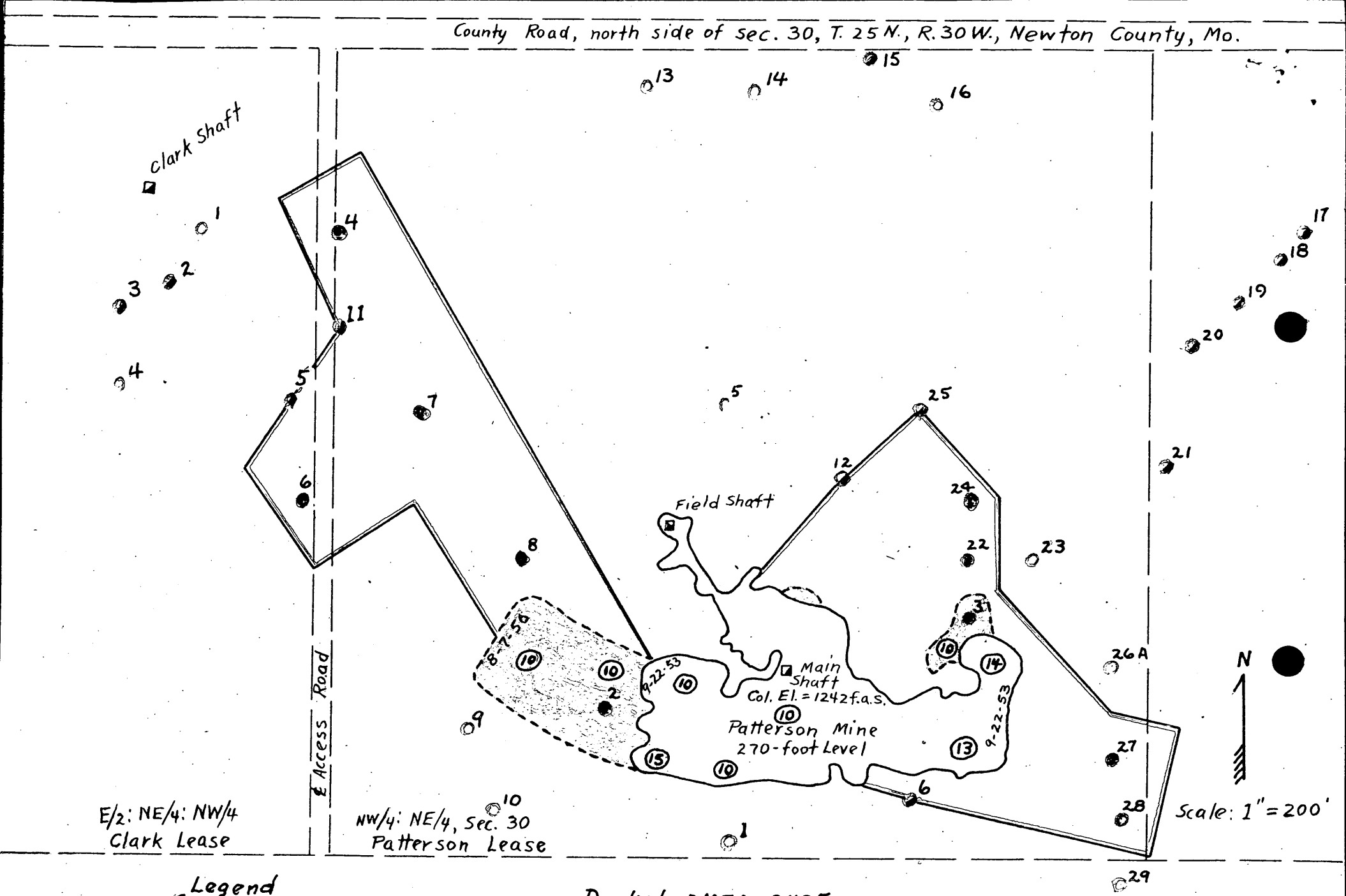
Since we are anxious to get the mine in operation again we are going to assume the hauling costs; therefore, our costs will be greater. We would like the Government royalty payments cut to 2½% as this would reduce our immediate cost one half and spread the costs over a longer period of time.

Our royalty payments to date total $6322.67 leaving a balance of $4587.73.

Of course, the best idea of milling this large body of ore would be to move our mill to the Patterson mine eliminating this costly rock haul.

Sincerely yours,

/s/ G. E. Klepinger



Legend

- Areas mined to 8-7-56
- (10) Stope heights
- drill holes indicating ore
- Calc. Ore reserve areas

Docket DMEA-2485
Dale Mining Company
Patterson Mine
Near Granby, Newton County, Mo.
DMEA Project Contract Idm-E325

Sketch Map
from
Underground Pace & Compass
Survey by Knox 8-7-56

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
OCT 19 1956

October 17, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (Pb-Zn)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receipt today of your company's check in the amount of $342.63 for royalties on the two shipments of zinc-cadmium concentrate sold during September from your Patterson mining and milling operations, with a carbon copy of each of the purchaser's settlement sheets thereon. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, for credit on the subject account.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op. Com. (2)
Fiscal Off., USBM, Reg. IV
2485 file

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

SEP 2 0 1956

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Post Office Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-2325

Dear Mr. Knox:

With reference to the Semi-Annual Report of the cited Certified Project for the period ending June 30, 1956, we note the statement:

> "During the underground inspection by Knox August 7, 1956, Mr. Elevins, Partner and Mine Boss for the Big Four Mining Co. which rehabilitated and operated the mine under a contract arrangement since last November, explained that it was proving to be an unprofitable operation for anyone concerned."

We would appreciate it if you could obtain the cost of rehabilitating the mine.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JWB)

APPROVED:

P. F. Yopes (JWB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JWB)
Member, Geological Survey

JWAlt/er 9/19/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
OCT 19 1956

September 20, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (Pb-Zn)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receipt today of your company's check in the amount of $571.59 for royalties on the three shipments of zinc-cadmium, and one of lead concentrate sold last month from your Patterson mining and milling operations, with a carbon copy of each of the purchaser's settlement sheets thereon. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, for credit on the subject account.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

cc: DMEA Op.Com.(2)
Fiscal Off.,USBM,Reg.IV
2485 file

Docket copy
Surname:
Fisher
Talbot
All
Swinnerd
Selfridge
Fellman

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

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

SEP 14 1956

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Knox:

The Washington office files pertaining to royalty collected under terms of the subject contract contain copies of settlement sheets on which royalty has been received applicable to the period December 1955, to July 1956, furnished by you in accordance with Operating Committee Minutes No. 194, March 23, 1953, however, we are unable to locate copies of the settlement sheets applicable to sales made during 1953 on which royalty amounting to $886.49 has been collected.

Will you please forward copies of such settlement sheets to complete the files of this office?

Incidentally, it is noted that your semi-annual report dated August 29, 1956, in connection with this certified project states that the expiration date of the royalty repayment is June 22, 1963. Your attention is directed to Amendment No. 4 which extended the repayment period to 12 years and to the Administrator's letter to the Operator dated February 6, 1956, transmitting the certification of discovery or development which showed the termination date to be June 22, 1964.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Bishop, USBM
Mr. Griswold
Mr. Chambers

CEFisher/wb
September 13, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
AUG 29 1956

August 27, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (Pb-Zn)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receipt today of your company's check in the amount of $541.82 for royalties on the four shipments of zinc-cadmium concentrate sold during July from your Patterson mining and Milling operations, with a carbon copy of each of the purchaser's settlement sheets thereon. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, for credit on the subject account.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op.Com.(2)
Fiscal Off.,USBM,Reg.IV
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Box 431
Joplin, Missouri

RECEIVED
AUG - 6 1956

August 1, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
611 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (Pb-Zn)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receipt today of your company's check in the amount of $549.73 for royalties on the three shipments of zinc-cadmium concentrate sold during June from your Patterson mining and milling operations, with a carbon copy of each of the purchaser's settlement sheets thereon. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, for credit on the subject account.

I plan to make the regular D.M.E.A. semi-annual inspection of your Patterson mining operations next Tuesday afternoon, August 7th. Unless something arises to prevent my being there at that time, I will contact your office in Neosho about one o'clock that day before going to the mine.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op.Com.(2)
Fiscal Off.,USBM,Reg.IV
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Box 431
Joplin, Missouri

RECEIVED
JUL 2 - 1956

June 27, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (Pb-Zn)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receipt today of your company's check in the amount of $616.17 for royalties on the three shipments of zinc-cadmium concentrate sold last month from your Patterson mining and milling operations, with a carbon copy of each of the purchaser's settlement sheets thereon. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, for credit on the subject account.

Thanks for coming in to properly certify the settlement sheets of the preceding month.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op.Com.(2)
Fiscal Officer,USBM,Reg.IV
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
MAY 31 1956

May 23, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (Pb-Zn)
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receipt today of your company's check in the amount of $710.04 for royalties on the three shipments of zinc-cadmium, and one of lead concentrate sold last month from your Patterson mining and milling operations, with a carbon copy of each of the purchaser's settlement sheets thereon. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, for credit on the subject account.

Because signed originals of these purchaser's settlement sheets or properly certified copies thereof, were not submitted as the documentary support required with this check, please furnish such at your earliest convenience.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op.Com(2)
Fiscal Officer,USBM,Reg.IV
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
Box 431
Joplin, Missouri

April 27, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receiving today your company's check in the amount of $681.67 for royalties on the four shipments of zinc-cadmium concentrate sold last month from your Patterson mining and milling operations, and the carbon copy of each of the purchaser's settlement sheets thereon, certified by you. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, to be credited to the account of the Dale Mining Company under the cited project contract.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Op.Com.(2)
Reg.IV Finance Off.
2485 file

P.S.
Thanks for sending the tonnages of crude ore mined C.C.K.

RECEIVED
APR 30 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

2485

April 27, 1956

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

Re: DMEA Memorandum No. 29

Dear Mr. Selfridge:

In response to your letter to me on February 2, I have written the requested reviews of semi-annual reports with pertinent up-to-date information available on each of the following, transmitted herewith in the original and three copies:

Docket No.	Operator	Project Contract No.
197 and 2002 (Mn)	Westmoreland Manganese	8 and 139
1371 (Pb)	National Lead	48
2202 (Hg)	Amerimax	468

I am leaving on a trip to Texas where, along with other DMEA work next week, I hope to obtain more adequate information on the latter.

Only two other DMEA projects in Region IV have been certified.

For the latest such information available on Project Contract Idn-E325, Dale Mining Co., DMEA-2485 (lead-zinc), please refer to the final Field Team report thereon which I submitted March 29, 1956.

On Project Contract Idn-E122, Shelton Mining Co., DMA-1088X (zinc-lead), there has been no change in status since the Field Team's final project report was submitted April 10, 1953. Mr. Shelton obtained DMEA application forms in this office 2 months ago, however, on which to apply for another project contract to explore the west part of that 270-acre lease.

Sincerely yours,

RECEIVED
APR 30 1956

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

encl. 12

cc: DMEA Op.Com.(3)
197-2002 file
1371 file
2202 file
2485 file
1088 file
Semi-Annual Report file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
APR 20 1956

April 18,1956

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Sirs:

to 800

As per the attached memo copy, notification was received today that the Region IV Finance Officer certified the final settlement to the Operator under this account in accordance with the DMEA Auditor's final report of review. To complete your records, the voucher was in the amount of $150.00, Bureau No. DMEA-4.-3, paid April 16, 1956, to be posted on your copies of the Operator's February 1955 MF-104 report.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

encl.
cc: DMEA Op.Com
Finance Officer, Reg.IV
2485 file
Mr. Chamber

2485

ACTION OF DIVISION

Date 4-13

Referred to:

1. ~~[illegible]~~
2. ~~[illegible]~~
3. ~~[illegible]~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Final report
   Ore Reserves
2.
3.
4.

and take appropriate action.

- - - - - -

Action taken by Division:

ROBERT E. ADAMS

Initials

FIELD TEAM
Final Rpt.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
APR 10 1956

April 5, 1956

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Interior Building
Washington 25, D. C.

Re: DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson mine, Newton County, Mo.
Project Contract Idm-E-325

Dear Sir:

This is to acknowledge your letter of March 28 advising that the subject Operator's report is acceptable to your office. I have authorized the final payment being made to the Operator on this account.

The original and three copies of the final project report I prepared for the Field Team, also is transmitted herewith.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

encl. 4
cc: DMEA Op.Com.(3)
Finance Officer
2485 file

Reviewed by
DMEA OPERATING COMMITTEE
4-13-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
P. O. BOX 431
JOPLIN, MISSOURI

RECEIVED
APR 19 1956

FINAL PROJECT REPORT
for the
D.M.E.A. Field Team, Region IV

by
Clinton C. Knox
Mining Engineer

on

Project Contract Idm-E325
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Docket DMEA-2485 (lead-zinc)
Patterson and Clark leases
NE¼ and E½ NE¼ NW½, Section 30, T. 25N., R. 30W.
near Granby, Newton County, Missouri

Tri-State Zinc-Lead Mining District

March 29, 1956

Reviewed by
DMEA OPERATING COMMITTEE
4-13-56
(date)

Summary:

Under DMEA Contract Idm-E325 the exploratory project work by the Dale Mining Company, near its Patterson mine in Newton County, Missouri, from July 15, 1952, to the suspension authorized by Contract Amendment No. 4, March 4, 1955, amounted to 9,092 feet of churn drilling in 34 completed holes, 28 on the Patterson lease and 6 on the Clark. The acceptable total project cost was $21,820.80 on which the Government's 50 percent participation payments of $10,760.40 have been made, $150.00 being withheld pending acceptance of the Operator's Final Reports submitted February 23, 1956.

Marginal sheet-ground-type ore was indicated by 15 of the total 35 holes drilled by the Operator (costs of hole No. 22 were disallowed under the contract) which, as estimated in my Interim Field Team Report (dated May 6, 1955) upon discontinuance of the project work, amounted to about 240,000 tons of indicated reserves, averaging about 3.00 percent zinc and 0.10 lead; additional extensions of those reserves were inferred from the drilling data which showed 11 of the other holes penetrated less significant zinc-bearing strata than the 1½ percent cutoff grade used for calculating the indicated reserves. The important indicated reserves are in chertified areas of the Reeds Spring formation, ranging to 273 feet below the surface; on flanks of the indicated slight structural basins occupied by those important-appearing reserves some obviously spotty ore is indicated and inferred as shallow as 215 feet below the surface in the Grand Falls chert strata.

The contract terminated automatically under the terms of Amendment No. 4, when the Operator was unable to resume the project drilling by December 1, 1955. As recommended in my above-mentioned Interim Field Team Report, the Certification of a Discovery was issued by the Administrator February 6, 1956.

Unable to complete the contract, the prime objective of the Operator to indicate sufficient ore reserves to warrant moving its mill to this Patterson mine was unattainable. Royalty paid the Government by the Operator on ore mined there from March 1953 until disbanding the Patterson mining operations due to the collapsed zinc market in September 1953, amounted to $886.49. Since dewatering and rehabilitating the mine in November 1955, the Operator's royalty payments to the Government have totaled $1,422.55 on ore mined there and milled at its Stark City mill through February 1956.

Recommendations:

(a) Additional exploration and development is warranted, financed either privately or in part by the Government.

(b) The Government should consider that the project was successful and partially reached its potential objective, entitling the Government to collect its royalty as per the Certification issued February 6, 1956.

(c) Although production operations there now obviously are being conducted with increasing efficiency, the profit margin is expected to be very thin.

(d) The Operator's Final Project Reports should be accepted by the Government and the final settlement made.

Description of the work:

Exploratory churn drilling on a unit price basis under project contract Idm-E325, dated June 22, 1952, was started July 15, 1952, and continued with only one rig employed somewhat intermittently until the final suspension of the project work March 4, 1955, authorized by Amendment No. 4. In the meantime, three extensions of time, expansions of the scope of the exploration program, and increases in the allowable maximum project costs, had been granted by Contract Amendments No. 1, 2, and 3, respectively.

A total of 28 exploratory holes on the Patterson lease (hole No. 22 was entirely at the Operator's expense) and 6 on the Clark, altogether aggregating 9,092 feet, were churn drilled under the contract and amendments thereto, with results as previously reported in the Operator's monthly reports and logs attached thereto, and in the periodic Field Team project inspection reports.

The Operator prepared and submitted its Final Engineering and Geologic Report and ore reserve estimates on February 23, 1956.

Expenditures:

Costs totaling $21,520.80 have been approved on which the Government's 50 percent participation payments have been made. Approval on the final $300.00 of the Operator's cost claims is withheld pending the Government's acceptance of the Operator's Final Report and ore reserve estimate. Thereupon, the acceptable total project cost will be $21,820.80 of which the Government's share is $10,910.40, leaving unexpended $4,641.60 of its share authorized under Contract Amendment No. 3.

The Operator's royalty payments to the Government on prorated Patterson mine production from April through September 1953 amounted to $886.49 or 5 percent of the total $17,798.98 received for sales of 246.45 tons of zinc concentrate and 4.30 tons of lead concentrate. Those concentrates reportedly were recovered by milling 35,379 tons of crude ore as calculated by the Operator to be the part of the Patterson production subject to Government royalty payments under the contract, mined prior to disbanding those operations in September 1953 after the zinc market collapse. Estimates in my Interim Field Team Report dated May 6, 1955, based on the pertinent drill hole sampling data, indicated that possibly three times the reported tonnage of concentrates should have been recovered from the reported 35,379-ton crude ore production. Ore from the Patterson, both subject to the Government's percentage royalty and not,

was comingled with that from all the company's mines during milling at that time and no actual figures exist with which to authoritatively dispute the reported recovery.

Under a contract arrangement between the Dale Mining Company and long-experienced leasers from Picher, Oklahoma, doing business as the Big Four Mining Company, the Patterson mine was dewatered and rehabilitated in November 1955. Big Four conducts the mining operations, assuming all direct mining costs and responsibilities, pays two percent of the royalty to the landowner, hauls the ore 4 miles to the Stark City mill, and regularly samples the mill tailings for 60 percent of the gross concentrate sales. The Dale Mining Company mills the ore, furnishes all major items of the mining equipment, pays the other two percent royalty due the landowner and the five percent to the Government, and markets the concentrates for the remaining 40 percent of the gross sales. Thus beginning in December, the production for the 3 months through February 1956, all subject to the Government's percentage royalty, probably totaled 12,000 tons of crude ore (only my guess available for the February tonnage). Sales of 311.9 tons of zinc-cadmium concentrate reportedly recovered therefrom have amounted to $28,451.10 on which five percent royalty or $1,422.55 was paid to the Government. Thus the total reported value of production which was subject to royalty payments under this contract was $46,250.08 through February 1956 and royalty totaling $2,309.04 has been paid to the Government.

My first underground inspection and production check at the mine was made February 29, 1956.

Efficiency of the project work:

The project results were reasonably satisfactory considering that the Operator previously had never conducted an exploration program, the general mining experience and background of it and Mr. Gerald E. Kepinger, Manager, was relatively limited, and such engineering consultation as it found available proved incompetent. Of the other two partners in the Dale Mining Co., Mr. J. A. Worley is a mill operator of long experience in Missouri, and Dr. D. P. Klepinger, retired from medical practice in Kansas City, financially has been interested in several relatively small Tri-State mining operations for many years. Mrs. Gerald E. Klepinger, Bookkeeper, until recently was not informed on recording mine data properly for any eventual DMEA royalty accounting. The churn drilling and sampling was performed by a driller long experienced on Tri-State explorations under the supervision of Mr. Gerald E. Klepinger. He prepared all except the first few Operator's monthly reports and drill hole logs which were prepared by members of the William Stewart Engineering Co., Joplin, Mo., who later made the drill hole location and underground surveys.

Geology and ore reserves:

In regional geologic setting, the Patterson mine is in the southeast part of the highly productive Tri-State mining district on the gently sloping northwestern flank of the Ozark uplift, far from any igneous outcrops. Available logs on some of the few deep wells which have been drilled

in region indicate that shale, sandstone, limestone, chert, and sedimentary strata of the Pennsylvanian, Mississippian, and Ordovician systems, on the normal average regional slope to the northwest of about 30 feet per mile, overlie granitic basement rocks to depths varying from 1,045 to 1,815 feet below the surface. The various authoritative concepts on Tri-State region geology have been presented adequately in the following publications:

1. Winslow, Arthur; Lead and Zinc Deposits; Missouri Geol. Sur., Vol. VII, Sec. 2, 1894, pp. 543-639.

2. Buckley, E. R., and Buehler, H. A.; Geology of the Granby Area; Missouri Bur. of Geology and Mines, Vol. IV, 2d Sec., 1905, pp. 29-41.

3. Smith, W. S. T.; and Siebenthal, C. E.; Atlas of the United States, Joplin District, Folio 148 Missouri-Kansas, U. S. Geol. Sur., 1907.

4. Siebenthal, C. E.; Origin of Zinc and Lead Deposits of the Joplin Region (Missouri-Kansas-Oklahoma); U. S. Geol. Sur. Bull, 606, 1915.

5. Fowler, George M., and Lyden, J. P.; The Ore Deposits of the Tri-State District; Trans. A.I.M.E., vol. 102, 1932.

6. Fowler, George M.; Tri-State Geology; Eng. & Min. Jour., vol. 144, No. 11, Nov. 1943, pp. 73-79.

Regardless of the uncertainty of the origin of the ore deposits, which has been ascribed controversally to decending ground waters, artesian circulation, and ascending hot solution, much tangible evidence is exposed in the very extensive mine workings throughout the phenominal Tri-State mining district in support of the commonly accepted concept that geologic structures and related alteration played the important part in localization of the ore deposits. They invariably are found only in some of the more pervious areas and zones of structural configuration where more or less solution action, alteration, chertification, and dolomitization took place.

Ordinarily 16 normally recognizable thin-bedded strata designated as "B to R" beds comprise the Mississippian-Boone formation which with a few sporadic areas of the overlying Missippian-Chester limestone and Pennsylvanian-Cherokee shale, have been the host rocks for all important Tri-State ore depositions. Beds "E, G, H, K, M, O, P, and R" have been the most productive.

As a result of the decline of Tri-State exploration activities from the employing of up to 800 churn drills in the greatest development period during World War I, to operation of only a few churn drills during the past 10 years, very few new extensions of ore deposits have been indicated. The ore indicated by this DMEA project on the Patterson deposit is one of the few successes of the relatively little surface churn drilling explorations done in the Tri-State during the 10 years prior to 1956. Largely from clean up operations and systematic following of favorable underground indications in the very extensive open room-and-pillar stopes of the Picher field, however, approximately 51 million tons of ore have been mined during that 10 year period in the entire Tri-State district of

Oklahoma, Kansas, and Missouri. The average return for mining and milling all that crude ore was only about $4.00 per ton, averaging in terms of metallic recovery about 2.00 percent zinc and 0.50 lead. Obviously much of that ore was found underground during the clean up operations because of the 66 million tons of reserves estimated here 10 years ago by the Bureau of Mines (R.I. 4490), it appears that some 50 million tons yet probably remain intact.

Only about one fourth of the 51 million tons of ore produced during the past 10 years is roughly estimated to have been mined from the sheet-ground-type deposits in the Grand Falls chert strata ("N, O, P, and Q" beds). Because they are generally low heading (7 to 18 feet in ore thicknesses) and relatively low zinc content, however widespread, few mining operations on that lower flat-bedded horizon survived the disasterous zinc market collapse 3 years ago.

Probably about 4 million tons of the lowest grade part of that ore production during the past 10 years was obtained by open pit mining tried on several of the deposits in "sink-hole" structures of Missouri and Kansas where the Pennsylvanian-Cherokee shale overburden on the ore was not too great. The higher grade ore in many of those generally shallow deposits as at the well-known 7-acre Oronogo Circle mine in Missouri, had been mined mostly during World War I in underground stopes closely timbered to support the friable shale roofs. A few of the open pit mining operations, especially from 1950 to 1952, were profitable but virtually all have been dormant or abandoned since.

The balance of the production during the past 10 years, probably some 34 million tons of ore, has come from the shear-zone-type deposits largely in "M" bed and in many instances extending up through "K, H, G, or E" beds, and in a few places, down into "R" bed.

The Dale Mining Company's Patterson ore deposit is the only one I have seen in the Tri-State where consistent-appearing sheet-ground-type ore may extend throughout an appreciable chertified or silicified area of the Reeds Spring ("R" bed) strata. Most "R" bed ore deposits, particularly in the Missouri sector of the Tri-State, are in partially "mud-filled" and altered shear zones.

Like in most Tri-State sheet ground mines, the Patterson ore consists of zinc and a little cadmium and lead sulfides in the innumerable bedding planes and tiny fractures of the chert predominating Reeds Spring strata. Therefore, it is exceptionally free milling as indicated by the Operator's February 1956 composited mill tailing sample which reportedly contained only 0.42 percent zinc sulfide.

In the area of the Patterson mine, erosion has removed the strata down to about "G" bed of the Mississippian-Boone formation and no pronounced dissolution slumpages or "sink-hole" structures were evidenced by the project drilling or underground mining. The stratigraphic section as I interpeted from the churn drill cutting samples during project inspections, is as follows:

System	Formation		Character of rocks	Thickness (feet)
Recent	Residuum		soil, clay, and chert boulders	24 to 33
Mississippian	Boone	Warsaw	G-J bed limestone and chert	10 to 20
		Keokuk	K and L bed limestone and chert	15 to 25
			M bed (Short Creek oolite) upper 5 to 12' with limestone and chert strata beneath	80 to 110
		Burlington	Grand Falls (N,O,P, and Q bed) Chert and some limestone	50 to 70
			Reeds Spring (R bed) limestone and chert	?

As estimated upon discontinuance of the project, in my Interim Report for the Field Team dated May 6, 1955, and as illustrated by my map attached thereto, 15 of the 35 holes drilled on this project indicated ore reserves amounting to about 240,000 tons with an average content of about 3.00 percent zinc and 0.10 lead. Those calculations were made on a cutoff basis of 1½ percent zinc on a minimum mining thickness of 7 feet. Additional extensions of those reserves may be inferred geologically from the drilling data and from submarginal zinc-bearing material reported in 11 of the other holes. The larger and more important part of the indicated reserves are in chertified areas of flat-bedded Reeds Spring formation, ranging from about 235 to 273 feet below the surface. The obviously more spotty reserves on flanks of the indicated slight structural basins occupied by the more important-appearing ore body, also eventually might be mineable on levels as shallow as 215 feet.

Since this project contract was on a unit cost basis, no equipment was purchased thereunder.

Clinton C. Knox

CCK/enn

Clinton C. Knox

cc: DMEA Op.Com,(3)
2485 file
C. C. Knox

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
APR 10 1956

April 5, 1956

Mr. Harold M. Smith, Regional Director
U. S. Bureau of Mines, Region IV
206 Federal Building
Bartlesville, Oklahoma

Re: DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson mine, Newton County, Mo.
Project Contract Idm-E325

Attention: Regional Finance Officer

Dear Sir:

With reference to the last paragraph of my letter to you March 19, this is to advise that the Operator's final report on the cited project has been found acceptable to the Government, and that you are hereby authorized to certify for payment the final $150.00 claimed due the subject Operator on its February 1955 MF-104 report.

Sincerely yours,

CCK/emm

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

encl. 1

cc: DMEA Op.Com.(2)
Mr. G. E. Klepinger
2485 file

File Copy
Surname
J. Ad.
Friamold
Selfridge
Fleam
Matteuley

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

MAR 28 1956

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Knox:

This is with reference to the copy of your letter to Mr. Harold M. Smith, Regional Director, U. S. Bureau of Mines, Region IV, dated March 19, 1956. We wish to advise you that the Operator's final report is acceptable to the Washington office and that final payment can be made to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JWB)

JWAlt/er 3/28/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron

APPROVED:

/s/ Robert W. Geehan (JWB)
Member, Bureau of Mines

N. E. Nelson (JWB)
Member, Geological Survey

N.G.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Box 431
Joplin, Missouri

RECEIVED
MAR 21 1956

March 19, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge receiving today your company's check in the amount of $716.19 for royalties on the four shipments of zinc-cadmium concentrate sold last month from your Patterson mining and milling operations, and the carbon copy of each of the purchaser's settlement sheets thereon, certified by you. The check has been forwarded to the Finance Officer, Bureau of Mines, Bartlesville, Oklahoma, to be credited to the account of the Dale Mining Company under the cited project contract.

I would appreciate receiving at your earliest convenience the tonnage of crude ore mined at the Patterson during February.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

cc: DMEA Op. Com. (2)
Reg.IV Finance Off.
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Box 431
Joplin, Missouri

RECEIVED
MAR 21 1956

March 19, 1956

Mr. Harold M. Smith, Regional Director
U. S. Bureau of Mines, Region IV
206 Federal Building
Bartlesville, Oklahoma

Re: DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson mine, Newton County, Mo.
Project Contract IDM-E325

Attention: Regional Finance Officer

Dear Sir:

Forwarded herewith is a check received today from the Dale Mining Company in the amount of $716.19 payable to D.M.E.A. for royalty due under the subject project contract from the zinc-cadmium concentrate sales last month as indicated by the attached copies of four ore buyer's settlement sheets.

With reference to the Fiscal Officer's March 8 Memo to me, I would appreciate any such acknowledgment that you have received this check.

Also enclosed herewith are the original and one copy of the DMEA Auditor's Report of Review for a final settlement under this terminated project. Although I concur with the facts stated in this Report of Review, my authorization for payment of the indicated $150.00 balance due the Operator is withheld pending acknowledgment that its final report was received in Washington and found acceptable as recommended in my March 13 transmittal letter.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

encl (8)
cc: DMEA Op. Com. (2)
2485 file

Talbert

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

MAR 14 1956

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-2325

Dear Mr. Knox:

Enclosed are the original and two copies of a Report of Review, in lieu of a final audit of the referenced project, prepared on the basis of the final MF-104 (for February, 1955), your interim report to the Operating Committee under date of May 6, 1955, and copies of the drill logs.

If you concur with the facts stated in the Report of Review, the original and one copy should be forwarded to the regional Finance Officer and one copy should be retained in your files. If, for any reason, this Report of Review does not have your concurrence please return all copies to this Division.

According to the records of this Division the Government has paid to the Operator an aggregate amount of $10,760.40. The Report of Review validates a participation of $10,910.40 by the Government, indicating a balance due the Operator of $150.00. However, payment of this balance should be withheld until the Operator has submitted the final report required by Article 5 (b) of the contract.

After final payment has been effected, please advise this Division as to the date of payment and voucher number in order that our records may be complete.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosures

EDTalbert/wb
March 14, 1956

cc to: Docket
Admr. Reading File
Cora Piper
Messrs. Griswold and Chambers

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
Box 431
Joplin, Missouri

RECEIVED
MAR 15 1956

March 13, 1956

DMEA Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA-2485 (lead-zinc)
Dale Mining Company
Patterson mine
Newton County, Mo.
Project Contract IDM-E325

Dear Sirs:

Forwarded herewith are the original and one copy of the Operator's final engineering-geologic report and ore reserve estimate required under the cited project contract. One copy is being furnished the Regional Finance Officer, USBM, Bartlesville, with a copy of this letter. This Operator originally brought the report to the Field Team Office on February 23 but after a review it was returned for some suggested revisions and rechecking of production figures after which it was resubmitted today in what I believe is an acceptable form.

Therefore, I recommend: (1) acceptance of the report by the Government, and (2) issuance of the final Audit Certificate by the DMEA Contract Administration and Audit Division so that final settlement can be authorized.

I am preparing the Field Team's final report on the project and a review of my last semi-annual production report.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

encl (2)
cc: DMEA Op. Com
Finance Off. w/c of report
Mr. Klepinger
2485 file

DALE MINING CO.

(PLANT, STARK CITY, MO.)

811 KENTLAND DRIVE

P. O., NEOSHO, MO.

G. E. KLEPINGER
J. A. WORLEY
D. P. KLEPINGER

RECEIVED
MINERALS TECHNOLOGY
DIVISION
MAR 13 1956
BUREAU OF MINES
JOPLIN, MO.

CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

February

RECEIVED
MAR 15 1956

Operations Final Rpts.

Mr. Clinton C. Knox, Executive Officer
D.M.E.A. Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket D.M.A.-2485 (Lead-Zinc)
Dale Mining Co.
Final Engineering Geologic Report
Patterson Mine, Newton County, Mo.
Project Contract No. Idm- 8325

Dear Sir;

This is submitted in quintuplicate, with ore reserve calculation sheets and maps attached, as our final engineering and geologic report required on the terminated exploration project under this contract. Your acceptance of the foregoing report as such is requested, whereupon this also is intended as our formal reclaim for the $150.00 of the Government's final participation payment withheld from our February, 1955, LF-104 claim, pending this submittal.

Introduction

The exploratory churn drilling started a month after this D.M.A. project contract was granted June 22, 1952, and finally had to terminate a year ago upon completion of the 35th hole. Intentions were to complete the maximum 12,000 feet of churn drilling as justified in the 48 holes, at an over all unit cost of $2.40 per foot not exceeding $31,104.00 altogether, and allowable under the contract and its amendments 2 and 3, as granted later. However, persistence of low zinc market, the forced abandonment of the Patterson stoping operations, serious caving to the surface of a shaft structure of our Dungy mine beside our mill at Stark City, and other financial reverses suffered in mining at Picher, Oklahoma, and on a uranium venture in Arizona, prevented resumption of this exploratory churn drilling after the recess granted by Amendment 4, dated May 27, 1955.

As described in our original application (Docket D.M.A.-2485) in the contract and subsequent amendments thereto, the 160 acre

DALE MINING CO.

(PLANT, STARK CITY, MO.)

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P. O., NEOSHO, MO.

G. E. KLEPINGER
J. A. WORLEY
D. P. KLEPINGER

CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

Patterson and adjoining 20 acre Clark lease which were drilled to a limited extent, are near oiled State Highway 76, about 3 miles south of the famous old Granby zinc-lead mining camp, and 4 miles west of our mill and Dungy mine at Stark City, Missouri.

History and Production

Although mining is said to have been started at Granby about 1853, it is practically a ghost camp now so far as mining and milling are concerned. The deeper sulfide zinc ore in the Patterson locality on Brown Prairie probably did not become known until after 1920. The two Patterson mining shafts were sunk and connected with a drift on the 271 foot level by the St. George Mining Co. about 1924. Little production resulted before a decline of zinc concentrate prices forced suspension of these operations about 1927. To expand production at its mill operating at Granby mines during the Second of World War II, the Defense (R.F.C.) Co. developed and partially mined the lead ore deposit, some 800 feet north of the Patterson.

Therefore, when we of the Dale Mining Co. were searching for additional mines to produce ore for our Stark City mill in 1951, the Patterson workings were lowered and rehabilitated providing low grade chert ground ore near the south shaft on the 250 to 260 foot horizon. Starting then, ore production from the Patterson deposit supplemented that milled also from our better mines through September, 1953, when we finally were forced to abandon the low grade Patterson deposit and pull all our underground equipment due to the prolonged low zinc prices. The churn drilling under this contract to explore the extent of this chert ground ore beyond the Patterson stoping area, however, was continued as funds could be made available, through February, 1955. Following a disastrous cave to the surface on a rich deposit of our Dungy mine beside our Stark City mill it had to be closed down in July, 1954. After rebuilding one of the thickeners and repairing other mill damage, it again was put to limited operation only on reprocessing tailings from the Dungy mine, and only to keep the mill organization intact since that operation resulted in some financial loss. Then with some increases in zinc prices last year, tailing reprocessing was discontinued and the Patterson mine again developed and rehabilitated in November, 1955, to be the sole producer for our Stark City mill. As reported to you, the Patterson mine production was resumed in December, 1955, under a contract arrangement with the

DALE MINING CO.

(PLANT, STARK CITY, MO.)

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G. E. KLEPINGER
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D. P. KLEPINGER

CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

Big Four Mining Co. to mine the ore. That company mines the ore, assumes all the direct mining costs and responsibilities, pays 2 percent of the royalty to the land owner, and systematically samples the mill tailings, also makes the ¼ mile surface haul to the mill, for 60 percent of the gross concentrate sales. The Dale Mining Co. does the milling of the ore, furnishes virtually all the mining equipment, pays the other 2 percent royalty due the land owner and all the 5 percent due the Government, and markets the concentrates for the remaining 40 percent of the gross sales. Production henceforth is expected to be almost entirely from the ore reserves indicated as a result of the DMEA exploration project.

Production from all our mines in that general locality of Missouri, including that from the Patterson, amounted to approximately 400,000 rock tons milled altogether in our Stark City plant from 1951 until we discontinued the Dungy tailing retreatment in January, 1955. A total of approximately 12,250 tons of Zinc concentrate and 200 tons of lead concentrate was recovered by milling that crude ore.

Mining in the Patterson stope faces began emerging from the circle of 250 foot radius laid out on the map attached to the contract, during March, 1953. We calculated that one-fourth of the crude ore mined at the Patterson from then to the shut-down of that mine in September, 1953, came from outside that circle, or a total of 35,379 tons for those 7 months, as detailed to you recently, was subject to DMEA royalty payments as was made periodically to the DMEA Field Team immediately following each of those months, and which totaled $886.49. These payments covered the apportioned concentrate recovery which we set aside and sold separately each of those months as properly subject to DMEA royalty payments and which totaled about 242 tons of zinc and 4 tons of lead concentrates. The other three-fourths of the production came from inside the circle designated on the contract map in the previously known and developed ore body. Production for the past 3 months since recently reopening the Patterson mine was all from outside the specified circle. Thus checks for $156.66 and $549.70 were submitted to you for 5 percent of all the production sales respectively for December, 1955, and Jan., 1956, totaling over 156 tons of zinc concentrates from the 6,552 tons of crude ore mined and milled; as sold and purchaser's settlement sheets are received, the little lead concentrate, all February and future production sales will be accounted likewise to your office. A production of about 6,000 tons of crude ore is the goal for Feb. with some increase planned thereafter.

DALE MINING CO.

(PLANT, STARK CITY, MO.)

811 KENTLAND DRIVE

P. O., NEOSHO, MO.

G. E. KLEPINGER
J. A. WORLEY
D. P. KLEPINGER

CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

Geology

The Geology of the Granby area by Buckley and Buehler, Missouri Bureau of Geology and Mines, volume 4, 2nd series, 1905, adequately describes many features of this locality. Much additional geologic information pertinent to this and all areas of the Tri-State mining region in general, is given by C.E. Siebenthal; Origin of the Zinc and Lead Deposits of the Joplin Region, Geological Survey Bulletin 606, 1916; and by George M. Fowler; Tri-State Geology, Engineering and Mining Journal, November, 1943, pages 73 to 79. In detail pertinent here, the Patterson-Clark appears to be a typical Tri-State sheet ground deposit but the most promising ore obviously is confined generally to the most cherty areas of the Reeds Spring formation in a thin-bedded horizon ranging from 240 to 270 feet below the surface with an average mining thickness of only about 10 feet. Like in most Tri-State sheet ground mines, the ore consists of sphalerite with a small content of cadmium and some other more rare trace metals, and a little quite pure galena. The ore generally occupies the bedding planes and innumerable small fractures with only slight disseminations through the flint or chert so it is very free milling. Analysis of a composited mill tailing sample in February, 1956, indicated the zinc sulfide content averages only 0.42 percent.

The Exploration Work

Under the DMEA Project Contract Idn-E325, a total of 9,367 feet was churn drilled to complete 29 holes on the Patterson lease and 6 holes on the Clark. Cost claims for 34 of those holes, approved on our monthly reports and vouchers submitted from July, 1952, through February, 1955, total $21,820.80 on which the Government's 50 percent participation payments will amount to $10,910.40 with the $150.00 held back pending our submittal of this report and its acceptance by DMEA.

The logs of all those holes and assays of all samples justifying laboratory analysis, were submitted in quintuplicate with each respective monthly report we made during this project work. Hole locations and underground workings were surveyed and maps submitted at adequate intervals, and prints of the final map showing areas of probable and possible ore reserves are attached herewith.

DALE MINING CO.

(PLANT, STARK CITY, MO.)

811 KENTLAND DRIVE

P. O., NEOSHO, MO.

G. E. KLEPINGER
J. A. WORLEY
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CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

Results of the Exploration Work

Based on our drilling results on this exploration project probable and possible ore reserves are considered to extend over an area of 900,000 square feet. Underground mining of that area on an average stope height of 10 feet, deducting 10 percent for supporting pillars, over 600,000 tons of crude ore or at least 16,000 tons of recoverable zinc concentrate and some lead should be produced under favorable market prices. Details of our ore reserve estimate are given on the attached sheets; the areas of probable and possible ore reserves are shown on the attached maps which also shows the drill hole locations and the mine workings as of a year ago.

I trust that the foregoing report will be found acceptable by D.M.E.A.

Sincerely yours;

Gerald Klepinger

Gerald Klepinger
Executive Partner
Dale Mining Co.

RECEIVED
MAR 15 1956

ESTIMATE OF ORE RESERVES

PATTERSON

Hole No.	Collar Elev.	Total depth	Ore bed	Ore Face	60% Zn. Conct.	80% Pb. Conct.	Assay Feet Zn.S	Pb. S.
I	1213	270'	none	---				
2	1214	288	242½ 250	7½	13.52		101.40	
3	1216	270	245 255	10	4.38		43.80	
4	1207	280	240 252½	12½	2.73		34.13	
5	1211	272½	247½ 255	7½	1.17		8.77	
6	1215	292	265 272½	7½	2.45		18.38	
7	1213	260	242½ 250	7½	3.22		24.15	
8	1212	267½	250 257½	7½	4.33		32.48	
9	1213	265	none	---				
10	1212	272½	none	---				
11	1207	309	242½ 260	17½	2.85		49.87	
12	1213	270	250 255	7½	2.37		17.77	
13	1207	276	none	---				
14	1208	260	none	---				
15	1210	260	225 232½	7½	2.45		18.38	
16	1210	265	none	---				
17	1215	276	225 232½	7½	2.01		15.08	
18	1214	257	215 222½	7½	1.10		8.25	
			222½ 230	7½	1.93		14.48	
19	1212	265	220 227½	7½	1.85		13.88	
20	1212	268	225 232½	7½	1.25		9.38	
			240 247½	7½	1.28		9.60	
21	1214	265	205 212½	7½	2.65		19.88	
22	1216	275	235 242½	7½	3.00		22.50	
			250 257½	7½	2.63		19.73	
23	1215	255	none	---				
24	1213	265	235 242½	7½	1.17		8.78	
			247½ 255	7½	4.50		33.75	
25	1216	266	235 242½	7½	.86		6.45	
			247 255	8	2.81		22.48	
26	1217	261	247½ 255	7½	1.50		11.25	
27	1218	270	215 265	50	2.51		125.50	
			215 222½	7½		1.34		10.25
28	1218	283	217½ 232½	15	2.39	.36	35.85	3.40
			240 252½	12½	2.20		27.50	
			257½ 265	7½	1.17		8.78	
29	1219	261	220 227½	7½	.89	.10	6.68	.75
				296½	2.59		768.93	

Area of ore Reserves	825,000 sq. ft.
Tons mineable	594,000
Zinc content	2.59
Tons of concentrate	15,384

ESTIMATE OF ORE RESERVES

CLARK

Hole No.	Collar Elev.	Total depth	Ore bed		Ore Face	60% Zn. Conct.	80% Pb. Conct.	Assay Feet Zn.S.	Pb.S.
1	1206	270'	none		---				
2	1206	258	247½	255	7½	1.10		8.25	
3	1206	266	237½	245	7½	1.59		11.93	
			247½	252½	5	1.59		7.95	
4	1206	275	none		---				
5	1207	265	245	252½	7½	1.80		21.52	
6	1207	265	220	227½	7½	2.53		18.97	
			250	257½	7½	8.50		63.75	
					42½	3.11		132.37	

Area of ore Reserves	75,000 sq. ft.
Tons mineable	45,000
Zinc content	3.11
Tons of concentrate	1,399

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
MAR - 8 1956

March 6, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2488 (Lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

Returned herewith is your final engineering and geologic report submitted under the subject contract on February 23, 1956. After reading your report it occurred to me perhaps you might like to recheck the production figures presented therein before I forward it to Washington for acceptance for DMEA.

However, if you are certain that the figures are all correct, please return the report immediately and I will get it on its way.

Sincerely yours,

Clinton G. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Operating Committee (2)
2488 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 27 1956

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

February 23, 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-1325

Dear Mr. Klepinger:

This is to acknowledge receiving today your company's check in the amount of $549.70 for royalties on the three shipments of Zinc-cadmium concentrate sold last month from your mining and milling operations. I assure you that your prompt attendance to this matter each month is appreciated greatly. Thanks also for your note attached to your letter of transmittal advising that you expect to have your final project reports completed for submittal by the end of this week.

Since the settlement sheets accompanying the various royalty payments you have made to date have not been certified to be correct in a formal manner by the purchaser's signature on each, as requested by the Administrator's letter of February 6, I believe you should so certify and sign copies of all those settlement sheets here the next time you come to this office.

Sincerely yours,

Clinton G. Knox
Executive Officer
DMEA Field Team, Region IV

cc: DMEA Operating Committee (2)
Finance Off., USBM, Bartlesville
2485 file
" royalty coll. file

File Copy
Surname

J. Alf
Griswold
Sawyer
Talbert
Kilsgaard
Gehon
Martin
Johnson

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

FEB - 6 1956

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-5325

Dear Mr. Klepinger:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-5325, dated June 22, 1952, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the Certification, all production from the land described in the contract after June 22, 1952, the date of the contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum of $10,910.40 (subject to audit) which the Government has advanced as its participating interest is repaid, or until June 22, 1964, whichever occurs first.

Payments should be made to Mr. Clinton C. Knox, Executive Officer, DMEA Field Team, Region IV, P. O. Box #431, Joplin, Missouri. Checks should be drawn in favor of the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Knox of any changes in ownership or production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. Knox at six-month intervals that such is the case.

Sincerely yours,

G. O. Mitterdorf

Administrator

Enclosure

Finance
Mr. F. E. Johnson
Mr. W. R. Griswold
Chron.

Admr R File
Op. Committee
Base Metals
Region IV (2)
Cont.Adm.&Audit Div.

WRGriswold/er 1/26/56
Copy to: Docket
Mr. C. A. Fredell, Dr.,MD,EPS
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS

R.C.G.

File Copy
Surname

J. Alt
Griswold
Dunyon
Talbert
Kiilsgaard
Keehan
Martin
Johnson

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

FEB - 6 1956

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-X325

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-X325.

The contract was dated June 22, 1952, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $31,104.00. Actual expenditures (subject to audit) totalled $21,820.80, with the Government's share being half of such amount, or $10,910.40.

The total amount of work provided for under the contract consisted of 12,960 feet of churn drilling. Churn drilling in the amount of 9,092 feet was actually done.

The discovery consisted of zinc-lead ores occurring as a sheet-ground type of deposit in limestone rocks. The ore reserve indicated as a result of such work consisted of 240,000 tons with an average grade of 3.0 per cent zinc and 0.1 per cent lead.

Sincerely yours,

W. O. Mittendorf

Administrator

Enclosure

WRGriswold/er (1/26/56)
Copy to: Docket
Cont.Adm&Audit
Region IV (2)
Base Metals
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
F. E. Johnson
W. R. Griswold
Chron.

R.C.L.

COPY - DMEA Operating Com

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

RECEIVED
JAN 25 1956

P. O. Box #431
Joplin, Missouri

January 23, 1956

Mr. Gerald Klepinger,
Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

This is to acknowledge your company's royalty check of $156.66 made payable to the Defense Minerals Exploration Administration, under date of January 16, 1956, and found on my desk this morning upon returning from work in Washington, D.C., the past week.

Based only on the carbon copy of the settlement sheet attached to the check, which obviously covers the royalty due the Government under the subject contract on a carload of zinc-cadmium flotation and jig concentrates, shipped to Matthieson & Hegeler, presumably was produced by milling some undisclosed tonnage of crude ore mined since you dewatered and rehabilitated the Patterson mine in November. Your check with a copy of the settlement sheet has been submitted through the Bureau of Mines' fiscal officer at Bartlesville, Oklahoma, to be credited to your account under the above-cited contract.

It is gratifying to learn that you have resumed production there. I assure you that your prompt submittal of this check is greatly appreciated.

In the near future I hope to be able to arrange a vist to the mine with you, and a study of your tonnage figures on crude ore production, which were the basis for this determination of that portion of the previous production subject to royalty under the contract, which I believe was covered by your previous royalty checks. You may recall mention of those needed figures in my letter to you on March 31.

Also with regard to my December 5 letter to you, I believe it would be to your advantage to submit your final geological and engineering report, including an estimate of the ore reserves resulting

from the exploration work, within thirty days. Otherwise it then will become necessary to close that docket leaving the withheld balance of your claims unsettled.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Op. Com. (2)
Mr. H. M. Smith
2485 file

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

Betty

C
O
P
Y

P. O. Box #431
Joplin, Missouri

December 23, 1955

Airmail

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

DMEA-2485

Dear Mr. Selfridge:

In response to your telegraphic request dated December 20, this is to advise that no royalty repayments were made in Region IV during this month. In fact none were received during the entire last half of 1955.

During the first half, as per my Semi-Annual report to you dated August 9, the only royalty collected in Region IV was that by a deduction of $179.80 from the final settlement last March under Project Contract Idm-E468, Amerimex Mining Co., Docket DMA-2202X (mercury). That amount ostensibly covered all 1953 productions; there was no production throughout 1954.

Under that contract, I tentatively plan making a production inspection at the Fresno mine, Presidio County, Texas, at the earliest opportunity, probably about February. Then I again will make every effort to obtain the complete 1955 production data from the present operator of that mine, the Terlingua Mercury Corporation, and try to collect the royalty payments due the Government in accordance with implied instructions in your September 29 letter to me.

With the addition of the following tabulation, however, this is intended also as my Semi-Annual Production Report on "Certified" projects in Region IV as of January 1, 1956:

Contract Number	Mineral Commodity	Operator	Date Certified	Production status	Tot. Royalty Paid to date
E-8	Mn	Westmoreland Corp.	2/27/52	None reported	None
E-48	Pb, etc.	National Lead	11/12/53	None	None
E-122	Zn	Shelton Mng. Co.	5/7/53	None	None

Contract Number	Mineral Commodity	Operator	Date Certified	Production status	Tot. Royalty Paid to date
E-139	Mn	Westmoreland Corp.	5-8-52	None reported	None
E-325	Pb-Zn	Dale Mng. Co.	(pending)	None in 1955	$886.49
E-468	Hg	Amerimex Mng. Co.	1-8-54	1955 output undetermined	$179.80

With the Season's Greetings, I am

Sincerely yours,

Signed/ Clinton C. Knox
Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~

RECEIVED
DEC - 8 1955

P. O. Box #431
Joplin, Missouri

December 5, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Klepinger:

Confirming conversation in my telephone call to you on the evening of November 30, since the project work was not resumed before the termination of the period fixed for suspension, the provisions under item 5 of the Contract Amendment No. 4 became effective, and your final geologic and engineering report including an estimate of ore reserves resulting from the exploration work, is due as required under Article 5(b) of the subject contract.

I regretted that circumstances prevented completion of the exploration project. Please advise as to when that final report to the Government can be expected to permit closing this account.

With best personal regards, I remain

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Op. Com. (2)

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

RECEIVED
JUL 14 1955

P. O. Box #431
Joplin, Missouri

July 12, 1955

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Interior Building
Washington 25, D. C.

Re: DMEA-2485 (lead-zinc)
Dale Mining Co.
Newton County, Mo.
Project Contract Idm-E325

Dear Mr. Selfridge:

Enclosed herewith are the three Washington Office copies of Amendment No. 4 to the referenced project contract, executed yesterday by Mr. Gerald Klepinger, Executive Partner for the Dale Mining Co. Also enclosed are the necessary executed copies of the new Consents to Lien you requested which were received yesterday. A set of the proper copies of each of these documents has been furnished the Field Team, the Finance Officer, and the Operator (with extra Consents to Lien for the land owners).

With reference to the last paragraph in your letter of May 31, 1955, I note that you concur with my June 4, 1954, recommendation that this project can be certified. I believe, however, that to the best of my ability, my May 6 report to you on this project brought up to date that recommendation and the information needed for preparing a "Certification", including a revised map for "a description of the discovery, an estimate of the ore reserves with analyses, the cost of the project to date", etc., as per instructions in your "Special Notice", Minutes of the Operating Committee, April 29, 1953. Please advise if you desire me to try to compile any additional information for preparing such a "Certification".

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

Encl (6)

cc: DMEA Op. Com. (1)
Finance Office w/2 encl.
2485 file

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

RECEIVED
JUL 14 1955

P. O. Box #431
Joplin, Missouri

July 12, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Gerald:

Returned herewith is your copy of the contract amendment No. 4, signed here for your company yesterday, and your copies of the two new Consents to Lien which you submitted then. Also a copy of each of the latter are enclosed herewith for you to furnish to the respective landowners.

I trust that the settlement of the Eagle-Picher strike Sunday enabled you to resume your mining operation in the Picher field and that it will be economically feasible for you to resume operations at this Patterson mine by the December 1 deadline set in this Amendment No. 4. I regret that I was away when you came in yesterday evening.

With best personal regards, I remain

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/VKS

Enclosure (5)

cc: DMEA Op. Com. (2)
2485 file

COPY: DMEA Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[redacted]

RECEIVED
JUN - 6 1955

P. O. Box #431
Joplin, Missouri

June 2, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Gerald:

Enclosed herewith is a copy of the proposed Amendment No. 4 to your above-cited contract. The original and five copies of that document, received from Washington this morning, are here for your signature of acceptance. This amendment was drafted upon your request of March 8, to permit continuance of the work suspension on your project.

Before executing this amendment, however, it will be necessary for you to obtain the property owners' signatures on the seven copies of each of the two new Owner's Consents to Lien also enclosed herewith. The reason for desiring new Consents to Lien is that the royalty payment period has been increased to twelve years by this tendered amendment.

If this amendment meets with your approval, kindly have all copies of the enclosed Consents to Lien signed by the property owners, bring them to this office and properly execute all six copies of the Amendment No. 4. I will be on vacation but Mr. Perkins or Mr. Ryan will be here in my place. In the event you do not consider this amendment satisfactory, please return all the enclosed documents with a concise statement of your objections and proposed modifications.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks
Enclosures (15)

cc: D.M.E.A. Op. Com. (2)
Mr. Perkins
Mr. Ryan
2485 file

File Copy
Surname

J. Alt
Hammond
Chamberlin
Selfridge
Johnson
Mitchell

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Post Office Box 431
Joplin, Missouri

MAY 31 1955

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Knox:

We are enclosing Amendment No. 4 to the cited contract, signed by the Administrator. This amendment has been prepared in conformance with your memorandum of May 6.

Before the amendment can be executed, it will be necessary for the Operator to obtain new Consents to Lien. The necessary copies of these forms are enclosed. The reason for desiring new Consents to Lien is that the royalty payment period has been increased to twelve years by this amendment.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. In the event that it is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

As this project can be certified, we would appreciate it if you would send us, at your earliest convenience, a preliminary report giving us the necessary information. Upon receipt of this information we will prepare a certification.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures

JWAlt/er 5/26/55
Copy to: Docket
Admr R File
Op Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

R.C.J.

Rubin

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

MAY 23 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2485, Dale Mining Company
Contract Idm-X325 (lead-zinc)

Pursuant to Mr. Griswold's memorandum dated May 10 we have prepared the attached Amendment No. 4 (Suspension-Termination Agreement), in satisfactory legal form for execution.

As the period for payment of the Government's royalty is extended to "12 years" and as the Consent-to-Lien form last executed by the owners grants a lien for "ten years" it would be desirable to have a Consent to Lien executed by the owners on the latest form. In this regard, the amount of the contract is small, and the owners (there are four) already have executed a second Owner's Consent to Lien in connection with the change of the royalty provisions under Amendment No. 3. However, the decision whether to request new consents is an administrative one, and if the decision is in the affirmative we shall prepare forms to replace the two submitted in connection with Amendment No. 3, if so desired.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

HCRubin/emd
Attachments

Copy to: DMEA Docket
Solicitor's Docket
W. R. Griswold (3)
J. L. Hofflund
H. C. Rubin
chron.

File Copy
Surname
J.W. Alt.

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

May 10, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Base Metals Division

Subject: Preparation of Amendment No. 4 for Dale Mining Company, Docket No. DMEA-2485, Contract No. Idm-E325 (Lead-Zinc), Newton County, Missouri

INTERIOR DEPT.
MAY 11 1955
SOLICITOR

Will you please prepare Amendment No. 4 to the cited contract, this amendment to allow a recess of operations from March 1, 1955 to not later than December 1, 1955. In the event that the Operator does not resume operations on that date, this amendment should be so worded that this would be considered an automatic termination of the contract. The completion time of the project is to be extended by one year, or to not later than June 22, 1956. The date of the contract is June 22, 1952, and by Amendment No. 3 the work was to be completed prior to June 22, 1955.

The royalty payment provision should be increased to twelve years. Annex I of Amendment No. 3 changed the royalty payment period from ten to eleven years.

Please refer to letter and memorandum dated May 6, 1955 from Clinton C. Knox, Executive Officer, Region IV.

W. R. Griswold

W. R. Griswold

JWAlt/er
~~WRG/ek~~

Copy to: Docket
Base Metals
Chron.

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

P. O. Box #431
Joplin, Missouri

May 6, 1955

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson mine
Newton County, Mo.
Project contract Idm-E325

Dear Sir:

With reference to Mr. Ault's telephone conversation with me on April 25, I believe my Memo and data submitted herewith and intended as a Field Team Interim Report, will give the desired information on the status of the cited project contract.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Op. Com (3)
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

April 27, 1955

Memorandum for the File

From: J. W. Alt, Base Metals Division

Subject: Dale Mining Company, Patterson Mine, Docket No. DMEA-2485, Contract No. Idm-E325, Newtown County, Missouri, Lead-Zinc.

On this date, in a phone conversation with Clinton C. Knox, Executive Officer, Region IV, I inquired as to when we could expect his recommendation regarding a recess or a termination agreement regarding this property. I referred to the copy of his letter to Mr. Gerald Klepinger and told him that we have been waiting for his recommendation.

Mr. Knox said that he would endeavor to get a memorandum with his recommendation to us as soon as he was able to do so.

I told him that if he was going to recommend a recess of operations that we would need the date when work was suspended and when the Operator expects to resume operations. Also, we would need to know when the work would be completed, as the Operator would unquestionably need an extension of time to complete this remaining work.

J. W. Alt

J. W. Alt

JWAlt/er 4/28/55

Copy to: Docket
Base Metals
Chron.

C
O
P
Y

RECEIVED
APR 25 1955

DALE MINING CO.
(Plant, Stark City, Mo.)
811 KENTLAND DRIVE
P.O. NEOSHO, MO.

April 19, 1955

Al &
Betty

Mr. Clinton Knox
P. O. Box #431
Joplin, Mo.

Dear Sir: DMEA-2485 Idm-E325

In reference to your letter of March 31, 1955, concerning the ore settlement sheets; they were sent to your office in Joplin along with our check following settlement with the ore buyer. If these settlement sheets have been lost or misplaced we can get copies from Matthiessen & Hegeler Zinc Company, the ore buyer.

The tailings that we are now running over our Stark City mill are not tailings from the Patterson mine. These tailings are from the mine or ground on which the mill is now located. We are getting about 1/2% recovery.

Sincerely yours,

/s/ Gerald Klepinger
Dale Mining Co.

COPY - DMEA Operating Committee

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

P. O. Box #431
Joplin, Missouri

March 31, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Docket DMEA-2485 (lead-zinc)
Dale Mining Co.
Patterson Mine, Newton County, Mo.
Project Contract Idn-E325

Dear Mr. Klepinger:

In our discussions on March 8, when you last visited this office, I mentioned the need for your settlement sheets (or certified copies) pertaining to the royalty account with the Government under your project contract and "Annex I" of the No. 3 Amendment thereto.

I believe the detailed basis for your royalty payments to the Government could be presented to your advantage with my report and recommendations relative to your request for a prolonged recess of the project work. I also am convinced that it would be mutually advantageous to have your royalty account with the Government set up in this office with sufficient detail to satisfy any finite audit that might be made. Therefore, in addition to the pertinent settlement sheets from the ore buyers, I urge that you also submit your statements showing the tonnages and lead-zinc content of the ore rock milled from that part of your Patterson mine subject to the Government's percentage royalty, or in other words, your derivation of the amounts of the royalty payments submitted on that mine production prior to its shutdown in September, 1953.

Although the necessary co-mingling of production at your Stark City central milling plant presents a problem all recognize, I am assured that your royalty accounting to the separate owners of the various mines you operated has been equitable. I am confident that your statements and calculations on the accounting for the Government's royalty would prove likewise upon scrutiny by an auditor.

It is my understanding that the royalty audits also must take into account such as the potential value of the mill tailings from the Patterson mine production that was subject to the Government's percentage royalty. I noted that the tailings at your Stark City mill are co-mingled from all your mines in the one large pile. With reference to your letter with the MF-104 report for February, 1955, requesting the recess of the project work, in which you also mentioned starting to rerun those tailings, I suggest that beginning July 1, and at the end of each six months thereafter, you submit a statement showing the tonnages (if any) and the lead-zinc content of the tailings rerun which would be subject to the Government's percentage royalty.

Incidently, in this connection, I also wish to notify you that henceforth all checks for royalty or any other payments in connection with this program are to be made payable to the Defense Minerals Exploration Administration.

With best personal regards, I am

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Op Com (2)
2485 file

COPY - DMEA Operating Committee
Washington 25, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

P. O. Box #431
Joplin, Missouri

RECEIVED

March 15, 1955

Mr. H. N. Smith, Regional Director
U. S. Bureau of Mines, Region IV
206 Federal Building
Bartlesville, Oklahoma

Attention: Regional Finance Officer

Re: Docket DMEA-2485 (lead-zinc)
Dale Mining Co.
Project Contract Idm-E325

Dear Mr. Smith:

Transmitted herewith is the original of the above-cited Operator's MF-104 Report for the February project work. Please note that I have indicated on the MF-104 Cost claim that it has been approved by this office only in the amount of $1,005.60 for your certification for this advance on the Government's participation payment.

I have determined this withholding of approval of $300.00 therein to be adequate and proper to assure rendition of the Operator's final report and accounting to the Government if such should become due following prolongation of the recess of the project work recently granted at the Operator's request.

Submittal of the two copies required by the Washington DMEA Office awaits receipt of your voucher data to be posted thereon. One copy each of the Operator's MF-104A, Narrative, logs, assays, map, etc., however, is being forwarded to Washington now for its information pending receipt of my Interim Report which will give the details and my recommendations regarding the prolonged suspension of the project requested by the Operator.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks
(Enclosure)
cc: DMEA Op Com (2) w/MF104A Report
2485 file

COPY - DMEA Operating Committee
Washington 25, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~

P. O. Box #431
Joplin, Missouri

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
REGIONAL
MAR 17 1955

March 15, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Project Contract Idm-#325
Dale Mining Co.
Patterson Mine, Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Mr. Klepinger:

The costs claimed on your MF-104 Report, brought to this office on March 8, covering the two holes churn drilled on your project in February, were approved by me in the amount of $1,005.60. The original of that report today has been transmitted to the Regional Finance Officer for certification for the Government's advance of 50 percent participation in that amount.

My withholding of approval on the $300 balance of your cost claim was determined adequate and proper under the provision in Article 4 of your contract to allow for the eventual rendition of your final reports, etc., if the contract should be terminated by mutual consent without any resumption of the exploratory drilling.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Operating Com. (2)
Region IV Finance Officer
2485 file

Wash. Copy

DRA - 2409
DXI - 3325

Gentlemen:

MAR 1 8 1955

We are going to have to close down building at this project because of a lack of money.

In August of 1954 we had a bad cave-in at the mill site at Black City. This allowed our mill to roll to the underground mining operations. Since this was our only operating line to the steel we got 28 brat in production.

In June 1954 we had to close the line because the cave-in shut off one of our last ore bodies. The low price of zinc would not let us ship lower grades of ore in the mine.

In December, 1954 we pulled our equipment and got the motor in the mine out. But we are borrowing our building over our mill and our loan is so this is very small.

Therefore, we would like a to carry out enough of our building project until the price of ore becomes or we start mining in that area again.

Sincerely yours,

J. E. Klepinger

J. E. Klepinger
Dale Mining Co.
Joplin, Mo.

RECEIVED
MINERALS TECHNOLOGY
DIVISION

MAR 8 1955

BUREAU OF MINES
JOPLIN, MO.

COPY - DMEA Operating Committee
Washington 25, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~

P. O. Box #431
Joplin, Missouri

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket DMEA-2485 (lead-zinc)
Patterson Mine, Newton County, Mo.
Project Contract Idm-E325

Dear Gerry:

This is to confirm my verbal approval of the hole 29 location you proposed two weeks ago; also my verbal approval you requested by telephone on February 25, to recess the project drilling when hole 29 is completed.

That recess is granted with the understanding that its period will not extend beyond the time required for you to: (1) have a survey completed and a proper map prepared showing the locations and collar elevations of all the drill holes, (2) present the justification with your February MF-104 Report for the more prolonged recess or termination of the contract by mutual consent which your company desires, (3) until I can prepare my report and recommendations with respect to that desire, and (4) until the decision then can be reached by the DMEA Office in Washington as to whether the Government's "Certification of a Discovery" best would be secured by entering into a "Termination", or by considering your company was in default of the contract if it continued the recess beyond this limited authorized period.

I point out that latter merely as an extreme possibility. Knowing the financial hazard to you in continuing this exploration program in the face of the depressing zinc market outlook and the other unforeseen tough luck that has befallen you, however, I am confident that an equitable solution to your problems under this project contract can be worked out to mutual satisfaction.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Op. Com. (2)
2485 file

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1955

P. O. Box #431
Joplin, Missouri

February 2, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Project contract Idm-E325
Dale Mining Company
Patterson Mine, Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Mr. Klepinger:

This will confirm my verbal approval when you telephone me January 22, of your proposed location for churn drilling hole No. 28, about 100 feet southward from hole 27 in which you reported the good ore discovery. I suggest, however, that you submit with your February MF-104 Report the required prints of a map of an engineer's surveyed locations and collar elevations of all the holes churn drilled on the project to that date.

This also is to inform you that your Monthly Report for January, received yesterday, today was approved and forwarded to the Region IV Finance Officer, U. S. Bureau of Mines, Bartlesville, to be certified for the Government's participation payment.

Enclosed herewith are five sets of the Forms MF-104 and MF-104A to use in preparing your next project reports.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks
Encl. (12)

cc: DMEA Op. Com (2)
Reg. Iv Fiscal Officer
2485 file

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

P. O. Box #431
Joplin, Missouri

DEPARTMENT OF THE
Defense Minerals Administration
RECEIVED
FEB 5 1955

February 2, 1955

Mr. H. M. Smith, Regional Director
U. S. Bureau of Mines
206 Federal Building
Bartlesville, Oklahoma

Re: Project contract Idm-E325
Dale Mining Co.
Docket DMEA-2485 (lead-zinc)
Attention: Reg. IV Fiscal Officer

Dear Mr. Smith:

Transmitted herewith is the original of the above-cited Operator's MF-104 Report for the January project work, approved by this office for your certification for the Government participation payment.

Submittal of the two copies required by the Washington DMEA Office will await receipt of your voucher data to be posted thereon.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

Encl.

cc: DMEA Op. Com. (2)
2485 file

File Copy
Surname
Swarvoll
Chandler
Selfridge
Kjelmon
Mitchell

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

500

JAN 24 1955

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Bureau of Mines
Rolla, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-K325

Dear Mr. Knox:

We have your letter of January 17, regarding payments under the cited contract. You may be very sure that we wish, at all times, to be of maximum assistance to the Field members.

In the particular case referred to, the contract stipulates "the location, direction and inclination of all holes shall be subject to the approval of the Government". Therefore, when we received your memorandum of December 2 signifying disapproval of drill hole No. 22, we considered the question as closed.

In your letter of December 22 you stated: "Because of the Operator's implied reclaim . . . . I therefore, thought the Contract Administration and Audit Division . . . . . might wish to review the disallowance . . . . . ."

We thereupon complied with your suggestion and referred the matter to this division. After review, they advised us that, under the contract terms, the only applicable criterion for payment was whether or not the hole drilled was acceptable to the Executive Officer. We so advised you on January 10.

R.C.K.

Let us repeat that we shall endeavor to assist the Field in every manner possible to us at all times. On the other hand, when your considered judgment has been that an item of work was done in an ill-advised manner that does not warrant your approval, we would actually be doing you a disservice if we did not respect your judgment.

Referring to the final paragraph of your letter regarding the location at Rolla, we were merely conforming to arrangements which we understood had already been made by the Bureau of Mines. We have no preference of location of the Regional Office between Rolla and Joplin, because the Certifying Officer is not located at either place; nor are we aware that any movement has been made or contemplated to replace you as Executive Officer of Region IV.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hodges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

WRGriswold/er 1/21/55

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Hofflund, Asst. Actg Solicitor
Mr. J. Chambers
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

DMEA Gen. Corr.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
P. O. BOX 431
JOPLIN, MISSOURI

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
JAN 24 1955

January 21, 1955

Memorandum

To: L. T. McElvenny, Chief, Mining Branch, Rolla, Missouri

From: C. C. Knox

Subject: Your January 19 Memo request regarding my January 17 letter to Selfridge on Docket DMEA-2485 Dale Mining

I do not believe I could prepare you an acceptable justification for the position I took in the subject letter. It has an involved background of many incidents and communications between the Washington Offices and Field Teams. The instructions I protested, admittedly with crude emphasis, were only two of the examples where I firmly believe some frank exchanges between the offices would have resulted in a better understanding and a better job being accomplished.

I had no fear that sincere expression of my views in inter-office communications on problems we are all striving to solve, could be construed to reflect on any particular person other than myself, and certainly not on the Bureau of Mines. I have been deeply concerned, however, with making every effort to prevent poor public relations that might result in adverse reflection on the Bureau of Mines, D.M.E.A., and possibly other Government agencies, if another unhappy situation is allowed to develop like that in the exemplary Amerimax case. It seems to me that the Field Teams are most exposed to public scrutiny and therefore must keep themselves on a solid footing for the prompt, firm, fair, and decisive actions expected generally to win the industry's respect.

The four copies you requested of each of the two other letters of the subject docket are enclosed herewith. At the risk of "jumping from the frying pan into the fire", I also will enclose herewith copies of my most recent letter to the Amerimex Company which is directly related to one of the two paragraphs you condemned in my letter to Selfridge.

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc. C.F. copy (990.)
L. T. McElvenny

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

P. O. Box #136
Rolla, Missouri

C
O
P
Y

January 19, 1955

Memorandum

To: C. C. Knox

From: L. T. McElvenny

Subject: Your letter of January 17, 1955 to G. C. Selfridge re Docket DMEA-2485

I am in receipt of a copy of your January 17, 1955, letter to the Chairman of the D.M.E.A. Operating Committee regarding Docket DMEA-2485, in which you mention a December 22 letter from you to him and his January 10 reply thereto, copies of neither of which were forwarded to the Rolla Office. Please send me four copies of each.

I am deeply concerned over the contents of the two last paragraphs of your January 17 letter to Mr. Selfridge. I can neither understand the need for nor condone such undignified and indiscreet statements by a member of the staff of the Branch of Mining. Made by an engineer in a position of high responsibility such as you occupy, they reflect discredit not only on this staff but the entire Bureau of Mines and I urgently request an immediate explanation and justification for your having made them.

/s/ L. T. McElvenny

DMEA Operating Committee,
Washington 25, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

P. O. Box #431
Joplin, Missouri

January 18, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Project Contract Idm-K325
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

This is to formally confirm my approval during our telephone conversation last week, of your proposed location for churn drill hole No. 27, about 150 feet due south of hole 26A, upon completion of which you reported the favorable indications.

Word has been received that your November and December MF-104 Reports were certified for the Government's participation payments which you inquired about, so I trust you will receive those two checks in due time to meet your emergencies.

Errors on your MF-104 and MF-104A Reports were called to my attention. In November, the "totals to date" should have been $18,602.40; in December, the "totals previously reported" should have been $18,602.40, and the "totals to date", $19,240.80. Please reflect those corrections in your forthcoming reports.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/vks

cc: DMEA Op. Com. (2)
Finance Off., Reg. IV
2485 file

COPY: DMEA Oper. Comm.

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

P. O. Box #431
Joplin, Missouri

January 17, 1955

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

Re: Docket DMEA-2485 (zinc-lead)
Dale Mining Co.
Patterson Mine
Newton County, Mo.
Project Contract Idm-K325

Dear Mr. Selfridge:

Please note the attached two copies of a letter received today from the Region IV Fiscal Officer which are self-explanatory. The Voucher data are given therein to be posted on your two copies of the subject Operator's November 1954 Report which I forwarded with my December 22 letter to you.

In your January 10 reply to that letter, you seemed to have ignored the facts I had presented to inform you that, by my interpretation of the contract, I had already determined that the drilling of hole No. 22 was not in accordance with the contract, and furthermore, I actually had disallowed its costs claimed in the Operator's October MF-104 Report.

As I frankly have advised all along, I am not qualified to be the final authority on legal interpretations of DMEA contracts and therefore wish to make certain that I do not appear as such by trying to deprive Operators of recourse in instances where well-founded differences of opinion are presented; much less would I like for the impression to be obtained that I would want to usurp any of such functions for which I long have understood that your Committee, the Contract Administration, the Legal Counsel, and other divisions of the Washington DMEA Office were set up to handle.

In this particular instance to which you referred, mentioned in the last paragraph of my December 22 letter concerning the Operator's protest of my decision to disallow the cost of hole 22, primarily was intended as a common courtesy to you, the Contract Administration, and to the Operator, but also was offered in the interest of better coordination so that you might be made aware of any differences of opinion that may exist.

Instances are expected to arise, however, involving more complex interpretations to be made with respect to certain of the other project contracts. If I am to be deprived then of the guidance, counsel and support that I must have from the Washington DMEA Office, I would suggest that you immediately put a more qualified boy in this job.

I gathered, however, from the Administrator's telegram received this morning, upon my return from a field assignment at Farmington, Missouri, that arrangements to replace me have been, or will be made because that suggested move to Rolla would not be agreeable to me.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc: DMEA Op. Com. w/c Piper letter
Miss Piper, Reg. IV Fiscal Off w/c telegram
McElvenny w/c telegram
Knox
2485 file

DEPARTMENT OF
Defense Minerals
JAN 19 1955

January 12, 1955

To: Mr. Clinton Knox, Executive Officer, DMEA Field Team, Joplin, Missouri

From: Fiscal Officer, Region IV, Bartlesville, Oklahoma

Subject: November Voucher IDM-E-325

The above mentioned Voucher was paid in the amount of $624.00 on Voucher No. 80, January 10, 1955 by R. E. Waters, Symbol 411, Dallas, Texas.

Please note that in the "totals to date" column, the amount is $18,598.40 and it should be $18,602.40. We have corrected the Voucher copy so please correct your copies before submitting to Washington.

CORA A. FIFER
Fiscal Officer

File Copy
Surname

J. All.
Jarvinen
Talbot
Selfridge
Johnson
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JAN 10 1955

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI
Post Office Box 431
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-R325

Dear Mr. Knox:

This is to acknowledge your letter of December 22, 1954, regarding the cited contract. With reference to the last paragraph of this letter, we wish to advise you that the allowance or disallowance for payment of the drilling of hole No. 22 is dependent on your determination as to whether this hole is acceptable under the terms of the contract. The Contract Administration and Audit Division will be governed in their certification by your decision.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

APPROVED:

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

Thor H. Kiilsgaard (THK)
Member, Geological Survey

JWAlt/er 1/5/55
Copy to: Docket
Admr R. File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.
Base Metals
Mr. Chambers

R.C.S.

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

P. O. Box #431
Joplin, Missouri

January 7, 1955

Mr. Gerald Klepinger, Executive Partner
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Contract Idm-E325
Patterson Mine
Newton County, Missouri
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

Your Monthly Report and MF-104 Claim for the work done on your project during December, 1954, was received and approved today by this Field Team Office. The original has been forwarded to the Region IV Finance Officer of the Bureau of Mines, 206 Federal Building, Bartlesville, Oklahoma, to be certified for the Government's participation payment.

Enclosed herewith are five copies each of Forms MF-104 and MF-104A to use in preparing your project reports of the work in January, 1955.

I would appreciate your letting me know the outcome of drilling hole 26A which was in progress when I inspected the project yesterday, and the exact location of the next hole to be drilled, upon which we tentatively concurred.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc: DMEA Op. Com. (2)
Fiscal Officer, Region IV
2485 file

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 10 1955

P. O. Box #431
Joplin, Missouri

January 7, 1955

Mr. H. M. Smith, Regional Director
U. S. Bureau of Mines
206 Federal Building
Bartlesville, Oklahoma

Re: Project Contract Idm-E325
Dale Mining Co.
Docket DMEA-2485 (lead-zinc)

Dear Sir: Attention: Region IV Fiscal Officer

Transmitted herewith is the original of the cited Operator's MF-104 Report covering the work done in December, 1954, as approved by this office for your certification for the Government's participation payment.

At your earliest convenience, please furnish me your Voucher data to post on the lower right corner of the Field Team's copy of that MF-104 Report, and the two copies required by the Washington DMEA Office.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc: DMEA Op. Com. (2)
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]

P. O. Box #431
Joplin, Missouri

December 22, 1954

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Project Contract Idm-E325
Dale Mining Co.
Patterson Mine, near Granby,
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Sirs:

Transmitted herewith are the two copies of the subject Operator's October Report, and the two copies of its November Report on the exploration work, as required by your office.

The original of the October Report was forwarded to the Regional Certifying Officer of the Bureau of Mines at Amarillo on December 2, and that of the November Report has been forwarded today to the recently established Bartlesville Region VI (IV?) Office of the Bureau where that officer presumably now is located.

When the vouchering data which has been requested, is received for posting as you require on the lower right corner of your copies of the MF-104 claims, I will forward that information immediately. Possibly some delay may be caused by the moving and reorganization of the Regional Office.

Because of the Operator's implied reclaim of the $660 we disallowed on its October MF-104 claim, I therefore, thought the Contract Administration and Audit Division without further delay, might wish to review that disallowance in the light of my December 2 Interim Report to you.

Very sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Encl. (4)

cc: DMEA Op. Com. (1)
Regional Finance Officer, Bartlesville
Waldrop, Amarillo
2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

P. O. Box #431
Joplin, Missouri

December 2, 1954

Mr. E. L. Waldrop, Chief
Budget and Finance Branch, Region VI
U. S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Project Contract Idm-E325
Dale Mining Co.
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Ed:

Transmitted herewith is the original of the subject Operator's Monthly Report for October, 1954, approved only in part, as indicated, by this Field Team.

That part approved amounts to only $636.00 of which the Government's half would be $318.00 on the drilling of only the one hole that was approved as explained in the attached copy of my letter to the Operator today.

The two Washington copies are being withheld here awaiting your voucher schedule data to be posted thereon as required by the Contract Administration and Audit Division in Washington.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Encl. (2)

cc: DMEA Op. Com. (2)
2485 file

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

P. O. Box #431
Joplin, Missouri

November 24, 1954

Mr. E. L. Waldrop, Chief
Budget and Finance Branch, Reg. VI
U. S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Project Contract Idm-E325
Dale Mining Co.
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Ed:

I find that the two Washington copies of the subject Operator's August Report, the original of which was transmitted to you on September 15, still are being held here awaiting your vouchering schedule data required by the DMEA office of the Contract Administration and Audit Division in Washington.

I have heard that some question of the legality of Amendment No. 3 arose which presumably may have prevented you from scheduling that Operator's voucher for the Government's participation payment. If that is true, I would appreciate properly being advised on the status of the matter, but if you have been able to schedule that voucher for payment I likewise would welcome receiving notification as in the past.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc: DMEA Op. Com. (2)
2485 file
C. C. Knox

COPY DMEA Operating Committee

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

P. O. Box #431
Joplin, Missouri

November 24, 1954

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Contract Idm-E325
Dale Mining Co.
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

I understood you to say on October 13 that hole No. 22 was being drilled about 150 feet from hole No. 3, and I considered that to be an acceptable location. In reviewing your report of the September-October project work, received November 17, I noted, however, that the location was given as 97 feet north of hole No. 3. Therefore, I went to your project yesterday, among other things to make sure that I had understood correctly where that and the other recent drilling was located.

Obviously the locations of holes No. 22, 23, and the one on which drilling is now in progress, are all contrary to any locations authorized by Amendment No. 3 of your contract, and to any approved by the Field Team. I consider that the locations of No. 23 and the one being drilled, (presumably No. 24) however, are near enough to the approved locations to be acceptable to the Government as exploratory drilling.

Regulations governing this DMEA assistance program cannot be construed to permit a closely spaced pattern of development drilling for blocking out the ore in detail for production purposes. A widely spaced pattern of drilling is regarded to be adequate for exploration purposes only, particularly there in your search for the extension of the sheeted-type ore deposit previously indicated to surround hole No. 3. I would agree that they should be closer in the "spotty" deposits of the shallower formations farther north.

Therefore my approval of the costs for drilling of hole 22, claimed in your above-mentioned report, will be withheld. When necessary to divert hole locations from those authorized by Amendment No. 3 of your contract, perhaps obtaining prior formal approval of the Field Team, based on a written request from you giving the justification, and location of the desired changed site, would be to our mutual advantage.

Although your letter of October 15, notified me that a report would not be forthcoming for September, I noted that your so-called narrative in this report of November 15, copies of which are for the Washington Office, does not mention or discuss the lack of progress on your project, a specific requirement of such reports. While Amendment No. 3 has been in effect since July 9, only four of the holes have been drilled to date out of the allotted 24 to be completed before next July.

As suggested in my letter of September 15, in order to clarify the duplicate list of sample analyses shown on your drill hole logs, both appearing to be in terms of metallic zinc, I again suggest that you submit copies of the assayer's certificates to accompany this and the future reports. Furthermore your contract is for "lead-zinc" exploration but evidently insufficient lead analyses are being made to reflect its content for ore reserve calculating purposes. The customary 2-1/2 foot drill hole sampling interval of this Tri-State mining region, evidently is not being observed on your project.

Assuming that your churn drilling alone on the project might be costing $2.00 per foot, your contract provides that an additional 40 cents per foot be spent in sampling, lead-zinc analyses, logging of the drill hole cuttings, mapping, and preparing the required reports. That would amount to around $100 per hole or average some $200 per month if progress were maintained at the rate of two hole completions per month as set up in the contract. That $200 per month is considered ample to cover all those requirements but its expenditure is not being reflected realistically in the data and narrative of your monthly reports. I believe that could be done adequately and still leave a sufficient fund for the preparation of an excellent final engineering and geologic report to be required upon completion of the project in accordance with the contract terms.

I sincerely believe it would be to your advantage at this time to prepare a more explanatory narrative to accompany this report when I am able to at least approve a part of it.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc: DMEA Op Com (2)
2485 file

File Copy
Surname
J. W. Cell
Griswold

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

OCT 18 1954

Mr. C. W. Seibel
Regional Director, Region VI
Bureau of Mines
Room 514, Barfield Building
Amarillo, Texas

Re. Docket No. DMA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Seibel:

With reference to your letter of September 31, 1954 in regard to the signing of the amendment by Mr. Gerald E. Klepinger for the partners, we refer you to the attached memorandum from J. L. Hofflund, Acting Assistant Solicitor, Defense Minerals, dated September 29, 1954.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WRGriswold/er 10/18/54

Copy to: Docket
Adrm. R. File
Op. Committee
Base Metals
Region VI (2)
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[redacted]

P. O. Box #431
Joplin, Missouri

October 8, 1954

DMEA Operating Committee
Interior Building
Washington 25, D. C.

Re: Contract Idm-E325
Dale Mining Co.
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Sirs:

Transmitted herewith is a memorandum of my September 30 inspection of the referenced project, intended as a Field Team Interim Report.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

encl. (2)

cc: DMEA Op. Com.
2485 file

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

September 29, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Signatures of partnerships (Dale Mining Company, Docket No. DMEA-2485, Contract Idm-E325 - lead-zinc)

Reference is made to letter dated August 31 from the Regional Director, Region VI, Bureau of Mines, to you, which was submitted to this office by Mr. Griswold by memorandum dated September 7, and which questions the propriety of the partnership's signature to Amendment No. 3 to the subject contract.

The Operator is a partnership consisting of three members, and the signature questioned is signed by one partner on his own behalf and then he signs the names of the other two partners, each one "by" himself.

In DMEA Circular 21, under the title "Operator's signature," it is stated that: "In the case of partnerships it is preferable that all partners sign." However, the general rule is that one partner may bind the partnership to any matters within the apparent scope of partnership business. I believe that in the instant case it is not necessary to question the authority of Mr. Gerald E. Klepinger to execute the amendment in behalf of the partnership.

I suggest that you send a copy of this memorandum to Dr. Seibel.

J. L. Hofflund

JLHofflund/emd
Copy to: DMEA Docket
Solicitor's Docket
W.Rl Griswold
J.L.Hofflund
chron.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment

R.C.G.

COPY: DMEA Operating Committee

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

P. O. Box #431
Joplin, Missouri

September 15, 1954

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Contract Idm-E325
Dale Mining Company
Newton County, Missouri
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

Your Monthly Report for the project work done in August, 1954, has been approved by this office and the original transmitted today to the Regional Finance Officer, U. S. Bureau of Mines, Amarillo, Tex., for certification for the Government's payment.

In accordance with instructions (c) on the back of the Form MF-104, I suggest that you obtain copies of the assay certificates to attach to each copy of your future monthly reports. Also, it appears that clarification information will be needed to eventually calculate the ore reserves since your analyses of "zinc" at the bottom of each copy of the drill logs evidently refers to 60 percent zinc concentrate (or blende), whereas your "Galena" assays would indicate a theoretical 86 percent lead content rather than the usual 80 percent content in lead concentrate of this region.

Likewise, I believe your drill logs submitted with your reports, at least in the absence of sketch maps showing the hole locations, should state the bearing from a point or drill hole location given on your previously submitted maps so that I or the Washington Office can platt them accurately. For example, when I last visited your project, I ascertained that hole No. 19 was 100 feet S45° W of hole No. 18, but from your report, the location given for hole No. 20 would not be necessarily in the location agreed upon. As you know, in accordance with Amendment No. 3 and the Contract, location of the holes is subject to Government approval.

Enclosed here are five copies of the forms on which to make your September report.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Encl. (10)

cc: DMEA (2)

2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
[redacted]
WASHINGTON 25, D. C.

P. O. Box #431
Joplin, Missouri

RECEIVED
SEP 20 1954

September 15, 1954

Mr. E. L. Waldrop, Chief
Budget and Finance Branch, Region VI
U. S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Contract Idm-E325
Dale Mining Company
Newton County, Missouri
Docket DMEA-2485 (lead-zinc)

Dear Ed:

Transmitted herewith is the original of the subject Operator's Monthly Report on the project work done in August, 1954, following a 3-month recess.

The two Washington copies are being withheld here until you advise me of the Voucher schedule data to be posted thereon.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Enc. (1)

cc: DMEA (2)
2485 file

File Copy
Surname
J.W. Alt.

500

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

September 7, 1954

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Base Metals Division

Subject: Reply to letter regarding the signing of Amendment No. 3, Docket No. DMEA-2485, Contract No. Idm-E325, Dale Mining Company, Patterson Mine, Newton County, Missouri (lead-zinc)

Will you please prepare a reply to C. W. Seibel's letter dated August 31, 1954.

W. E. Griswold

JWAlt/bjl (9/7/54)

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

P. O. Box #431
Joplin, Missouri

September 3, 1954

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Project Contract Idm-E325
Dale Mining Company
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

Your Monthly Report for the project work last April, approved by this office and forwarded on August 25 to the Regional Finance Officer at Amarillo, Tex., following your signing of Amendment No. 3 to the subject contract, was certified by him for the Government's participation payment.

Enclosed here is a supply of the MF-104 forms on which to make your August Report of the work resumed then after over 3 months recess in the project operations.

Sincerely yours,

Clinton C. Knox,
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Enclosure (10)

cc: DMEA (2)
2485 file

D. M. E. A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION VI

SEP - 3 1954

OFFICE OF
REGIONAL DIRECTOR

ROOM 514 BARFIELD BUILDING
AMARILLO, TEXAS

August 31, 1954

Mr. C. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration
Washington, D. C.

Dear Mr. Mittendorf:

It is noted that the signatures for the partners of the Dale Mining Company were all made by Mr. Gerald E. Klepinger instead of each partner individually on Contract IDM-E 325. At least, this is true on our copy of the contract. May we consider this amendment as an enforceable contract without the signature of each of the individual partners, or do you have some authority in your office which would permit Mr. Gerald E. Klepinger to sign for all three of the interested parties.

Sincerely yours,

C. W. Seibel
Regional Director
Region VI

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
[redacted]

P.O. Box #431
Joplin, Missouri

August 25, 1954

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Interior Building
Washington 25, D. C.

Re: Contract Idm-E325
Dale Mining Co.
Patterson Mine
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Mr. Selfridge:

With reference to your July 12 letter to me, the original and two copies of Amendment No. 3 to the subject contract, executed by the Operator on August 9, 1954, are enclosed herewith.

Also attached are the new Owners' Consents to Lien which you requested, signed by the Pattersons, and by the Sitlers, recent purchasers of the tract hitherto known as the Clark.

The appropriate copies of each of those documents have been furnished for the Operator's, the Finance Officer's, and the Field Team's files.

Also transmitted herewith is a Memorandum of my recent inspection of the referenced project, intended as a Field Team Interim Report.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Encl. (9)

cc: DMEA Operating Committee
Docket 2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
[redacted]

P.O. Box #431
Joplin, Missouri

August 25, 1954

Mr. Edgar L. Waldrop
Regional Finance Officer
U. S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Contract Idm-E325
Dale Mining Co.
Patterson Mine
Newton County, Mo.
Docket DMEA-2485 (lead-zinc)

Dear Ed:

Enclosed herewith is your file copy of Amendment No. 3 to the subject contract, executed by the Operator two weeks ago.

By virtue of that amendment, the Operator's Final Report, with reference to Article 5 (c) of the contract, now likely will not be due until the close of 1955 fiscal year. Withholding of approval of the Operator's April Report, therefore, no longer is required. Consequently, the approved original of that April Claim also is transmitted herewith for your certification for payment of the Government's participation on the project work.

Please furnish me the required voucher data to be entered in the lower right corner of the Field Team copy of that April report, and for the two copies I am holding for transmittal to Washington.

Referring to the request in my letter to you last May 18, the two Washington copies of the Operator's March Report still are being held here for want of the required voucher data, but the Operator informs that the Government's participation payment was received thereon. Please advise.

Sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

Encl. (2)
cc: Operating Committee, DMEA (2)
Docket DMEA-2485 file

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D.C.

P. O. Box #431
Joplin, Missouri

Defense Minerals Administration
JUL 16 1954

July 15, 1954

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Contract Idm-E325
Dale Mining Company
Granby, Missouri
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

Confirming my telephone conversation with you this morning, the two sets of "Owner's Consent to Lien" forms on which signatures are required, are attached herewith.

Also enclosed for your information and for that of the landowners whose signatures are required on the above mentioned revised "Consent to Lien" forms is a sample copy of the Amendment No. 3 to permit drilling an additional 24 holes on your project, as drafted in Washington and finally received here this morning. Your attention is directed therein to the new royalty Annex I, which is to be made a part of the subject contract upon execution of this Amendment No. 3. Thus the necessity for obtaining the revised "Owner's Consents to Lien".

If the sale you mentioned of the Clark property actually has been consummated, I suggest that the Clark's' names be struck out on that form and that it be signed by the new legal owner in recognition of the Government's lien against any ore that may be found and mined on that Clark tract, and of your valid lease thereon. If the transfer of title is yet in process on that sale, your only recourse is to have both the Clarks and the new owner sign that "Consent to Lien" form.

When those revised "Owner's Consent to Lien forms have been executed, your signature of approval then can be made on the original and five copies of the Amendment No. 3 I am holding here.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc Operating Committee (2)
Docket File (1)

File Copy
Surname

J. W. Alt.
Griswold
Talbert
Selfridge
K. Johnson

500

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

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI
P. O. Box 431
Joplin, Missouri

JUL 12 1954

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Patterson Mine
Newton County, Missouri
Contract No. Idm-5325

Dear Mr. Knox:

We are enclosing the original and five copies of Amendment No. 3 (3 pages), with Annex I and one map, to the cited contract, which have been signed by this office for the Government. This is in accordance with your memorandum of June 4, 1954.

The legal department states that as the Operator is a lessee, and the Owners' Consents to Lien in this case are on the old form, and as we have added a new royalty annex and have increased the agreed estimated total cost of the project, the Operator should be required to obtain new Owners' Consents to Lien on the forms attached for this purpose.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the amendment is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JWB)

Enclosures 18

JWAlt/bjl (7/2/54)

APPROVED:

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

Philip W. Guild
Member, Geological Survey (JWB)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Gildersleeve
Chron.

R.C.G.

File Copy
Surname

140

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

June 30, 1954

Memorandum

To: The Administrator
Through: Mr. W. R. Griswold

From: Acting Assistant Solicitor, DMEA

Subject: Dale Mining Company, Docket No. DMEA-2485 (Lead-Zinc), Contract Idm-E325

Attached is Amendment No. 3 to the subject contract in satisfactory legal form for execution.

The Operator is a lessee, and the Owners' Consents to Lien in this case are on the old form. Therefore, as we have added a new royalty annex and increased the agreed estimated total cost of the project, the Operator should be required to obtain new Owners' Consents to Lien on the forms which we have attached for this purpose.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments

HCRubin:ep

Copy to: Docket
Mr. Griswold
Mr. Hofflund
Mr. Rubin
Chron.

File Copy
Surname
J.W. Alt.

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

500

June 22, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Chief, Base Metals Division

Subject: An amendment to allow additional churn drilling to Contract No. Idm-E325, Docket No. DMEA-2485, Dale Mining Company, Newton County, Missouri

Will you please prepare Amendment No. 3 to the cited contract. The draft of the proposed amendment is attached with six copies of the map showing locations of proposed drill holes.

W. R. Griswold
W. R. Griswold

JWAlt/bjl

Copy to: Docket
Base Metals
Chron.

IN REPLY REFER TO:

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

June 21, 1954

Memorandum

To: Mr. W. R. Griswold, DMEA

From: E. L. Newcomb, USGS

Subject: Review of Amendment Proposal

Re; DMEA-2485
Dale Mining Company
Newton County, Mo.
Lead-zinc
Proposed Amendment No. 3

The applicant's request for further assistance to drill 24 holes on the Patterson and Clark leases is more than justified on basis of previous drilling results.

The 24 holes allowed in the contract have indicated that significant ore runs may be present on the leases. Mineralization was cut in 15 of the 24 holes showing a range in grade of 1.80 to 14.33 percent zinc sulfide.

Inferred and reasonably inferred reserves may total about 500,000 tons. According to field team, 188,900 tons of these inferred reserves average about 2.74 percent zinc metal.

A possible ore run trending northwesterly from west end of Patterson mine is indicated by holes 2, 4, 5, 6, 7, 8, and 11. However, all of the past holes have been widely spaced and accurate delineation of positive ore runs will require more drilling along suggested trends of mineralization.

Proposed 24 holes should be sufficient to establish whether continuous ore runs are present on the properties.

I recommend the proposed amendment to drill about 24 additional churn drill holes be approved. If amendment is approved, some arrangement should be made to have a geological field team report prepared on results of drilling sometime before contract is terminated. It may be necessary, because of limited personnel, to have this appraisal of reserves and geological review prepared as a part of a final report.

E. L. Newcomb

E. L. Newcomb
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
[redacted]

P. O. Box #431
Joplin, Missouri

Defense Minerals Administration
RECEIVED
JUN 7 1954

June 4, 1954

DMEA Operating Committee
Washington 25, D. C.

Re: DMEA-2485 Idm-E325
(lead-zinc)
Dale Mining Co.
Newton County, Mo.

Dear Sirs:

Enclosed herewith are the following:

1) The Original and three copies of a Field Team Interim Report with preliminary ore reserve estimates, and prints of the writer's work map.

2) Four copies of the Operator's April 14 letter requesting an amendment No. 3 to the subject contract.

3) The original and three copies of my formal justification statement for recommending approval of the proposed amendment.

4) Four copies of my proposed draft of that amendment.

5) Two copies of the Operator's April Report, approval of which is being withheld by the Field Team pending your action on the proposed Amendment No. 3, or formal termination of the subject contract and receipt of the Operator's Final Report (prints of the Operator's maps included in those reports show its tentative locations for the proposed churn drill holes to be permitted under Amendment No. 3 and ore reserves).

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

cc Operating Committee
Docket file (2)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 7 1954

P. O. Box #431
Joplin, Missouri

June 4, 1954

Memorandum

To: DMEA Operating Committee, Washington, D. C.

From: Clinton C. Knox, Executive Officer, DMEA Field Team, Region VI

Subject: Justification for proposed Amendment No. 3 to Project Contract Idm-E325
Dale Mining Co.
Newton County, Mo.
Docket DMEA-2485

Because of the exploratory churn drilling which has been completed as specified under the above-cited contract, has implied a much more extensive and geologically important ore deposit than was anticipated in the beginning, approval of the Amendment No. 3 as requested in the attached copy of the Operator's April 14 letter, apparently would be to the best interests of the Government to achieve the ultimate objective of the project.

There appears to be no doubt that this development warrants 'Certification' particularly since the Operator has paid considerable production royalty to the Government therefrom.

Therefore approval of Amendment No. 3, similar to the attached drafted proposal is hereby recommended.

The subject project has been the only clearly apparent success for DMEA in Region VI during the past 3 years.

Clinton C. Knox

CCK/vks

Clinton C. Knox

cc Operating Committee (3)
Docket file

EXPLORATION PROJECT CONTRACT
DALE MINING COMPANY
DOCKET NO. DMEA-2485

PROPOSED DRAFT

AMENDMENT NO. 3

It is agreed this 22nd day of June, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Dale Mining Company, a partnership consisting of Gerald E. Klepinger, Dr. D. P. Klepinger and Jess Worley, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E325, Docket No. DMEA-2485, dated June 22, 1952, as amended, between the parties hereto, be further modified and amended as follows:

1. This amendment shall be effective as of June 22, 1954.

2. This Amendment No. 3 applies both to the land known as the Patterson 160-acre lease, as described in Article 2 of the Contract, and to that known as the Clark 20-acre lease, as described in Article 2 of Amendment No. 2.

3. In Article 3, the first sentence is replaced by the following: The Operator shall continue work on a project of exploration for lead and zinc in and upon the described lands and shall bring the project to completion prior to June 22, 1955.

4. Exhibit "A" is revised to read as follows:

EXHIBIT "A"

Description of the Work

The work is to consist of three stages.

Stage I

The exploration project is to consist of churn drilling 12 holes to an average depth of 270 feet in an area between the Federal Moss and the Patterson Mines, and around the Patterson Mine. The objectives of the project are the determination of mineralization and the delineation of possible ore runs.

Tentative locations of the drill holes are shown on the map attached to the Exploration Project Contract entitled "Dale Mining Co., Dennis Patterson Lease in the NE¼ of Sec. 30, T. 25 N., R. 30 W., Newton County, Mo." Actual locations and depth of the holes are, however, subject to modification with approval of the Government as drilling progresses to the extent necessary to achieve the objective of the project.

Stage II

Twelve holes shall be churn drilled to an average depth of 270 feet, six of which are to be located on the Patterson Lease in the NE$\frac{1}{4}$ of Section 30, Township 25 N., Range 30 W., and tentatively indicated on the attached map; and six holes on the Clark Lease in the E$\frac{1}{2}$ of the NE$\frac{1}{4}$ of the NW$\frac{1}{4}$ of Section 30, Township 25N., Range 30 W., and tentatively located as indicated on the map attached hereto and made a part hereof.

The location, direction and inclination of all holes shall be subject to the approval of the Government.

Stage III

Twenty-four holes shall be churn drilled to an average depth of 270 feet at the tentative locations on the lands known as the Patterson and Clark leases as indicated on the map attached hereto and made a part hereof.

The location of said holes shall be subject to the approval of the Government.

Agreed Unit Costs of Project

Stage I

3,240 feet of churn drilling at $2.40/ft.	$7,776.00

Stage II

3,240 feet of churn drilling at $2.40/ft.	7,776.00

Stage III

6,480 feet of churn drilling at $2.40/ft.	15,552.00
Total Agreed Unit Cost of Project	$31,104.00
Government participation at 50%	15,552.00

Executed in sextuplicate the day and year first above written.

UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals Exploration Administration

DALE MINING COMPANY

By_____Partner

By_____Partner

By_____Partner

C
O
P
Y

Defense Materials Administration
RECEIVED
JUN 7 1954

DALE MINING CO.
811 Kentland Drive
P. O., Neosho, Mo.
(Plant at Stark City, Mo.)

G. E. Klepinger
J. A. Worley
D. P. Klepinger

Cement Products
Chat, sand,
lead, zinc

April 14, 1954

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

Dear Sir:

Docket No. DMEA-2485

Our exploration contract started in June 1952 which with amendment No. 2 effective August 1953 permitted drilling 24 holes.

We first drilled 12 holes on the Patterson lease, then 6 holes on the Clark lease, returning to the Patterson to drill the last 6 holes. We are now drilling on the last hole under this contract with a good showing of zinc ore in 11, out of the 17 holes, on the Patterson lease. These assayed between 1.80 and 13.00 percent zinc concentrates.

We also have 4 good zinc holes out of the 6 on the Clark lease which assay 1.83 to 14.33 percent zinc concentrates.

Although there is a large probable reserve of zinc ore now shown by the exploration on the Patterson, we think additional drilling is needed, because some of our holes are too far apart. Also, we would like to see if there is sufficient ore to warrant moving our mill to the Patterson or Clark leases. We would like to drill an additional 24 holes on these leases which include all of the Northeast Quarter of sec. 30, T. 25, R. 30 plus the East Half of Northeast Quarter of Northwest Quarter of the same section.

Enclosed find map showing holes completed under drilling contract and those yet proposed to be drilled.

We were forced to close the mine in Oct. 1953 because of the low zinc prices, but have made 7 monthly royalty payments to the Government at that time, totaling $886.49 on our drilling contract.

Sincerely yours,

/s/ Gerald E. Klepinger
Gerald E. Klepinger
Dale Mining Co.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
[redacted]
P. O. Box #431
Joplin, Missouri

April 12, 1954

Mr. Edward L. Waldrop
Regional Finance Officer
U. S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Contract Idm-E325
Dale Mining Company
Neosho, Mo.
Docket DMEA-2485 (zinc-lead)

Dear Ed:

Transmitted herewith is the original of the Monthly Report for March, 1954, submitted for the subject project work that month following about a 2-month work recess.

Work is continuing this month which should complete the existing contract. Under this simple "Short Form" contract, however, with only an easily prepared Final Report required after termination, I see no reason to recommend withholding any of the Government's participation payment due the Operator on this March Report.

Therefore when advised regarding your certification for payment of this report, I will post your schedule data on the two Washington copies I am holding, and forward them.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Reg. VI

CCK/vks

c.c. Operating Committee (2)
Dale File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
P. O. Box #431
Joplin, Missouri

April 12, 1954

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Contract Idm-E325
Dale Mining Co.
Granby, Missouri
Docket DMEA-2485 (lead-zinc)

Dear Gerald:

Your Monthly Report for the project work during March, 1954, following about a 2-month recess of that work, has been approved by this office. It was forwarded today to the Regional Finance Officer, U. S. Bureau of Mines, Amarillo, Tex., for certification for payment.

Enclosed are five copies of the forms on which to make your April Report.

Very sincerely yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

c.c. Operating Committee (2)
Dale file

COPY Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
P. O. Box #431
Joplin, Missouri

February 24, 1954

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Contract Idr-B325
Dale Mining Co.
Neosho, Mo.
Docket DMEA-2485 (Lead-zinc)

Dear Gerald:

I note that a letter was received by Bill Williams from the Washington Office of DMEA on Jan. 28, 1954, regarding your request that certain monetary limitations be written into the Owner's Consent to Lien, signed separately by the Clark and Patterson landowners.

At the risk of possibly repeating information you already may have, I wanted to be sure you knew the decision of the Washington Office. Based on the stated justifications for previous approvals of Amendments No. 1 and No. 2, that decision quoted in part from the above-mentioned letter, was as follows: "In the circumstances recited above, it is clear that the Government conditioned its execution of each contract amendment upon the execution of an Owner's Consent to Lien in the full amount of the Government's contribution. Accordingly, it is inappropriate to limit the extent of the owners' obligations under the Owner's Consents to Lien".

I will be glad to explain the above more fully at the first opportunity I again might have to meet with you.

I understand that drilling on the project has been recessed during the past month while water wells are being drilled for neighboring farmers. That unauthorized recess at this time is apparently of little consequence because only about four holes or a total of 845 feet remain to be drilled before June 22, 1954, the time fixed for completion under the contract. This is merely so you will understand well before then that under the existing DMEA regulations, failure to complete the specified work

within the time fixed could be considered a breach of contract which might make the Operator liable for repayment of all the Government's contributions.

Please let me know whenever you do resume the project work so that I can arrange to visit it with you at your convenience.

With best personal regards, I remain

Very sincerely yours,

Clinton C. Knox,
Executive Officer
NEA Field Team, Region VI

CCK/vks

c.c. Operating Committee (2)
Docket file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
P.O. Box 431
Joplin, Missouri

February 16, 1954

Mr. Edward L. Waldrop
Regional Finance Officer
U.S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Contract Idm-2325
Dale Mining Co.
Neosho, Mo.
Docket DMEA-2485 (zinc-lead)

Dear Ed:

Transmitted herewith is the original of the Monthly Report for January, 1954, for the subject project.

We will hold the two Washington copies of this report until advised regarding your certification for payment.

I find that we yet are holding the two Washington copies of the Operator's December, 1953 Report. Possibly in our confusion since moving this office your notification regarding certification of that December report was mislaid. The Washington Office has requested that we post the amount you certify for payment, the Vou. No., and date on the lower right-hand corner of its and our copies of the MF-104 Report.

With best personal regards, I remain

Very sincerely yours,

CCK/vks

ClintonC. Knox

c.c. Operating Committee
DMEA (Dale) file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
P.O. Box 431
Joplin, Missouri

February 16, 1954

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Mo.

Dear Gerald:

Re: Contract Idm-1325
Dale Mining Co.
Neosho, Mo.
Docket DMEA-2485 (lead-zinc)

Your Monthly Report for the project work during January, 1954, has been approved by this office. It was forwarded today to the Regional Finance Officer, U.S. Bureau of Mines, Amarillo, Tex., for certification of payment.

Enclosed are five copies of the forms on which to make your next Monthly Report.

Please note the above change of address. The former DMEA Office was closed on Feb. 1, and I will handle such future business in the Bureau of Mines Office, Room 304, Post Office Building.

With best personal regards, I remain

Very respectfully yours,

Clinton C. Knox
Executive Officer
DMEA Field Team, Region VI

CCK/vks

c.c. Operating Committee
Dale file

140

FILE COPY
SURNAME:

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

JAN 25 1954

Mr. W. P. Williams
Executive Officer
DMEA Field Team, Region VI
221 West Third Street
Joplin, Missouri

Re: Docket No. DMEA-2485
(Lead-Zinc)
Dale Mining Company
Newton County, Missouri
Contract Idm-E325

Dear Mr. Williams:

Your letter dated January 8 transmitted an Interim Report dated January 8 and an Owner's Consent to Lien dated November 1, 1953, signed by Silas and Velma Clark, and called our attention to comments in the Interim Report concerning the Owner's Consent to Lien signed by the Clarks and the Owner's Consent to Lien dated October 29, 1953, signed by the Pattersons.

The contract, dated June 22, 1952, provided for work on the Patterson lease at an estimated total cost of $7,776, of which amount the Government agreed to contribute 50 percent, or $3,888. The Owner's Consent to Lien executed by the Pattersons was limited to $3,888. In an Amendment No. 1, dated April 11, 1953, the contract amount was doubled to provide for an equal amount of work to be performed on the Clark lease, adjacent to the Patterson lease, which was added to the contract. In connection with this amendment, a memorandum dated February 27, 1953, from the Chief Counsel to the Administrator (a copy of which was transmitted to you with our letter dated March 5, 1953, transmitting the amendment), stated that an Owner's Consent to Lien in the full amount of the Government's contribution should be obtained from the owners of the added property (the Clarks). Your letter dated March 9, 1953, to the Operator requested an Owner's Consent to Lien from the Clarks in the full amount of the Government's contribution.

Subsequently, Amendment No. 2 dated October 7, 1953, was executed, changing the project work to provide that three-fourths of the total project cost be expended

on the Patterson lease and one-fourth on the Clark lease. As a condition to the execution of this amendment, a new Owner's Consent to Lien was required from the Pattersons in the full amount of the Government's contribution.

The Interim Report stated that the lessors and the Operator have requested that the extent of the owners' liability under the Owners' Consents to Lien be limited to the amount of money expended upon the land which they own, i.e., $1,920 in the case of the Clarks and $5,856 in the case of the Pattersons, these amounts to be noted on the Owners' Consents-to-Lien forms.

In the circumstances recited above, it is clear that the Government conditioned its execution of each contract amendment upon the execution of an Owner's Consent to Lien in the full amount of the Government's contribution. Accordingly, it is inappropriate to limit the extent of the owners' obligations under the Owners' Consents to Lien.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

I. H. Hedges

Member, Bureau of Mines (JHB)

D. M. Larrabee

Member, Geological Survey (JHB)

HCRubin:ep 1-19-54

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. O. M. Bishop, B/M
Mr. A. R. Kinkel, Jr. USGS
Mr. Griswold
Mr. Hofflund
Mr. Rubin
Chron.
Pending

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
January 8, 1954

DEPARTMENT OF THE INTERIOR
Conservation
JAN 11 1954

Operating Committee
Defense Minerals Exploration
Administration
Interior Building
Washington 25, D. C.

Re: DMEA-2485 Idm-E325
Dale Mining Co.
Newton County, Mo.
Lead-Zinc

Dear Sirs:

Enclosed herewith are five executed copies of Owner's Consent to Lien covering the Clark Lease which constitutes a part of the above referenced project.

Also transmitted herewith are the original and three copies of an Interim Report on the above referenced project. I wish to call attention to the remarks in the Interim Report concerning the enclosed Owner's Consent to Lien.

Sincerely yours,

W. P. Williams

W. P. Williams
Executive Officer
Field Team, Region VI

WPW:jd
Encs.

Hoffman & Chase Zinc
Shaned see

F-203
Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

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

East ½ of N E ¼ of N W ¼
Sec. 30; T. 25; R. 30 containing 20 acres, more or less

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

2/ Dale Mining Company, a partnership consisting of
Gerald E. Klepinger, Dr. D. P. Klepinger, and Jess Worley
811 Kentland, Neosho, Missouri Phone Neosho ~~974-W~~ 1567
hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions

Dated this Nov. 1st day of , 1953.

Silas Clark [Seal]

[Seal]

Wilma Clark [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

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

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
January 8, 1954

JAN 11 1954

Operating Committee
Defense Minerals Exploration
Administration
Interior Building
Washington 25, D. C.

Re: DMEA-2485 Idm-E325
Dale Mining Co.(Lead-Zinc)
Granby, Missouri

Dear Sirs:

I am transmitting to you herewith the original and three copies of an Interim Report on the above referenced project. This report has been prepared by Edwin T. Perkins, Mining Engineer, DMEA, Field Team, Region VI.

Sincerely yours,

W. P. Williams

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

WPW:jd
Enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxx
Joplin, Missouri
January 6, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 8 1954

WB
Bobby

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 Idm-325
Dale Mining Company
Newton County, Missouri
Lead-Zinc

Dear Gerald:

Your monthly report of exploration on forms MF104-104A for December, 1953 has been approved by this office. On this date the original has been forwarded to the Regional Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of forms to be used for your next monthly report.

Very truly yours,

W. P. Williams
Executive Officer
Field Team, Region VI

:jd
Encs.

cc - Operating Committee

ZB

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D. C.~~
Joplin, Missouri
December 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

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12.21

Operating Committee
Defense Minerals Exploration
Administration
Interior Building
Washington 25, D. C.

Re: DMEA-2485 Idm-E325
Dale Mining Company
Newton County, Missouri
Lead-Zinc

Gentlemen:

I am forwarding to you herewith the original and two copies of executed Amendment No. 2 to the above referenced contract. Also included with the foregoing are the original and two copies of executed Owner's Consent to Lien covering the Patterson Tract which is a part of the above project.

In accordance with the provisions set forth in DMEA Memorandum No. 10, I am on this date forwarding the appropriate copy of the same documents to the Regional Finance Officer. We are retaining one copy of each for our files.

Sincerely yours,

W. P. Williams

W. P. Williams
Executive Officer

WPW:jd
Encs.

cc - E. L. Waldrop

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
~~XXXXXXXXXXXXXXXX~~
Joplin, Missouri
December 11, 1953

Betty

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMFA*2485
Contract I[illegible]-1325
Dale Mining Co.
Newton County, Mo.
Lead-Zinc

Dear Mr. Klepinger:

Your monthly report of exploration on forms MF104-104A for November, 1953 has been approved by this office. On this date the original has been forwarded to the Regional Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of forms to be used for your next monthly report.

Very truly yours,

W. P. Williams
Executive Officer
DMFA Field Team, Reg. VI

WPW:jd
Enc.
cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
December 9, 1953

Defense Minerals Administration
RECEIVED
DEC 11 1953

Mr. Gerald Klepinger
Dale Mining Co.
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 Idm-E325
Lead-Zinc
Dale Mining Co.
Newton County, Missouri

Dear Gerald:

Today I forwarded to the Regional Finance Officer in Amarillo, Texas your check for $27.97 which you have tendered as partial repayment for costs incurred under DMEA Contract Idm-E325. Thank you for your cooperation in this matter.

I wish to point out that when youwere in the office yesterday we did not insert a termination date on the new Amendment No. 2 to your DMEA contract. I suggest that when you return the signed copies of Amendment No. 2 that you also return your copy of the amendment. In that way we will be able to enter a mutually satisfactory completion date on all copiesof Amendment No. 2.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA Field Team
Region VI

WPW:jd
cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
~~xxxxxxxxxxxxx~~
Joplin, Missouri
October 26, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: DMEA-2485 Idm-E325(Lead-Zinc)
Dale Mining Company
Newton County, Missouri

Dear Gerald:

I have just received from the Operating Committee, DMEA, in Washington, D. C., the original and five copies of Amendment No. 2 for your DMEA Contract Idm-E325.

Before the new Amendment to your Contract can be executed it will be necessary for you to obtain the signatures of the Lessors of the Clark and Patterson Tracts on the revised Owner's Consent to Lien form. I am enclosing herewith unsigned copies of the Owner's Consent to Lien forms. Each Lessor should sign all copies of the form which pertain to his tract as indicated by the land description shown on the form.

We shall be glad to discuss this new Amendment with you any time you care to call at our office.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA, Field Team, Region VI

WPW:jd
Encs.
cc - Operating Committee

FILE COPY
SURNAME 500

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

OCT 2 1 1953

Mr. W. P. Williams
Executive Officer
DMEA Field Team, Region VI
221 West 3rd Street
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Williams:

In reference to your letter of October 13, 1953, as per your request, we have made the necessary change in Article 3, of Amendment No. 2. We have not filled in the time that the project shall be brought to completion, this may be done by you, but it is not to be beyond the two year limitation of the date of the contract.

We are returning the original and five copies of Amendment No. 2 for the above contract. Before this amendment can be executed please refer to our letter to you of October 8, 1953.

Sincerely yours,

George C. Selfridge (246)
Chairman, Operating Committee

Enclosures - 6
APPROVED:

J. H. Hedges
Member, Bureau of Mines (245)

D. M. Larrabee
Member, Geological Survey (245)

JWAlt/hmj (10-19-53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Div.
Mr. Kinkel
Mr. Bishop
Chron.

R.C.G. 10-21-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
October 13, 1953

Defense Minerals Administration
RECEIVED
OCT 15 1953

Operating Committee
Defense Minerals Exploration
Administration
Interior Building
Washington 25, D. C.

Re: DMEA 2485 Idm-E325
Dale Mining Company
Newton County, Missouri
Lead-Zinc

Dear Sirs:

On October 8, 1953 you transmitted to me the original and five copies of Amendment No. 2 for the above contract. In your letter of transmittal you instruct this office to present the amendment to the Operator for approval and signature.

Examination of Amendment No. 2 discloses that on Page 1, Article 3 states "In Article 3, the first sentence is replaced by the following: The Operator shall continue work on a project of exploration for lead and zinc in and upon the described lands and shall bring the project to completion prior to _____ _____, 1953."

Amendment No. 1 to Contract Idm-E325 stipulates that the work shall be completed by November 1, 1953. By the provisions of Article 3, Amendment No. 2 the maximum possible extension of time would only be two months. This length of time would not be sufficient for the Operator to complete the proposed exploration project.

I am returning to you herewith the original and five copies of Amendment No. 2 with the suggestion that the termination date in Article 3, Amendment No. 2 be changed to a date in 1954. Six months from November 1st should be adequate.

All other phases of the amendment meet with the approval of the Field Team.

Sincerely yours,

W. P. Williams

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

WPW:jd
Encs.

10-15

FILE COPY
SURNAME:

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

OCT - 8 1953

Mr. W. P. Williams, Executive Officer
DMEA Field Team, Region VI
221 West 3rd Street
Joplin, Missouri

Re: Docket No. DMEA 2485 (Lead-Zinc)
Dale Mining Company
Newton County, Missouri
Contract No. Idm-8325

Dear Mr. Williams:

We are enclosing the original and five copies of Amendment No. 2 for the above contract, signed by this office for the Government, together with one map.

Before Amendment No. 2 can be executed it will be necessary to obtain the signatures of lessors of the Clark and Patterson leases on the revised Owner's Consent to Lien forms. These forms are attached to the amendment.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature, and when completed distribute in the usual manner. In the event that the amendment is not satisfactory, and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures 6

APPROVED:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

JWAlt/hmj (10/6/53)
CC to: Docket
Adm. R. File
Op. Committee
Mr. Kinkel
Mr. Bishop
Base Metals Div.
Chron.

Joplin, Missouri
October 7, 1953

Mr. G. E. Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

October 14,

Re: DMEA-2485 Idm-E325
Dale Mining Company
Newton County, Mo.
Zinc-Lead

Dear Mr. Klepinger:

Your monthly report of exploration on Forms MF104-104A for September 1953, has been approved by this office. On this date the original has been forwarded to the Region Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of forms to be used for your next monthly report.

I have forwarded your check for $36.02 to Ray C. Jonas, Regional Finance Officer, Amarillo, Texas. With your check I enclosed letter of explanation concerning a duplicate check made by you in April, 1953.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

FILE COPY
SURNAME:

aEKane

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

October 5, 1953

N.S. in R.R.

Memorandum

To: The Administrator

Through: W. R. Griswold

From: Chief Counsel

Subject: Dale Mining Company - Docket No. DMEA-2485

There is attached in satisfactory legal form for execution Amendment No. 2 to the subject contract, as retyped in this office, pursuant to Mr. Alt's request.

Retyping was necessary because the Field Team did not furnish sufficient copies. In retyping we made one or two minor corrections which we might not have made if sufficient copies had been furnished.

Albert E. Kane

for J. L. Hofflund
Chief Counsel

Attachments

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

FILE COPY
SURNAME:

140

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

September 29, 1953

N.S. in B.R.

Memorandum

To: The Administrator

Through: W. R. Griswold

From: Chief Counsel

Subject: Dale Mining Company - Docket No. DMEA-2485
Amendment No. 2

Amendment No. 2 as submitted by the Field is in satisfactory form and may be signed. There should, however, be attached the maps referred to in Amendment No. 2 and a new form of Owner's Consent to Lien should be attached as well.

Albert E. Kane

J. L. Hofflund
Chief Counsel

Attachments

PEKane/We have deleted the first sentence under Stage II.
cc: Mails & Files
J. L. Hofflund
A. E. Kane
W. R. Griswold
Chron.

500
FILE COPY
SURNAME:

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

N.S. in R.R.

September 23, 1953

J. W. Alt
J. Griswold

Memorandum

To: Chief Counsel

From: Chief, Base Metals Division

Subject: Amendment No. 2 for Dale Mining Company, Docket No. DMEA 2485
Contract No. Idm-E325

Will you please prepare Amendment No. 2 for the above contract. The Field Team has submitted a proposed amendment.

The necessary copies of maps to be attached to the amendment are being prepared.

W. R. Griswold

W. R. Griswold

JWAlt/hmj
(9/23/53)
Attachment

CC to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
September 8, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

Memo

To: Operating Committee

From: W. P. Williams, Executive Officer, Field Team, Region VI

Subject: Docket No. DMEA-2485 - Lead-Zinc
Dale Mining Co.
Newton County, Mo.
Contract Idm-E325

As progress continues on the above-referenced project the Operator has petitioned this office for modification of the drilling program outlined in Contract Idm-E325 and has suggested some changes in original target.

On this date the Operator is performing churn drilling operations on the Clark lease (see attached map). Stage II of Amendment No. 1 to the subject Contract calls for 12 holes to be drilled on the Clark tract. In the interest of exploring his leasehold to best advantage the Operator now wishes to transfer six of the Clark holes to the adjoining Patterson tract (see map). Twelve holes were previously completed on the Patterson tract in accordance with Stage I, Amendment No. 1 of the Contract.

The Field Team concurs with the Operator's proposed changes. However, the following complications present themselves if the Government is to grant approval for the changes:

1) Stage I of Amendment No. 1 provides for work to be done only "in the NW$\frac{1}{4}$ of Sec. 30, T. 25 N., R. 30 W., Newton Co., Mo." This description is erroneous and should read -- NW$\frac{1}{4}$, NE$\frac{1}{4}$ Sec. 30, T. 25 N., R. 30 W., Newton Co., Mo. The Patterson lease includes <u>all</u> of the NE$\frac{1}{4}$ of Sec. 30. Four of the proposed holes are in the NE$\frac{1}{4}$, NE$\frac{1}{4}$, Sec. 30.

2) Stage II of Amendment 1 provides, "Twelve holes shall be drilled to an average depth of 270 feet as tentatively indicated on the map attached ... and entitled 'Patterson Lease in the NW$\frac{1}{4}$ of Sec. 30, T. 25 N., R. 30 W., Newton County, Mo.'"

Stage II does not allow for shifting six of the holes ~~to the~~ to the Patterson tract.

The wording in the first paragraph of Stage II is unfortunate because although the map, prepared by William M. Stewart Eng. Co. and submitted with the application for Amendment 1 is entitled "Patterson Lease" the map shows two leases - Patterson and Clark. In addition the description of the Clark Lease should be -- E½, NE¼, NW¼, Sec. 30, T. 25 N., R. 30 W., Newton County, Mo. (see attached map).

3) The Owner's Consent to Lien covering the Patterson Tract provides for a royalty claim on the Government's behalf of only $3,888. -- which is adequate for the original 12 holes drilled on the Patterson Tract. If more drilling is done, however, on the Patterson lease then the above amount should be increased.

4) Inasmuch as the Operator has discovered some ore on the Patterson Lease and has made repayment to the Government from production of same the project seems certain to become certified as a discovery upon completion of the Contract. Does this mean that repayment of Government participation becomes automatic if more holes are drilled on the Patterson Lease?

The following procedure is offered by the Field Team to remedy the first three objections outlined above:

1) Formulate Amendment No. 2 to Contract Idm-E325. Proposed Amendment No. 2 will provide for additional drilling on the Patterson Lease with locations of holes subject to Government approval. Amendment No. 2 will contain correct descriptions of the tracts involved. A proposed draft of Amendment No. 2 is enclosed herewith.

2) Require the Operator to obtain a new (Revised July 1, 1953) Owner's Consent to Lien from the owners of the Patterson tract. The new form will contain no specified amount of royalty claim due the Government but will make the Patterson owners liable for all Government participation in the Contract -- as provided in DMEA Circular 14. Copy enclosed herewith.

The objection raised in point 4 above may dissuade the Operator from more drilling on the Patterson tract. This office would appreciate receiving Washington's viewpoint on all the above, and especially point 4.

W. P. Williams

W. P. Williams

:jd
Attach.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
(DMEA)

SEP 10 1953

xxxxxxxxxxxxxxx
Joplin, Missouri
September 8, 1953

Mr. Ray C. Jonas
U. S. Bureau of Mines
514 Barfield Bldg.
Amarillo, Texas

Re: Docket No. DMEA-2485
Dale Mining Co.
Lead-Zinc
Newton County, Mo.
Contract No. Idm-E325

Dear Ray:

I am enclosing herewith another check from the Dale Mining Company per Gerald Klepinger. This check, amount $283.97, represents 5 percent of the sales of the Dale Mining Company for the months of July and August. This money is tendered as partial repayment for costs incurred in DMEA Contract Idm-E325.

We are also sending with the check a settlement sheet issued by Matthiessen & Hegeler Zinc Company.

Sincerely yours,

W. P. Williams
Executive Officer, DMEA
Field Team, Region VI

WPW:jd
Enc.

cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
July 20, 1953

Department of the Interior
Defense Minerals Administration
RECEIVED
JUL 22 1953

Mr. Ray C. Jonas
U. S. Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Docket No. DMEA-2485
Dale Mining Co.
Lead-Zinc
Contract No. Idm-E325

Dear Ray:

I am enclosing herewith another check from the Dale Mining Company per Gerald Klepinger. This check, amount $108.97, represents 5 percent of the sales of the Dale Mining Company for the month of June. This money is tendered as partial repayment for costs incurred in DMEA Contract Idm-E325.

We are also sending with the check a settlement sheet issued by Matthiessen & Hegeler Zinc Company.

Sincerely yours,

W. P. Williams
Executive Officer, DMEA
Region VI, Field Team

WPW:jd
Enc.

cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
July 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 22 1953

Mr. G. E. Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA 2485
Dale Mining Company
Lead-Zinc
Contract No. Idm-E325

Dear Gerald:

I am forwarding today to Ray C. Jonas, Finance Officer, DMEA, Region VI, your check dated July 13, 1953 for $108.97. This check represents partial repayment for costs incurred in your DMEA Contract Idm-E325.

Sincerely yours,

W. P. Williams
Executive Officer, DMEA
Field Team, Region VI

WPW:jd
cc: Operating Committee

FILE COPY
SURNAME:
800

Alley
Chambers

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

BR

JUN 12 1953

Mr. Ray C. Jonas
DMEA Finance Officer
Bureau of Mines
514 Barfield Building
Amarillo, Texas

Re: Idm-E325, DMEA-2485
Dale Mining Company

Dear Mr. Jonas:

Our correspondence files reveal that the above referenced project has made several royalty repayments as a result of ore shipments. However, this Division has not received copies of the applicable Schedules of Collections as required by Paragraph 9 of DMEA Circular No. 19, dated April 17, 1952.

Please furnish this office copies of any Schedules of Collections which you may have issued.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

MD A
6-12-53

AMAlley/ama
June 12, 1953

Copy to: Admr. Reading File
Mails and Files
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.
~~XXXXXXXXXXXXXX~~
Joplin, Missouri
June 8, 1953

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 10 1953

Mr. Ray C. Jonas
U. S. Bureau of Mines
814 Barfield Bldg.
Amarillo, Texas

Re: Docket No. DMEA-2485
Dale Mining Co.
Lead-Zinc
Contract No. Idm-E325

Dear Ray:

I am enclosing herewith another check from the Dale Mining Company per Gerald Klepinger. This check, amount $156.98, represents 5 percent of the sales of the Dale Mining Company for the month of May. This money is tendered as partial repayment for costs incurred in DMEA Contract Idm-E325.

We are also sending with the check a settlement sheet issued by Matthiessen & Hegeler Zinc Company.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

WPW:jd
Encs.

cc - Operating Committee

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

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
(DMEA)
JUN 10 1953

Joplin, Missouri
June 8, 1953

Mr. G. E. Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA 2485
Dale Mining Company
Lead-Zinc
Contract No. Idm-E325

Dear Gerald:

I am forwarding today to Ray C. Jonas, Finance Officer, DMEA, Region VI, your check dated June 6, 1953 for $156.98. This check represents partial repayment for costs incurred in your DMEA Contract Idm-E325.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

WPW:jd
cc: Operating Committee

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

Joplin, Missouri
May 26, 1953

Mr. Ray C. Jonas
U. S. Bureau of Mines
814 Barfield Bldg.
Amarillo, Texas

Re: Docket No. DMEA-2485
Dale Mining Co.
Lead-Zinc
Contract No. Idm-E325

Dear Ray:

I am enclosing herewith another check from the Dale Mining Company per Gerald Klepinger. This check, amount $136.29, represents 5 percent of the sales of the Dale Mining Company for the month of May. This money is tendered as partial repayment for costs incurred in DMEA Contract Idm-E325.

We are also sending with the check a settlement sheet issued by Matthiessen & Hegeler Zinc Company.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

WPW:jd
Encs.

cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR

DOCKET COPY

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxx
Joplin, Missouri
May 26, 1953

Mr. G. E. Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA 2485
Dale Mining Company
Lead-Zinc
Contract No. Idm-E325

Dear Gerald:

I am forwarding today to Ray C. Jones, Finance Officer, DMEA, Region VI, your check dated May 25, 1953 for $136.29. This check represents partial repayment for costs incurred in your DMEA Contract Idm-E325.

Sincerely yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

WPW:jd
cc: Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
May 21, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 25 1953

Mr. W. S. Martin, Acting Chairman
Operating Committee
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Docket No. DMEA-2485(Lead-Zinc)
Dale Mining Company
Dennis Patterson Lease
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Martin:

Replying to your May 18 letter to W. P. Williams, Executive of this Field Team Office, your quotation from his letter to Ray Jonas on May 5, regarding recommendations that a "Certificate of Discovery" be issued to Dale Mining Co., actually must have referred to the Field Team's "Interim Report" by E. T. Perkins, dated March 25, 1953. I believe the original and three copies of that report was transmitted to the Operating Committee on March 31.

Mr. Perkin's report was originally intended to constitute the Field Team's "Final Report," covering completion of the project contract on the company's Patterson Lease. The Operator's "Final Report" was received and transmitted to Mr. Jonas on March 18, copies of which were sent to the Operating Committee on April 3. Anticipating eventual execution of Amendment No. 1 to the contract as prepared in Washington, D.C. on March 5, however, both reports were considered as "Interim Reports." Subsequent execution of that Amendment on April 11, doubled the allowable maximum exploration work which can be done under the contract and the last half of the work is understood to be in progress on the company's Clark Lease.

Production of ore was started in March, 1953, from the deposit, partially delineated as a result of the first half of the project contract work on the company's Patterson Lease. On April 18, the Operator submitted the Government's $136.29 royalty check for that March production and barring shut-downs due to low zinc prices, receiving of monthly checks is expected to continue. Thus eventual issuance of a "Certificate of Discovery" now appears virtually mandatory.

I sincerely hope that this will assit in clarifying your understanding of the current status of the subject project contract until the next Field Team inspection of the project is made.

Respectfully yours,

Clinton C. Knox

Clinton C. Knox
Acting for L. T. McElvenny
Acting Executive, Field Team
Region VI

:jd

cc - Operating Committee
R. C. Jonas
L. T. McElvenny

500

FILE COPY
SURNAME:

Gurnell
Martin
Williams
Matthews

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

MAY 18 1953

Mr. William P. Williams
Executive Officer
DMEA Field Team, Region VI
221 West 3rd Street
Joplin, Missouri

Re: Docket No. DMEA-2485 (Lead-Zinc)
Dale Mining Company
Dennis Patterson Lease
Newton County, Missouri
Contract No. Idm-E325

Dear Mr. Williams:

This refers to your letter dated May 5, 1953, to Mr. Ray C. Jonas, Bureau of Mines, Amarillo, Texas, in which you state: "In our Final Report to the Operating Committee this Field Team recommended that a Certification of Discovery be issued to Dale Mining Co."

This is to advise that the Final Report referred to has not been received.

Sincerely yours,

W. S. Martin (JHB)
ACTING Chairman, Operating Committee

J.H. 5-18-53

APPROVED:

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

T. P. Thayer
Member, Geological Survey (JHB)

WRGriswold/bjl (written 5/14/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals Div.
Mr. Bishop
Mr. Kinkel
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxx
Joplin, Missouri
May 5, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 7 1953

Mr. Ray C. Jonas
U. S. Bureau of Mines
814 Barfield Bldg.
Amarillo, Texas

Re: Docket No. DMEA-2485
Contract No. Idm-E325
Dale Mining Co.
Lead-Zinc

Dear Ray:

I am enclosing herewith (1) a check for $136.29 by Dale Mining Co. per Gerald Klepinger, (2) a copy of an ore settlement sheet from Mathiessen& Hegeler Zinc Co. of Missouri, and (3) a copy of letter from Gerald Klepinger to Clinton C. Knox, Defense Minerals Administration which transmits the check to this office.

The enclosed check has been tendered as partial repayment of costs incurred in DMEA Contract Idm-E325, Docket No. DMEA-2845.

In our Final Report to the Operating Committee this Field Team recommended that a Certification of Discovery be issued to Dale Mining Co. by the Washington office. The enclosed check constitutes the Operator's first payment for costs in his DMEA project.

Last week in Washington I was instructed that repayments by Operators of successful DMEA projects should be forwarded by this office to the Regional Finance Officer.

Regards,

W. P. Williams
Executive Officer
Field Team, Region VI

WPW:jd
Encs.

cc - Operating Committee

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 7 1953

Joplin, Missouri
May 5, 1953

Mr. Gerald E. Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA-2485
Contract No. Idm-E325
Dale Mining Co.
Lead-Zinc

Dear Mr. Klepinger:

According to instructions I received in Washington last week, I am forwarding today your check in the amount of $136.29 to Mr. Ray C. Jonas, Regional Finance Officer, DMEA, Region VI, Amarillo.

Written instructions from the Washington office of DMEA states that repayment checks to the Government should be made payable to the Treasurer of the United States. We took the liberty of inserting this correct notation on your check dated April 18, 1953.

Our instructions also say that checks must be accompanied by copies of settlement sheets from the ore buyer. You have fully complied with this in the last instance and I only call it to your attention for use in later instances.

Thank you for your attention in this matter, and we shall be glad to be of assistance at any time.

Very truly yours,

W. P. Williams
Executive Officer
Field Team, Region VI

WPW:jd

cc - Operating Committee ✓

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Joplin, Missouri
April 15, 1953

Re: Docket No.DMEA-2485
Contract No. Idm-E325
Dale Mining Company
Lead-Zinc

Memo

To: Operating Committee

From: Field Team, Region VI

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 17 1953

Transmitted herewith are the original and two copies of Amendment #1 to the subject contract, executed by the Operator as prepared in the Washington office. Attached thereto are the appropriate copies of the "Owner's Consent to Lien", previously executed in compliance with the instructions to the Field Team in your letter of March 5.

Copies of this letter and the two above-mentioned documents also are being sent today to the Operator and to the Field Finance Officer. The remaining copy of each document has been attached to the Field Team's copy of the contract.

Clinton C. Knox
Clinton C. Knox
Mining Engineer

/jd
Encs.

cc - Operating Committee (orig.&2)
Ray C. Jonas - 1
G. E. Klepinger - 1

cal
4-17

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D. C.~~
Joplin, Missouri
March 18, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1953

Mr. Roy C. Jonas
U. S. Bureau of Mines
814 Barfield Bldg.
Amarillo, Texas

Re: Docket No. DMEA-2485
Contract No. Idm-8325
Dale Mining Co.
Zinc & Lead

Dear Ray:

Transmitted herewith is the original of the February report on the above-captioned project contract. It is approved by the Field Team for $1,230.00 of the total reported expenses incurred by the Operator during that final month's work on the Patterson Lease. We are holding the two Washington copies awaiting your notice that the report has been certified for payment.

As you will notice the Operator prepared that February report also to constitute his Final Report under the terms of the contract as it existed when the work on the Patterson Lease was completed on March 2, 1953. E. T. Perkins, the Bureau Engineer who made the Field Team's final inspection of the project on February 16, also was preparing its Final Report. In response to the February 3 application by the Dale Mining Co. for another DMEA exploration on its adjoining Clark Lease, however, on March 9 Amendment #1 was received from Washington which doubles the allowable maximum to be spent on the above-captioned contract.

Therefore as soon as the "Owner's Consent to Lien" can be obtained on the Clark Lease, the Operator is expected to sign all copies of Amendment #1, and one will be forwarded to you immediately. It permits a total of $7,776 to be spent on 3,240 feet of churn drilling in 12 holes on the Clark Lease, exactly as the original contract allowed on the Patterson Lease.

Very truly yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

/jd
Enc.
P.S. - Obviously the statement about mining in the operator's narrative report should be construed only to mean that 25 percent of the ore that will come from the Patterson Mine during March will be from the ore reserves found as a result of the DMEA project.

cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
March 18, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1953

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA-2485
Contract No. Idm-E325
Dale Mining Company
Zinc-Lead

Dear Mr. Klepinger:

Your monthly report of exploration on Forms MF-104 and MF-104A for February, 1953 has been approved by this office. On this date the original has been forwarded to the Regional Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of Forms MF-104 and MF-104A to be used for next monthly report.

Very truly yours,

W. P. Williams
Executive Officer
DMEA Field Team, Region VI

/jd
Encs.

cc - Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
March 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1953

Mr. G. E. Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket DMEA-2485
Contract No. Idm-E325
Dale Mining Company
Lead-Zinc

Dear Mr. Klepinger:

Rather than write a new contract for the exploration project on the Clark Lease that you requested in your recent application, the Washington Office has drafted and tentatively approved Amendment No. 1 to your project contract that is now in force on your adjoining Patterson Lease. That amendment will permit a like amount of drilling on the Clark Lease.

Before that amendment can be executed however, we have been instructed to request that you obtain the "Owner's Consent to Lien" for the Clark Lease in quintuplicate. That is to assure that the specified royalties from any ore that might be mined from the Clark property as a result of the benefits from the explorations, will be applied upon reimbursing the Government for its total $7,776.00 agreed contributions.

When you have returned the enclosed five copies of the "Owner's Consent to Lien" to this office properly executed by the owner or owners of the Clark Lease, the five copies of Amendment No. 1 can be signed by you and your partners and then when dated by us, your drilling can commence on that lease.

Very sincerely yours,

Clinton C. Knox
Mining Engineer

/jd
Encs.

cc - Operating Committee

FILE COPY
SURNAME:

300

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

Conrad
Gerald
Selfridge

J.C. 3/4/53

MAR 5 1953

BW

Mr. William F. Williams
Executive Officer, Region VI
DMEA Field Team
221 West 3rd Street
Joplin, Missouri

Re: Docket No. DMEA 2415 (Lead-Zinc)
Dale Mining Company
Newton County, Missouri
Contract No. Idm-5325

Dear Mr. Williams:

We are enclosing the original and five copies of Amendment No. 1 to the above contract, signed by this office for the Government, together with one map.

Before the amendment can be executed, it will be necessary to obtain the Owner's Consent to Lien to the Clark Lease. In this connection there is enclosed a copy of memorandum prepared by our Legal Division, dated February 27. Please be governed accordingly as to this memorandum.

If the amendment meets with your approval, kindly present it to the applicant for approval and signature, and when completed distribute in the usual manner. In the event the amendment is not satisfactory, return all copies with your recommendation concerning any modification.

Sincerely yours,

George C. Selfridge (JHB)

Chairman, Operating Committee

Enclosures-6

JWAlt/hmj
(3-3-53)
Copy to: Docket
Admr. Reading File
Op. Committee
Base Metals Div
Mr. Kinkel
Mr. Alt
Mr. Bishop

APPROVED:

J. H. Hedges (JHB)

Member, Bureau of Mines

D. M. Lemmon (JHB)

Member, Geological Survey

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

COPY

February 27, 1953

Memorandum

To: The Administrator
Through W. P. Griswold

From: Chief Counsel

Subject: Dale Mining Company, Docket No. DMA-2485, Contract No. Idm-E325, Amendment No. 1

My memorandum to you on the subject amendment dated February 18, does not sufficiently explain the requirements with respect to consents to lien, and is to be regarded as superseded by this memorandum.

The attached Amendment No. 1 is approved by this office for your execution, subject to the attachment to the amendment of the map referred to therein and of an Owner's Consent to Lien executed by the owners of the added property.

The property originally described in the contract is held by the Operator under a lease, and the Owner's Consent to Lien in the sum of $3,888.00 is attached to the contract. This amendment doubles the amount of the Government's contribution to the sum of $7,776.00, and this should be the amount written into the consent to lien to be executed by the owners of the added property.

Ordinarily, if the property which is the subject of an exploration project contract is held by separate parcels under lease from separate owners, we require all owners to execute consents to lien in the full amount of the contract. However, in this case where a separate parcel of property is added, the owner of the original parcel may be unwilling to execute a new Owner's Consent to Lien in the full amount, and I do not think it necessary to make the approval of this amendment subject to obtaining such a new consent. Of course, if such a new consent can be readily obtained, it would be beneficial to the Government.

/s/ J. L. Hofflund

Attachment

J. L. Hofflund
Chief Counsel

FILE COPY
SURNAME:

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

140

February 27, 1953

N.S. in R.J.R. BW

Memorandum

To: The Administrator
Through: W. R. Griswold

From: Chief Counsel

Subject: Dale Mining Company, Docket No. DMEA-2485, Contract No. Idm-E325, Amendment No. 1

My memorandum to you on the subject amendment dated February 18, does not sufficiently explain the requirements with respect to consents to lien, and is to be regarded as superseded by this memorandum.

The attached Amendment No. 1 is approved by this office for your execution, subject to the attachment to the amendment of the map referred to therein and of an Owner's Consent to Lien executed by the owners of the added property.

The property originally described in the contract is held by the Operator under a lease, and the Owner's Consent to Lien in the sum of $3,888.00 is attached to the contract. This amendment doubles the amount of the Government's contribution to the sum of $7,776.00, and this should be the amount written into the consent to lien to be executed by the owners of the added property.

Ordinarily, if the property which is the subject of an exploration project contract is held by separate parcels under lease from separate owners, we require all owners to execute consents to lien in the full amount of the contract. However, in this case where a separate parcel of property is added, the owner of the original parcel may be unwilling to execute a new Owner's Consent to Lien in the full amount, and I do not think it necessary to make the approval of this amendment subject to obtaining such a new consent. Of course, if such a new consent can be readily obtained, it would be beneficial to the Government.

JLHofflund/em
Copy to: Mails & Files
W.R. Griswold
A.E.Kane
chron. J. L. Hofflund
Attachment

J. L. Hofflund
Chief Counsel

500

FILE COPY
SURNAME:

J. Alt.

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

February 25, 1953

Memorandum

To: Administrator

From: Chief, Base Metals Division

J.C. 3/5/53

Subject: Justification for Amendment No. 1 to Docket No. DMEA-2485, Contract No. Idm-E325, Dale Mining Company, a partnership consisting of Gerald E. Klepinger, Jr. D. F. Klepinger, and Jess Werley, Newton County, Missouri (Lead-Zinc).

In concurrence with the examining engineers and the commodity men of USBM and USGS, this office approves the granting of the proposed increase in funds to do additional work.

Work under the original contract as of February 3, 1953 is still in progress. The last two holes permitted under the contract are being drilled on the Patterson tract near the Clark line. This work has resulted in the discovery of promising ore indications which are sufficiently strong to warrant further exploration.

The work to be done under the amendment to the contract will consist of:

Churn drilling twelve holes to an average depth of 270 feet. The total amount of drilling shall not exceed 3,240 feet. This drilling is to be done on the Clark lease which adjoins the Patterson lease where the drilling has been done.

All work is to be done on the unit cost basis, and the total cost for the above work will not exceed $7,776.00. The amount of the original contract was for a like amount or for $7,776.00. The total amount of this project will now be $15,552.00, of which the Government's participation will be $7,776.00.

/s/ Lyle

W. H. Griswold

JWAlt/hmj
(2-25-53)

CC to: Admr. Reading File
Base Metals Div.
Mr. Kinkel
Mr. Alt.
Docket File Copy
Region VI (2)
Mr. Bishop

FILE COPY
SURNAME:

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

140

AEKane

February 16, 1953

Memorandum

B.W.

To: The Administrator

Through: W. R. Griswold

From: Chief Counsel

Subject: Dale Mining Company, Docket No. DMEA-2485, Contract No. Idm-E325, Amendment No. 1

There is attached in satisfactory legal form for execution, an amendment to the above-described contract, subject to the attachment to the amendment of the map and the Owner's Consent to Lien prior to execution.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments

n.s. in R. v R.

AEKane/mef
cc to: Mails and Files
Mr. Griswold
Mr. Kane
Mr. Hofflund
Chron.

IN REPLY REFER TO:

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

February 11, 1953

Re: DMEA-2485
(Contract No. Idm-E325)
Dale Mining Company
Granby District
Newton County, Mo.
Proposed amendment-
$7,766

Memorandum

To: Mr. A. G. Keating

From: E. L. Newcomb

Subject: Recommendation for approval

The Dale Mining Company requests Government assistance to churn drill the Clark lease for a possible continuation of the mineralized ground currently being drilled on the adjoining Patterson lease. The amount of this proposed amendment is equal to the sum allowed in the original contract. As a contract amendment, it would permit a maximum of 12 churn drill holes on the Clark lease.

Available information indicates that 10 holes have been completed on the contract and the remaining 2 holes are currently being drilled. However, the Washington office records provide data on only 8 of the 10 completed holes. The drilling results have been favorable as 7 out of 8 holes have cut $2\frac{1}{2}$-$17\frac{1}{2}$ feet of mineralization with the average grade ranging from 2-3.8% zinc metal. The mineralization is characterized as "sheet ground" ore and occurs in the Reed Springs formation at a depth of 242-270 feet.

The present drilling program has clearly indicated that the "sheet ground" mineralization on the Patterson lease trends toward the adjoining Clark lease.

There is very little data available on the Clark property. According to the field team, the best tangible evidence for inferring the extension of the Patterson ore reserves into the Clark lease is the presence of sphalerite in the Clark shaft dump. Two known holes exist near the shaft, but there are no logs available on these holes.

The exploration results on the Patterson lease provide sufficient data to show that the inferred ore reserves on this property can reasonably be expected to extend into the Clark lease.

I recommend the applicant's proposed work be approved. The location of the holes should be mutually agreed upon by the field team

and the operator. In a program of this type, the location of successive holes should be determined on the basis of results from previous holes. Although a maximum of 12 holes is recommended, the field team may find it expedient to terminate the work before all the holes are drilled.

E. L. Newcomb

E. L. Newcomb
Geologist

DOCKET COPY

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

XXXXXXXXXXXXXX
Joplin, Missouri
February 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1953

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA-2485
Contract No. Idm-E325
Dale Mining Co. (Lead & Zinc)

Dear Mr. Klepinger:

Your monthly report of exploration on Forms MF-104 and MF-104A for January, 1953 has been approved by this office. On this date the original has been forwarded to the Regional Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of Forms MF-104 and MF-104A to be used for next monthly report.

Sincerely yours,

W. P. Williams
for David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd

Encs.

cc - Operating Committee

FILE COPY
Surname:

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

February 9, 1953

Memorandum

To: C. M. Bishop, Base Metals Branch, [illegible]

From: H. E. Olund

Subject: Application for an amendment to Docket No. DMEA-2485, Dale Mining Co., Aroma, Mo., requesting $7,770 for the drilling of 12 holes, 270 feet deep @ $2.00 per foot plus supervision, sampling, assaying and engineering.

The work applied for seems well justified and I would recommend it. It consists of drilling 12 holes, 270 feet deep near the East side of the Clark Lease. The adjoining property to the East is now producing.

The lessees of the property have requested an owners consent to lien the property to guarantee the governments royalty for the return of the loan. As soon as this is received you can conclude the contract.

Signed

H. E. Olund

HEOlund:ak

Copy to: Base Metals Branch
Minerals Division
H. E. Olund
E. T. McKnight
✓ Files

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
February 3, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 5 1953

Operating Committee
Defense Minerals Exploration
Administration
U. S. Department of Interior
Washington 25, D. C.

Re: MF-103 Application
Dale Mining Co.
Clark Zinc-Lead Prospect
Aroma, Missouri

Dear Sirs;

Transmitted herewith are three copies of an application on Form MF-103 which was accepted today by this Field Team office after some suggested revisions had been made. The fourth copy is being retained in the files of this office.

The application is for a DMEA project contract on the Clark Lease of the Dale Mining Co. A copy of the lease is attached to the original copy of the application. Officials of the company believe that when the owners can be contacted in southern Oklahoma, an "Owner's Consent to Lien" can be obtained.

The proposed project would explore the inferred extension of the ore reserves now being indicated by the nearly completed churn drilling project under DMEA Contract No. Idm-E325 at the adjoining Patterson Mine of the Dale Mining Co. /Therefore the application is actually a proposal to extend the work being done on the present successful project./

Little data on the Clark property was found to be available and the only tangible evidence that the Patterson ore reserves might extend to the Clark shaft is some zinc sulfide minerals found in that dump. Presumably the Clark shaft was sunk to the ore-bearing "sheet ground" strata, probably 250 feet below the surface. The last two holes permitted under that project contract now in force are being drilled on the Patterson tract near the Clark line.

Respectfully submitted,

Clinton C. Knox

Clinton C. Knox
Mining Engineer

/jd
Encs.

JAN 26 1953

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
FEB 5 1953

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

Not to be filled in by applicant

Docket No. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
Participation (Government %) .....

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Dale Mining Company; 811 Kentland Dr.; Neosho, Missouri
Partnership in State of Missouri
Partners; Dr. D. P. Klepinger, 203 W. Dartmouth, Kansas City, Mo.
G. E. Klepinger, 811 Kentland, Neosho, Mo. J. A. Worley, Baxter Springs Kansas

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract.
East ½ of N. E. ¼ of N. W. ¼ of Section 30, Township 25
Range 30, containing 20 acres, more or less.

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

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

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

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

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

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

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

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

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

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

16—66551-1

We have all of these.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Zinc & Lead

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

(*c*) The work will start within 90 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☒ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

5½ Keystone drillrig

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated Jan 19, 1953

Dale Mining Co.
(Applicant)

By Gerald Klepinger

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

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

DALE MINING CO.

(PLANT, STARK CITY, MO.)

811 KENTLAND DRIVE

P. O., NEOSHO, MO.

G. E. KLEPINGER
J. A. WORLEY
D. P. KLEPINGER

CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

4. Physical description;

(a)

On the attached map you will see the Clark shaft that was sunk some 28 years ago. We do not think there has been any drifting or cutting away from the shaft. The last dirt taken from the bottom of the shaft shows considerable zinc in the rock. Also the formation is similiar to that of the Patterson lease. In the summer of 1952 we cleaned out the top of the shaft and cemented the top 33'. Of course, in doing this we had to build a small sinking derick over the shaft. We are interested in this lease because we are now mining on the Patterson lease which is adjacent to the Clark lease on the East.

(b)

No production. The shaft was put down by the St.George Mining Co. in about 1925.

(c)

We believe the ore is in the same flint or chert bed as the Patterson mine, which is in the Reeds Springs formation. This will be similar to sheet ground with low headings. No logs available on old drill holes or shaft on the Clark lease.

(d)

Since we are mining next to this lease, so will be able to use the same roads as we do for the Patterson lease. We will mill this dirt over our Dungy mill which is 4 miles to the East of this Clark lease.

5. The exploration project;

(b)

On the attached map the x marks the proposed drill holes that we would drill. The 2 holes shown by a ⊙, close to the shaft are old drill holes we have found. The one circle hole next to the shaft could be used for a pump to dewater the shaft.
If this proposed drilling proves up, we have a 200 ton hopper and derrick that we would move to this Clark shaft.

DALE MINING CO.

(PLANT, STARK CITY, MO.)

811 KENTLAND DRIVE

P. O., NEOSHO, MO.

G. E. KLEPINGER
J. A. WORLEY
D. P. KLEPINGER

CEMENT PRODUCTS
CHAT, SAND,
LEAD, ZINC.

5. (d)
All three of the partners have been mining for over 15 years each; and in the past 3 years have produced more than 12,000 tons of zinc and lead ores from the mill they are now operating.

6. Estimate of costs;
(a)
There will be no contract work, we will do all our own drilling with our own 5½" Keystone rig.

(b)

12 holes 270' deep - 3,240' @ $2.00 per ft. -	$6,480.00
Supervision & engineering consultant sampling & assaying	700.00
Engineering - location of drill holes & maps	596.00
	$7,776.00

(Total drilling cost per foot $2.40)

Copy

MINING LEASE

THIS INDENTURE, Made this _____ day of ~~October~~ December 10, 1951, by and between Silas Clark hereinafter (whether one or more) referred to as Lessor, and Dale Mining Company, a partnership hereinafter referred to as Lessee.

WITNESSETH, 1. That in consideration of the covenants and agreements hereinafter set out, to be kept and performed by Lessee, Lessor does hereby lease unto Lessee for prospecting and mining for lead and zinc ores, for ten years from the date hereof, the following described land (for the purposes hereof considered as one parcel) situated in Newton County, State of Missouri to-wit:

East 1/2 of N E 1/4 of N W 1/4

of Section 30, Township 25, Range 30, and containing 20 acres, more or less.

2. The Lessor hereby gives and grants unto Lessee, for said term, the exclusive right and license to prospect and mine said land for lead and zinc ores, together with the right and license to prepare for market on said premises and remove and sell all lead and zinc concentrates produced from said ores, with the right to construct buildings or other structures and to make excavations, openings, stockpiles, dumps, ditches, drains, roads, tracks, and other improvements upon said premises, including the use of water in said operations, and to place such machinery thereon as Lessee may deem necessary for efficiently prospecting and mining said land and treating the ores mined therefrom, with the right in Lessee to remove all property so placed thereon at any time during the term hereof or within one year after the termination of this lease.

3. IN CONSIDERATION WHEREOF, Lessee agrees to pay unto Lessor at _____ Bank, at _____, State of _____, on or before the tenth (10th) day of each month, a royalty of Six (6) per centum of the gross sale price of all the lead and zinc concentrates produced and sold from said land during the preceding month with the privilege to Lessee to consume such concentrates and pay Lessor said percentage of the market price thereof as royalty thereon. For the protection of the Lessor and to the end that there may be no dispute as to the market price of concetrates so consumed, it is expressly agreed that if Lessor be not satisfied with the market price used in making royalty settlements, Lessor shall have and hereby agrees to take said percentage of said concentrates, or concentrates, of like quality, in lieu of said royalty, at the bins where stored and further agrees to give written notice at once in the event Lessor is not satisfied as aforesaid.

"Lead and Zinc Concentrates" is hereby defined to mean the saleable zinc and/or lead minerals as recovered at the mill or concentrating plant where treated, including, in addition to lead or zinc, any and all other metals or elements contained in such concentrates, whether or not such metals or elements, by presently known or by future discovered methods or recovery, are valuable.

For the purpose of royalty payments the sale price shall include any premium money received from any governmental agency, up to but not exceeding the amount of premium money on which royalty may be paid under law or valid regulation issued by any governmental agency having jurisdiction thereof.

4. Lessor agrees to pay Lessor's proportionate part of any taxes assessed or levied by the State in which said lands are located or any subdivision thereof, or by the Federal Government against the ores and/or concentrates produced from the lands covered hereby.

5. The Lessee will keep accurate books showing quantities and kinds of concentrates produced from said lands, and sold or consumed, when and to whom sold, and the money received from sales and such books of account shall be open to inspection by Lessor at all reasonable hours.

6. All mining operations shall be carried on in a miner-like and workman-like manner and may be conducted by shaft and underground tunnels or excavating in the manner known as strip or open-pit mining, and in the event of any strip or open-pit mining Lessee shall not be liable for damages done to the surface of said lands on account of such mining.

7. It is further understood and agreed that all ores mined from the lands covered hereby may be cleaned and prepared for market on this or other lands within or without the local area within which the lands covered hereby are located, as may be deemed desirable by Lessee, as an independent operation, or in a mill or mills in which other ores are being treated, commonly referred to as a central concentrating plant and that such plant or plants may be located on these lands, with the right to treat ores from other lands therein. If said central concentrating plant shall be equipped with automatic weighing and sampling devices, then such ores shall be wrighed, assayed, treated, handled and concentrates determined, sold and accounted for in the manner which is now or may hereafter be established as standard method and practice thereat. If said central plant shall not be equipped with automatic weighing and sampling devices, then the ores mined from the lands covered hereby shall not be commingled with ores from other lands before or during milling, nor shall any concentrates recovered therefrom be commingled with the concentrates recovered from ores from other lands, and said concentrates shall be sold and accounted for separately from any other concentrates.

8. If ores and rock from the lands covered hereby are milled on other lands the tailings, rock and other by-products resulting therefrom shall belong to the owner of such other lands or of the lands upon which same as deposited, and if ores and rock from this or other lands are milled upon the lands, covered hereby all such materials shall belong to Lessor, provided, however, Lessee shall at all times during the life of this lease have the right to remill said tailings and other by-product materials, and during the period of such remilling operation Lessee shall be relieved from the obligation to conduct prospecting or mining operations, and provided further, Lessee shall at all times during said period have the right to remove and sell said tailings and other by-product materials upon the payment of a royalty at the rate above specified on all such sales.

9. Lessee shall have the right to use underground tunnels or drifts for haulage-ways of ores from other lands and to remove ores and minerals mined on the lands covered hereby through a shaft or shafts on adjoining lands and to hoist ores and minerals mined on adjoining lands through a shaft or shafts on this land, provided the ores and minerals mined on the lands covered hereby shall not be commingled with other ores and minerals except as above provided.

10. The Lessor shall have the right to enter upon said land for the purpose of inspection and examination, not unnecessarily interfering with the prospecting and mining operations of lessee.

11. The Lessee shall commence prospecting or mining upon said lands within 90 days from the date hereof. Such prospecting or mining shall be carried on continuously and shall not be suspended at any time for longer than thirty days except on account of unavoidable accidents, strikes or other conditions beyond the control of Lessee, and except that when the sale value of the concentrates produced from said premises is such that mining thereof cannot be profitably carried on by Lessee, operations may be suspended until prices improve so that mining can be profitably conducted; provided, suspensions of operations for said last mentioned cause shall not continue longer than six (6) months without the written consent of Lessor.

12. If prospecting or mining operations should not be commenced on said land within the time hereinbefore provided and Lessee shall pay or tender to Lessor the sum of $_____, in the manner hereinafter provided, such payment or tender shall operate as a rental for three (3) months from and after the period of time last above stated, and the same shall also cover the right and privilege in the Lessee to defer the commencing of said prospecting or mining operations for and during the said three (3) months period. In like manner and upon like payments or tenders, the commencement of prospecting or mining operations may be further deferred or suspended after having been commenced, for likeperiods, successively during the term of_____years from the date hereof. All rentals due hereunder may be paid by Leesee's check mailed, postage prepaid, to Lessor at_____ _____or to the bank hereinbefore mentioned, or its successors, for Lessor's credit, on or before the date any such rentals shall become payable.

Said bank, or such other bank as Lessor may in writing hereafter designate and its successors by power irrevocable is hereby made the agent of Lessor to accept all rentals and royalties herein provided for, and the same shall continue as a depository of such royalties or rentals during the life of this lease regardless of changes of ownership of siad land or said rentals or royalties.

13. Lessee shall furnish Lessor a true copy of the log of each drill hole put down on said land by Lessee, showing any assays made of cutings therefrom, and shall, upon request of Lessor, furnish print of any underground workings on said land.

14. After the expiration of the term hereinbefore fixed, this lease shall continue in force and effect so long thereafter as ore shall be produced therefrom by the Lessee, or Lessee shall continue prospecting or mining operations on said land or any part thereof, in good faith.

15. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right, at any time, to redeem for Lessor by payment, any mortgages, taxes or other liens on the above described lands, in event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

16. Lessee shall pay for damages caused by operations hereunder to growing crops and/or any improvements on said land.

17. In case of failure of Lessee to keep and perform the terms of this lease, Lessor may give thirty days' written notice of the violation complained of, and if such violation or default is not removed within said period this lease shall thereupon terminate, at the option of the Lessor which remedy shall be exclusive.

18. The Lessee may at any time, if Lessee desires to do so, pay all royalties then due, surrender and terminate this lease by giving seven days' written notice of intention so to do and thereupon Lessee shall be relieved from all obligations hereunder, with like effect as if this lease had not been made.

19. The terms and conditions of this lease shall be binding upon and inure to the benefit of the heirs, successors, legal representatives and assigns of the parties hereto.

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

Copy

Dale Mining Co.
Gerald Klepinger
Lessee

Lilas Clark
Velma Clark

Lessor

OKLAHOMA FORM OF ACKNOWLEDGEMENT

STATE OF Oklahoma

COUNTY OF Comanche SS.

Before me, Notary Public, in and for said County and State on this 10 day of December, 1951 personally appeared Silas Clark and Velma Clark his wife, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged that they executed the same as their free and voluntary act and deed, for the uses and purposes therin set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal upon the date last above written.

My commission expires April 13, 1955

B. C. Jones
Notary Public

Recorded in Newton County Dec. 13, 1951
Book 200 Page 237

UNITED STATES
DEPARTMENT OF THE INTERIOR

DOCKET COPY

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
January 12, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 14 1953

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket DMEA-2485(Zinc & Lead)
Contract No. Idn-E325
Dale Mining Co.

Dear Mr. Klepinger:

Your monthly report of exploration on Forms MF-104 and MF-104A for December, 1953 has been approved by this office. On this date the original has been forwarded to the Regional Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of Forms MF-104 and MF-104A to be used for next monthly report.

Sincerely yours,

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd
Enc.
cc - Operating Committee ✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON~~
Joplin, Missouri
December 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 12 1952

Mr. Gerald Klepinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA-2485(Lead-Zinc)
Contract No. Idm-E325
Dale Mining Co.

Dear Mr. Klepinger:

Formal approval hereby is given to your prior request that the locations of holes #7 and #8 be changed.

Instead of being located as originally specified on the map attached as a part of the contract, Holes #7 and #8 are to be drilled at the new locations mutually agreed upon during your prior verbal consultation with the Field Team and are to be shown on a map to be attached to each copy of your December, 1952 Monthly Progress Report.

Sincerely yours,

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd

cc - Operating Committee

HK

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
Joplin, Missouri
November 11, 1952

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

Mr. Gerald Keplinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket No. DMEA 2485
Contract No. Idm-E325
Dale Mining Co.

Dear Mr. Keplinger:

Returned herewith is your Monthly Progress Report on the above subject project contract for October, 1952, which was received this morning.

I suggest that your engineer's narrative report should have stated that two holes were completed during October. That would be followed by an adequate description giving the locations, progress made, results accomplished, etc., as instructed on the back of the Form MF-104. Otherwise part of that necessary information could be illustrated by including an adequate map and cross sectional sketches with the narrative, to show the hole locations, ore horizons, and formations penetrated. I believe, however, that instead of your statement "on log attached to the original contract," you intended to say "as located on the map attached to the contract."

I am sure that your driller is as experienced as any in this region and can assist your engineer in logging some of the recognizable strata which were penetrated, such as the Short Creek Oolitic Limestone, the Grand Falls Chert, or the Reeds Spring Formation. Thus a more concise geological evaluation of that area can be recorded. I also suggest the common practice of most of the mining concerns in this region, in which ore-bearing strata are sampled at 2½-foot intervals (5-foot at the most). As you know, it is difficult to accurately mix the samples from a 12½-foot interval as you have indicated was done in obtaining the sample to be assayed in hole No. 2 from 247½ to 260 feet.

I believe the Washington office properly would question my wisdom in approving your October report in its present form and that you would wish to clarify the points I have mentioned above.

Very sincerely yours,

Clinton C. Knox

/jd
cc-Operating Committee

Joplin, Missouri
October 17, 1952

Mr. G. E. Keplinger
Dale Mining Company
811 Kentland Drive
Neosho, Missouri

Re: Docket DMEA-2485
Contract Idm-E325
Dale Mining Co.

Dear Mr. Keplinger:

Your monthly report of exploration on Forms MF-104 and 104A for September, 1952 has been approved by this office. On this date the original has been forwarded to the Regional Finance office, U. S. Bureau of Mines, Amarillo, Texas.

Enclosed are five copies of Forms MF-104 and MF-104A to be used for next monthly report.

Sincerely yours,

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd
Enc.

cc - Operating Committee

OCT 20 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxx
Joplin, Missouri
September 23, 1952

Mr. Ray C. Jonas
U. S. Bureau of Mines
814 Darfield Bldg.
Amarillo, Texas

Re: Docket DMEA-2485
Contract Idm-E325
Dale Mining Co.

Dear Ray:

Transmitted herewith is the original of the monthly report for August, 1952 of the above subject project.

We will hold the two copies for Washington until you advise us that you have certified this report for payment.

Sincerely yours,

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd
Enc.

cc: Operating Committee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 25 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
June 26, 1952

Re: Docket No.DMEA 2485
Contract Idm-E325
Dale Mining Company
(Lead-Zinc)

DV

Memo

To: Operating Committee, DMEA

From: David Gallagher, Executive Officer, Field Team, Region VI

Subject: Distribution of contract

Transmitted herewith are the original and two copies of the executed contract with newly signed "Owner's Consent to Lien" and initialed deleted Article 2(a) in accordance with your request of June 23, 1952.

The operator's copy has been retained by the operator, the Field Team copy has been retained for our file, and the Finance Office copy has been mailed today to Ray C. Jonas at Amarillo, Texas.

The operator will notify this office when work commences, probably early in July.

David Gallagher
David Gallagher

/jd
Encs.

cc: Ray C. Jonas
Dale Mining Co.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

SDS-6-3052

FILE COPY
SURNAME:

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

JUN 23 1952

Mr. David Gallagher
Executive Officer, Region VI
DMEA Field Team
221 West 3rd Street
Joplin, Missouri

Re: Docket No. 2485 (Lead-Zinc)
Contract Idm-R325
Dale Mining Company

Dear Mr. Gallagher:

We approve of the revision of the referenced contract from the long form, MF-200 to the short form MF-200(A). The amount of the contract as prepared by you is reduced from $8,180.00 to $7,776.00, a reduction of $404.00.

We are returning the original and the five copies of the contract. Before the contract can be properly executed it will be necessary to do the following:

1. Obtain and attach to the contract an "Owner's Consent to Lien" signed by Dennis Patterson and Mary V. Patterson. There is in the file an Owner's Consent to Lien form signed by Dennis Patterson, but this is not sufficient inasmuch as the lease is from the two Pattersons named above. Moreover, the form is defective in that there is not set forth on the back thereof the contract provisions referred to in the form. The current, published form of "Owner's Consent to Lien" should be used, and the blank in the form should be filled in with the total estimated amount of the contract as now written on the short form.

2. Strike out Article 2(a) of the contract form, and procure the Operator's initials on the change. The initialling is necessary, because the contract submitted has been signed by the Operator, and we have no authority to make changes over its signature.

FILE COPY
SURNAME:

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

After the completion of Items 1 and 2, please make the usual distribution of the contracts.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures-6

APPROVED

J. H. Hodges

Member, Bureau of Mines

D. M. Lemmon

Member, Geological Survey

JWALT/mb
6/19/52
cc to: Adm. R. File
Operating Committee
Docket File Copy
Mr. Keller
Mr. Alt
Mr. Mc Knight
Mr. Bishop
Region VI

140

FILE COPY
SURNAME:

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

June 17, 1952

N. S. in R. v R.

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: Dale Mining Company, DMEA-2485, Lead-Zinc

The subject contract, now redrafted on the "short" form, is approved as to legal form and sufficiency, subject to the following:

1. Obtain and attach to the contract an "Owner's Consent to Lien" signed by Dennis Patterson and Mary V. Patterson. There is in the file an Owner's Consent to Lien form signed by Dennis Patterson, but this is not sufficient inasmuch as the lease is from the two Pattersons named above. Moreover, the form is defective in that there is not set forth on the back thereof the contract provisions referred to in the form. The current, published form of "Owner's Consent to Lien" should be used, and the blank in the form should be filled in with the total estimated amount of the contract as now written on the short form.

2. Write in the date of the contract.

3. Strike out Article 2(a) of the contract form, and procure the Operator's initials on the change. The initialling is necessary, because the contract submitted has been signed by the Operator, and we have no authority to make changes over its signature.

This contract was first prepared here on the long form, but was rewritten in the field on the short form, pursuant to letter dated June 9, Executive Officer, Field Team Region VI, to the Operating Committee.

JLHofflund/em
Copy to: Mails and Files
J. Alt
J. L. Hofflund
chron

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 11 1952

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
June 9, 1952

Re: Docket DMEA-2485
Contract Idm-E325
Dale Mining Co.,
Neosho, Missouri
Zinc-Lead

Memo:

To: Operating Committee, DMEA

From: David Gallagher, Executive Officer, Field Team, Region 6

Subject: Reasons for revising MF-200 to MF-200A

Your letter of May 27, 1952, transmitting the original and five copies of this contract on long form MF-200, states "If the provisions are not satisfactory to you or the applicants, please return all copies together with your recommendations for consideration."

After studying the contract, and conferring with the applicant, all long form copies of the contract on MF-200 are returned herewith together with an original and five copies of a revision of the contract into the short form MF-200A, for the following reasons, with my recommendation that you consider it for approval.

The operator's plan involves the use of two churn drill rigs. One to be hired on subcontract in the usual way -- no problem. The other rig is owned by one of the partners. Ownership of it has never been assigned to the Dale Mining Company. The rig was to be rented to the job and operated by employees of the Dale Mining Company. The numerous and complex legal and bookkeeping problems that would arise are obvious. All these problems can be eliminated or most readily resolved by translating the contract into the short form MF-200A. The resulting simplification will be beneficial to both the operator and the Government.

Other things were found amiss with the contract in its original form, as follows:

All of the NW$\frac{1}{4}$ of the NE$\frac{1}{4}$ of section 30 was included. Within it is the operator's active Patterson mine. Under the terms of the contract the operator would be required to start making repay on a percentage basis on all ore currently being mined from the date of the contract. As a result repayments contemporary with the exploration would exceed the expenditures on the exploration. The operator felt that under those circumstance the contract provided him with the reverse of aid from the Government. Obviously if the assumptions and inferences are correct, he is right.

Discussed above point with Gallagher prior to completion of the long form. At that time he advised against revision.

Article 2(a) of MF-200 was "Xed out" on five of the MF-200s but not on the Government's copy. Legal error

The contract allowed 8 months for completion, but in Exhibit A, supervision was based on 6 months, and consulting work on 3 months. As set up on application

Exhibit A stipulated drilling only between the Federal Moss and Patterson mines in search for ore only between these two mines, whereas it was the intent of the operator to also explore around the Patterson mine to determine extensions of ore runs from that mine whether or not they were on the side between it and the Federal Moss. As defined on application location filed in contract

Also the time that had elapsed between filing the application and the date of the contract had permitted such changes in the positions of the working faces in the mine that changes in locations of drill holes were advisable of such magnitude as to require an amendment to the contract.

The recommended changes in the new, short-form version of the contract were arrived at in collaboration with the operator, as follows:

	Old MF-200	New MF-200A
Drilling 3,240 ft.@$2.00/ft.	$6,480.00	$6,480.00
Supervision @ $150/mo, max.$900	900.00	
Supervision part time @$125/mo x 4 mo. 1/		500.00
Consultant $300 for project 2/	300.00	400.00
Sampling and analyses 3/	500.00	300.00
	$8,180.00	$7,680.00
Divided by 3,240 ft = per foot	2.52	2.37 ?
Contingencies	0	96.00
		$7,776.00
Divided by 3,240 ft = per foot		2.40

1/4 mo. arrived at by: 3,240 ft ÷ (1 drill = 20 ft./day) = 162 drill days ÷ 2 rigs = 81 working days = 4 mo.

2/Originally predicated on letter from W. M. Stewart, consulting mining engineer of Joplin that accompanied the application and that recommended consulting work by him to the extent of 2 days/mo @ $50/day for 3 mo = $300. As this work will include all necessary surveying, hole logging, and report writing, it is deemed appropriate that this be set up on the basis of the 4-month schedule of the project.

3/$500 seems too high; revised downward on basis of 12 holes @$25/hole = $300.

The unit price of $2.40 per foot is not only believed to be reasonable but happens to be the same as the cost in long-form contract Idm-E325 with the Shelton Mining Company, also a Tri-State outfit, which amounts to $2.00 drilling plus 40¢ other or $2.40 per foot.

The problem of repay from existing production was resolved, after telephonic conference with Frank Johnson, by amending the land description in Article 2 by the addition of the phrase "except ground within 250 feet of the Patterson shaft," and by drawing an appropriate circle on the revised map accompanying the revised contract.

A circle centered on the shaft was chosen because of future convenience and simplicity in underground surveying to determine the respective rights of the operator and the Government, and because it well fits this particular case.

The diameter of the circle was arrived at by (1) resurveying the underground workings of the mine on June 5, 1952 to determine the present positions of the working faces in ore, which have changed substantially since the map was prepared that accompanied the original application and long-form contract, and (2) by negotiation with the operator.

We tried circles of several diameters, together with rearrangments of some of the proposed drill holes, and concluded that a diameter of 250 feet, and holes as shown on the revised map accompanying the new short-form contract was the best and most equitable arrangement.

The signature of Dennis Patterson has been affixed to all six copies of the Owner's Consent to Lien forms as requested in your letter and these six copies are attached to the six copies of the revised contract despite the fact that they state $8,152.00 for this statement is a "not in excess of" item and therefore these copies are equally applicable to the revised contract.

It is hoped that you can approve this contract promptly in its present form. If so, your attention is directed to the following (1) date the contract, (2) X out Art. 1(a) if necessary, (3) insert title of official who signs on behalf of the Government.

Sincerely yours,

David Gallagher

David Gallagher

/jd
Encs.

REVISED

EXPLORATION PROJECT CONTRACT

Dale Mining Company, a Partnership

Docket No. DMEA 2485

EXHIBIT "A"

Description of the Work

The exploration project is to consist of churn drilling 12 holes to an average depth of 270 feet in an area between the Federal Moss and Patterson Mines. The objectives of the project are the determination of mineralization and the delineation of possible ore runs ~~between the two areas of production.~~

Tentative locations of the drill holes are shown on the attached map. Actual locations and depth of the holes are, however, subject to modification with approval of the Government as drilling progresses and to the extent necessary to achieve the objective of the project.

Estimate of Costs

(1) Independent contracts:

3,240 feet of churn drilling @ $2.00 per foot	$ 6,480.00

(2) Labor, supervision, consultants:

Labor

None

Supervision

Supervision shall be allowable @ $150 per month to a maximum of $900 for the project	900.00

Consultants

Engineering consultants shall be allowable to a maximum of $300 for the project	300.00

(3) Operating materials and supplies:

None

(4) Operating equipment:

None

(5) Rehabilitation and repairs:

None

(6) New buildings, improvements, installations:

None

(7) Miscellaneous:

The cost of sampling and analytical work shall be allowable to a maximum of $500 for the project	$ 500.00
Total for the Project	$8,180.00
Government Participation - 50%	4,090.00

MF-200
(June 1951)
(Revised Feb. 1952)

Original

DOCKET DMEA 2485

COMMODITY Lead-Zinc

Idm-E325
Government's copy

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 27th day of May, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Dale Mining Company, a partnership consisting of Gerald Klepinger, Dr. D. P. Klepinger and Jess Worley
811 Kentland
Neosho, Missouri

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Missouri, County of Newton, described as follows: [3]
All of the Northeast Quarter (NE¼) of Section 30, Township 25 North, Range 30 West.

the Operator represents and undertakes: [4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

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

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

ARTICLE 3. *Exploration project.*—The Operator, within Sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] Lead-Zinc

in or upon the described land; and shall bring the project to completion within a period of eight (8) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the 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 and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

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

(*b*) The Government's payments in cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $4,090.00, which is 50 percent of $8,180.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Dale Mining Company

By: _____ (Operator)
Partner

By _____
Partner

By _____
Acting Administrator
Defense Minerals Exploration
Administration

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

_____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

FILE COPY
SURNAME:

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

Moulds
Lyon
Bishop

MAY 2 7 1952

Mr. David Gallagher
Executive Officer, Region VI
DMEA Field Team
221 West 3rd Street
Joplin, Missouri

Re: Docket No. DMEA 2485
Dale Mining Company
Lead-Zinc

Dear Mr. Gallagher:

We are transmitting, herewith, the original and five copies of a contract covering the proposed drilling project of the Dale Mining Company.

Mr. Lester, representing the William M. Stewart Engineering Company, and also the applicant, discussed this project personally with the Base Metals Division and indicated that the project had been discussed with your office. As the project appeared to qualify as exploration and estimated costs were comparable with other projects, the contract was drawn without referring to your office for field examination.

You will note that three copies of the contract have unsigned Owner's Consent to Lien forms attached. The three copies are to be signed by the owner prior to signing of the contract by the operator.

The contracts have been signed for the Government, and if the proposed exploration project and provisions of the contract meet your approval, present them to the partners for approval and signature. If the provisions are not satisfactory to you or the applicants, please return all copies together with your recommendation for consideration.

Sincerely yours,

(signed) FRANK E. JOHNSON (HB)
Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures-6

APPROVED:

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

D. M. Lemmon (HB)
Member, Geological Survey

DEMoulds/hmj/mef
5/23/52
cc to: Adm. R. File
Operating Committee
Docket File Copy
Mr. Moulds
Mr. Bishop
Mr. McKnight
Region VI

Docket
FILE COPY
SURNAME:

Moulds

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

May 8, 1952

Memorandum

To: Mr. J. L. Hofflund

From: D. E. Moulds

Subject: Dale Mining Company, DMEA 2485

In compliance with your memorandum of May 6, 1952, the necessary changes have been made in the subject contract.

We are again submitting the contract in final form for your approval and appreciate your cooperation in this matter.

D. E. Moulds (mef)

D. E. Moulds

DEMoulds/meh/hmj
5-8-52
CC to: Adm. Reading File
Docket File Copy
Mr. Moulds

FILE COPY
SURNAME:

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

May 6, 1952

Memorandum

To: Mr. Donald G. Moulds

From: Chief Counsel

Subject: Dale Mining Company, DMEA-2485

It will be necessary to make the following changes in the subject contract, to comply with legal requirements:

1. In the contract form, at the place for signature by the operator, type in the name of the partnership, Dale Mining Company, to comply with the provisions of Article 3(e) of DMEA Circular 21.

2. In Exhibit "A" insert a title, "Description of the Work," to correspond with the title, "Allowable Costs of the Project," to comply with the requirements of Article 4 of DMEA Circular 21.

3. Change the title "Allowable Costs of the Project" to read "Estimate of Costs" to conform with the requirements of Article 4 of DMEA Circular 21. The "Allowable Costs of the Project" referred to in Article 6 of the contract form are something quite different from the "Estimate of Costs" referred to in Article 5 of the contract form.

4. Under several of the categories of costs in the Estimate of Costs appear these words: "All costs of this category are included under Item (1) Independent Contracts." Inasmuch as no allowance is made for labor, the same statement should be made under a subhead "Labor." Moreover, in lieu of the statement cited, it would be preferable to write simply the word "None" in not in the column of figures, but under the category title. It is suggested that the grammar of the second sentence of Exhibit "A" be corrected.

With these formal corrections the contract will be in better shape for approval.

Of course, I could have made these changes here, but inasmuch as you have submitted what is intended for the final draft (six copies), and I appreciate your apparent willingness to do this work in your own shop, it seemed better to return the contract to you for your information and guidance.

Hofflund N.S

J. L. Hofflund R+R
Chief Counsel

Attachments

JLHofflund/em

Copy to: Mails and Files
J. L. Hofflund
chron.

VALUATIONS
E AND LAND SURVEYS
RFTING

REGISTERED PROFESSIONAL ENGINEER
MISSOURI No. E-831 OKLAHOMA No. 448
MEMBER A. I. M. & M. E.

PHOTO-COPIES
BLACK LINE PRINTS
BLUE PRINTS
DISTRICT MAPS

WILLIAM M. STEWART ENGINEERING CO.
MINING AND CIVIL ENGINEERS
40 YEARS EXPERIENCE IN TRI-STATE DISTRICT
216 WEST THIRD STREET
PHONE 11
JOPLIN, MISSOURI

April 24, 1952

Mr. D.E. Moulds

D.M.E.A. U. S. Dept. Of Interior

Washington, D. C.

Dear Mr. Moulds:

I am enclosing herewith prices on drilling on the Dale Mining Company tract in Granby, Missouri area, D.M. E.A. # 2485. We have checked with two of the major companies in this district and find they are paying $1.95 per. Ft. plus 15 cents. ea. Ft. for setting casing.

I trust this is the information you wished. May I take this opportunity to thank you for the many kind courtesies and considerations shown me, while I was in Washington. I am

Yours sincerely,

William M. Stewart Engr. Co.

By _____
Mining Engr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1952

GWL;ld

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

April 24, 1952

Re: DMEA-2485
Patterson Lease
Granby District
Newton County,
Missouri
$8,152 - Gov't
share = 50%

Memorandum

To: D. E. Moulds, DMEA

From: H. E. Olund, USBM

Subject: Recommendation for field referral

The Dale Mining Company has presented an application for exploration of its Patterson Lease in the N. E. ¼ of section 30, T25N, R30W, Newton County, Missouri.

This lease lies between the Federal Moss and the Patterson mine and the applicant feels that it can be as productive as these two mines have been. The applicant proposes to drill 12 holes, 270 feet deep to develop this ore. He says he has already spotted six holes and the other six will be spotted according to the evidence received from the first six holes drilled.

His exploration costs are as follows:

12 holes-270 ft. deep=3,240 ft. @ $2.00 per ft.=	$6,480
Engineering consulting, 2 days per month @ $50.00 per day=	300
Supervision, engineering, sampling =	1,372
Total cost of project----------	$8,152

I recommend that this application be referred to the regional field team before it is signed.

H. E. Olund

H. E. Olund

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
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H. E. Olund

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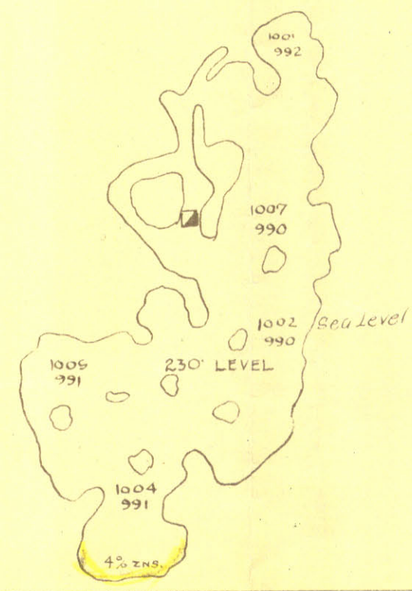
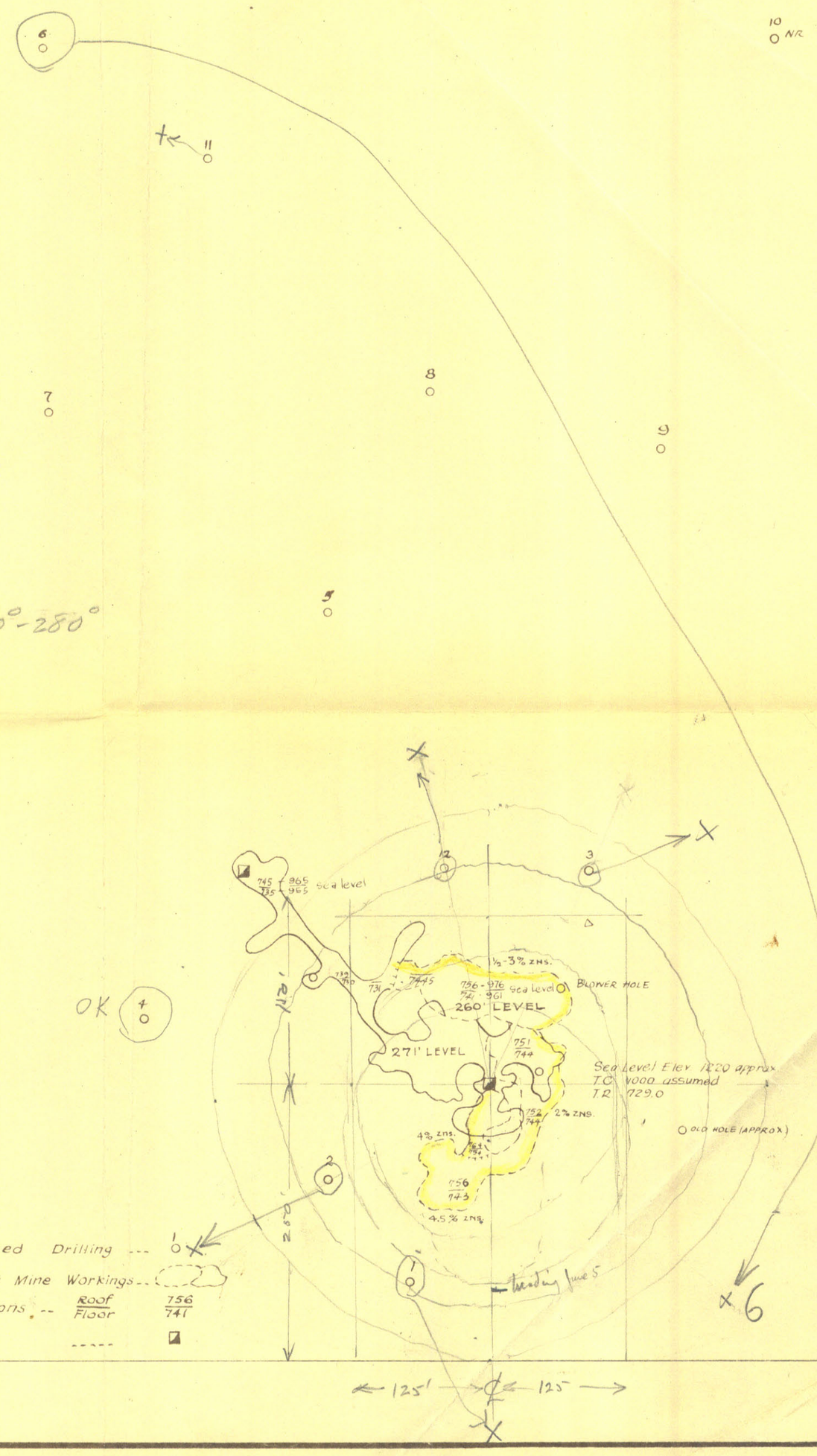


FEDERAL MOSS MINE

CLARK LEASE



6 holes each
300' from shaft
340° - 40° - 100° - 160° - 220° - 280°

DALE MINING CO.
Dennis Patterson Lease
in the NW 1/4 of NE 1/4 of
Sec. 30-Twp 25 N-R 30 W, Newton Co., Mo.
Scale 1" = 100 ft. March 19, 1952
WILLIAM M. STEWART Eng. Co., Joplin, Mo.

Proposed Drilling --- 1
Present Mine Workings --
Elevations -- Roof 756 / Floor 741
Shafts -----

MINING LEASE

THIS INDENTURE, Made this .... day of May 19 51 by and between Dennis Patterson and Mary V. Patterson, his wife

hereinafter (whether one or more) referred to as Lessor, and Dale Mining Company, a partnership hereinafter referred to as Lessee.

WITNESSETH, 1. That in consideration of the covenants and agreements hereinafter set out, to be kept and performed by Lessee, Lessor does hereby lease unto Lessee for prospecting and mining for lead and zinc ores, for ten years from the date hereof, the following described land (for the purposes hereof considered as one parcel) situated in Newton County, State of Missouri to-wit:

All of the Northeast Quarter (NE¼)

of Section 30, Township 25, Range 30, and containing .... acres, more or less.

2. The Lessor hereby gives and grants unto Lessee, for said term, the exclusive right and license to prospect and mine said land for lead and zinc ores, together with the right and license to prepare for market on said premises and remove and sell all lead and zinc concentrates produced from said ores, with the right to construct buildings or other structures and to make excavations, openings, stockpiles, dumps, ditches, drains, roads, tracks, and other improvements upon said premises, including the use of water in said operations, and to place such machinery thereon as Lessee may deem necessary for efficiently prospecting and mining said land and treating the ores mined therefrom, with the right in Lessee to remove all property so placed thereon at any time during the term hereof or within one year after the termination of this lease.

3. IN CONSIDERATION WHEREOF, Lessee agrees to pay unto Lessor at First National Bank, at Neosho, State of Missouri, on or before the tenth (10th) day of each month, a royalty of Six (6) per centum of the gross sale price of all the lead and zinc concentrates produced and sold from said land during the preceding month with the privilege to Lessee to consume such concentrates and pay Lessor said percentage of the market price thereof as royalty thereon. For the protection of the Lessor and to the end that there may be no dispute as to the market price of concentrates so consumed, it is expressly agreed that if Lessor be not satisfied with the market price used in making royalty settlements, Lessor shall have and hereby agrees to take said percentage of said concentrates, or concentrates of like quality, in lieu of said royalty, at the bins where stored and further agrees to give written notice at once in the event Lessor is not satisfied as aforesaid.

"Lead and Zinc Concentrates" is hereby defined to mean the saleable zinc and/or lead minerals as recovered at the mill or concentrating plant where treated, including, in addition to lead or zinc, any and all other metals or elements contained in such concentrates, whether or not such metals or elements, by presently known or by future discovered methods of recovery, are valuable.

For the purpose of royalty payments the sale price shall include any premium money received from any governmental agency, up to but not exceeding the amount of premium money on which royalty may be paid under law or valid regulation issued by any governmental agency having jurisdiction thereof.

4. Lessor agrees to pay Lessor's proportionate part of any taxes assessed or levied by the State in which said lands are located or any subdivision thereof, or by the Federal Government against the ores and/or concentrates produced from the lands covered hereby.

5. The Lessee will keep accurate books showing quantities and kinds of concentrates produced from said lands, and sold or consumed, when and to whom sold, and the money received from sales and such books of account shall be open to inspection by Lessor at all reasonable hours.

6. All mining operations shall be carried on in a miner-like and workman-like manner and may be conducted by shaft and underground tunnels or excavating in the manner known as strip or open-pit mining, and in the event of any strip or open-pit mining Lessee shall not be liable for damages done to the surface of said lands on account of such mining.

7. It is further understood and agreed that all ores mined from the lands covered hereby may be cleaned and prepared for market on this or other lands within or without the local area within which the lands covered hereby are located, as may be deemed desirable by Lessee, as an independent operation, or in a mill or mills in which other ores are being treated, commonly referred to as a central concentrating plant and that such plant or plants may be located on these lands, with the right to treat ores from other lands therein. If said central concentrating plant shall be equipped with automatic weighing and sampling devices, then such ores shall be weighed, assayed, treated, handled and concentrates determined, sold and accounted for in the manner which is now or may hereafter be established as standard method and practice thereat. If said central plant shall not be equipped with automatic weighing and sampling devices, then the ores mined from the lands covered hereby shall not be commingled with ores from other lands before or during milling, nor shall any concentrates recovered therefrom be commingled with the concentrates recovered from ores from other lands, and said concentrates shall be sold and accounted for separately from any other concentrates.

8. If ores and rock from the lands covered hereby are milled on other lands the tailings, rock and other by-products resulting therefrom shall belong to the owner of such other lands or of the lands upon which same are deposited, and if ores and rock from this or other lands are milled upon the lands, covered hereby all such materials shall belong to Lessor, provided, however, Lessee shall at all times during the life of this lease have the right to remill said tailings and other by-product materials, and during the period of such remilling operation Lessee shall be relieved from the obligation to conduct prospecting or mining operations, and provided further, Lessee shall at all times during said period have the right to remove and sell said tailings and other by-product materials upon the payment of a royalty at the rate above specified on all such sales.

9. Lessee shall have the right to use underground tunnels or drifts for haulage-ways of ores from other lands and to remove ores and minerals mined on the lands covered hereby through a shaft or shafts on adjoining lands and to hoist ores and minerals mined on adjoining lands through a shaft or shafts on this land, provided the ores and minerals mined on the lands covered hereby shall not be commingled with other ores and minerals except as above provided.

10. The Lessor shall have the right to enter upon said land for the purpose of inspection and examination, not unnecessarily interfering with the prospecting and mining operations of Lessee.

11. The Lessee shall commence prospecting or mining upon said lands within 90 days from the date hereof. Such prospecting or mining shall be carried on continuously and shall not be suspended at any time for longer than thirty days except on account of unavoidable accidents, strikes or other conditions beyond the control of Lessee, and except that when the sale value of the concentrates produced from said premises is such that mining thereof cannot be profitably carried on by Lessee, operations may be suspended until prices improve so that mining can be profitably conducted; provided, suspensions of operations for said last mentioned cause shall not continue longer than six (6) months without the written consent of Lessor.

12. If prospecting or mining operations should not be commenced on said land within the time hereinbefore provided and Lessee shall pay or tender to Lessor the sum of $........ in the manner hereinafter provided, such payment or tender shall operate as a rental for three (3) months from and after the period of time last above stated, and the same shall also cover the right and privilege in the Lessee to defer the commencing of said prospecting or mining operations for and during the said three (3) months period. In like manner and upon like payments or tenders, the commencement of prospecting or mining operations may be further deferred or suspended after having been commenced, for like periods, successively during the term of .... years from the date hereof. All rentals due hereunder may be paid by Lessee's check mailed, postage prepaid, to Lessor at .... or its successors for Lessor's credit, on or before the date any such rentals shall become payable........ or to the bank hereinbefore mentioned.

Said bank, or such other bank as Lessor may in writing hereafter designate and its successors by power irrevocable is hereby made the agent of Lessor to accept all rentals and royalties herein provided for, and the same shall continue as a depository of such royalties or rentals during the life of this lease regardless of changes of ownership of said land or of said rentals or royalties.

13. Lessee shall furnish Lessor a true copy of the log of each drill hole put down on said land by Lessee, showing any assays made of cuttings therefrom, and shall, upon request of Lessor, furnish print of any underground workings on said land.

14. After the expiration of the term hereinbefore fixed, this lease shall continue in force and effect so long thereafter as ore shall be produced therefrom by the Lessee, or Lessee shall continue prospecting or mining operations on said land or any part thereof, in good faith.

15. Lessor hereby warrants and agrees t[illegible]nd the title to the lands herein described, and agrees that [illegible]essee shall have the right, at any time, to redeem for Lessor by payment, any mortgages, taxes or o[illegible] liens on the above described lands, in event of default of pa[illegible]ment by Lessor, and be subrogated to the rights of the holder thereof.

16. Lessee shall pay for damages caused by operations hereunder to growing crops and/or any improvements on said land.

17. In case of failure of Lessee to keep and perform the terms of this lease, Lessor may give thirty days' written notice of the violation complained of, and if such violation or default is not removed within said period this lease shall thereupon terminate, at the option of the Lessor which remedy shall be exclusive.

18. The Lessee may at any time, if Lessee desires to do so, pay all royalties then due, surrender and terminate this lease by giving seven days' written notice of intention so to do and thereupon Lessee shall be relieved from all obligations hereunder, with like effect as if this lease had not been made.

19. The terms and conditions of this lea[illegible]l be binding upon and inure to the benefit of the heirs, succes[illegible]gal representatives and assigns of the parties hereto.

20. When the operating profits from mining on said premises shall equal the investment of lessee in the development and equipment of said property, then thereafter the royalty shall be Seven per cent (7) instead of Six per cent (6), as above stated.

21. In the event lessee shall desire to acquire mining rights on any other lands in said County now owned by lessor or acquired by them during the term of this lease, lessor agrees to lease the same to lessee on the same terms and at the same royalty as herein set out.

IN WITNESS WHEREOF, the parties hereto have duly executed this indenture the day and year first above written,

Dennis Patterson

Mary V. Patterson

Lessor

DALE MINING COMPANY, partnership

By Gerald Kleppinger

A Partner

Lessee

MISSOURI FORM OF ACKNOWLEDGMENT

STATE OF Missouri }
COUNTY OF Newton } ss.

BE IT REMEMBERED, That on this 19th day of October, 19 51, before me personally appeared Dennis Patterson and Mary V. Patterson to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in said county the day and year last above written.

My term expires Apr. 27, 1955

O. M. Lapping, Notary Public.

KANSAS FORM OF ACKNOWLEDGMENT

STATE OF .... }
COUNTY OF .... } ss.

BE IT REMEMBERED, That on this .... day of ...., 19...., before me a Notary Public in and for the County and State aforesaid, came .... and .... who are personally known to me to be the same persons who executed the foregoing instrument of writing, and who duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the year and day last above written.

My commission expires ....

.... Notary Public.

OKLAHOMA FORM OF ACKNOWLEDGMENT

STATE OF .... }
COUNTY OF .... } ss.

Before me, Notary Public, in and for said County and State, on this .... day of ...., 19...., personally appeared .... and .... his wife, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged that .... executed the same as .... free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal upon the date last above written.

My commission expires ....

.... Notary Public.

No. 3141

MINING LEASE

RECORDED

FROM Patterson

INDEXED

COMPARED

TO Dale Mining Co.

Dated .... 19....

Section .... Township .... Range ....

County ....

No. Acres ....

STATE OF Missouri }
COUNTY OF Newton } ss.

This instrument was filed on record on the 28th day of November, 19 51 at 1:30 o'clock P.M., and duly recorded in Book 200 Page 213 of the records of this office.

Circuit Clerk & Ex-Officio Recorder

By Fern O. Hurn Deputy.

When recorded Return to 811 Kentland Drive

Dale Kleppinger
811 Kentland Drive
Neosho, Mo.

5.50 PD

STATE OF MISSOURI, }
County of Newton } ss.

IN THE RECORDER'S OFFICE

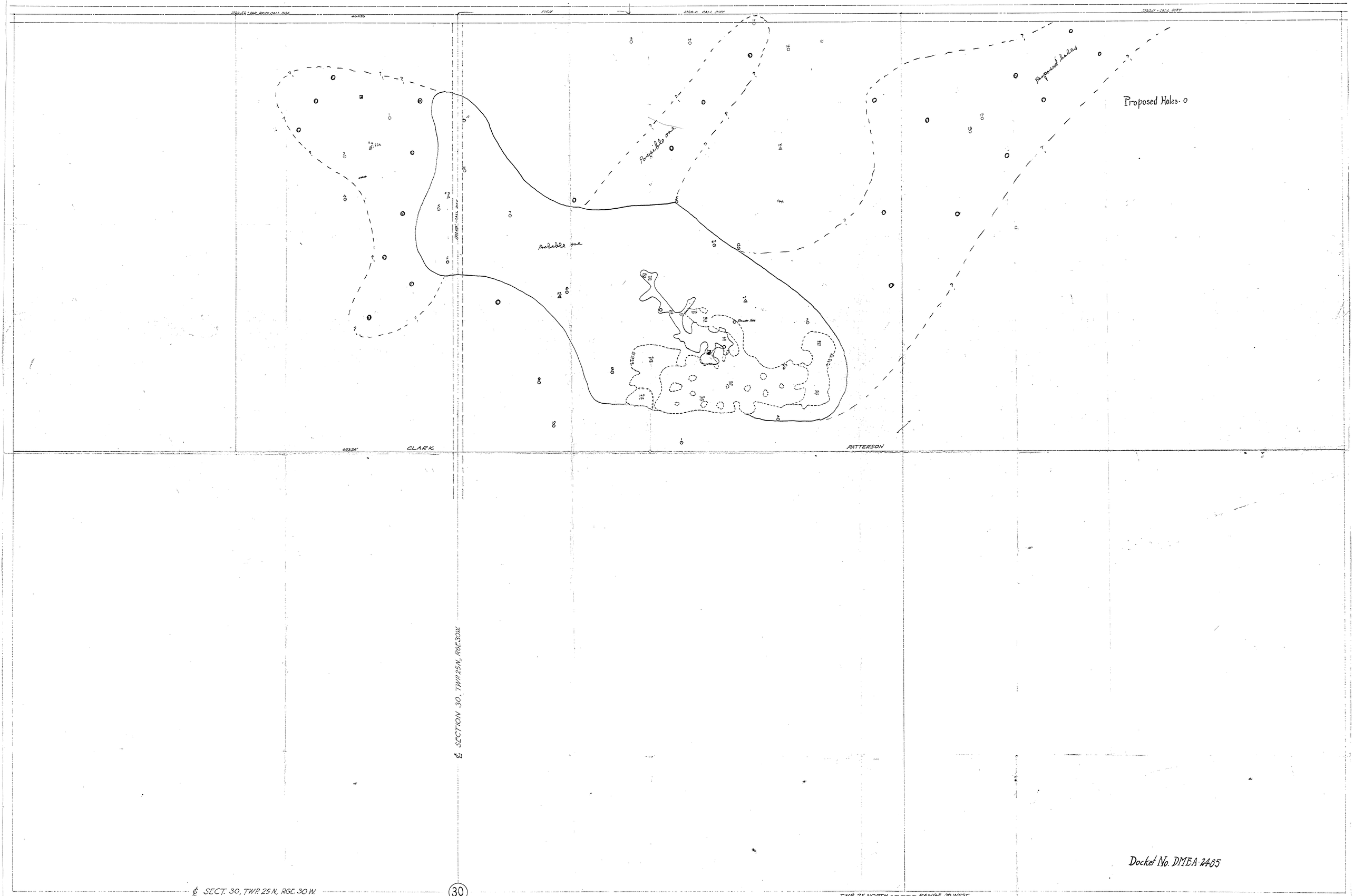
I, Glenn Morgan, Ex-Officio Recorder of Deeds within and for the county aforesaid, do certify that the instrument of writing hereto attached, with the certifica[illegible]hereon was filed for record in my o[illegible] on the 28th day of November, 19 51, at 1 o'clock and 30 minutes P. M., and that the same is duly recorded in said office, in Book 200 at Page 213.

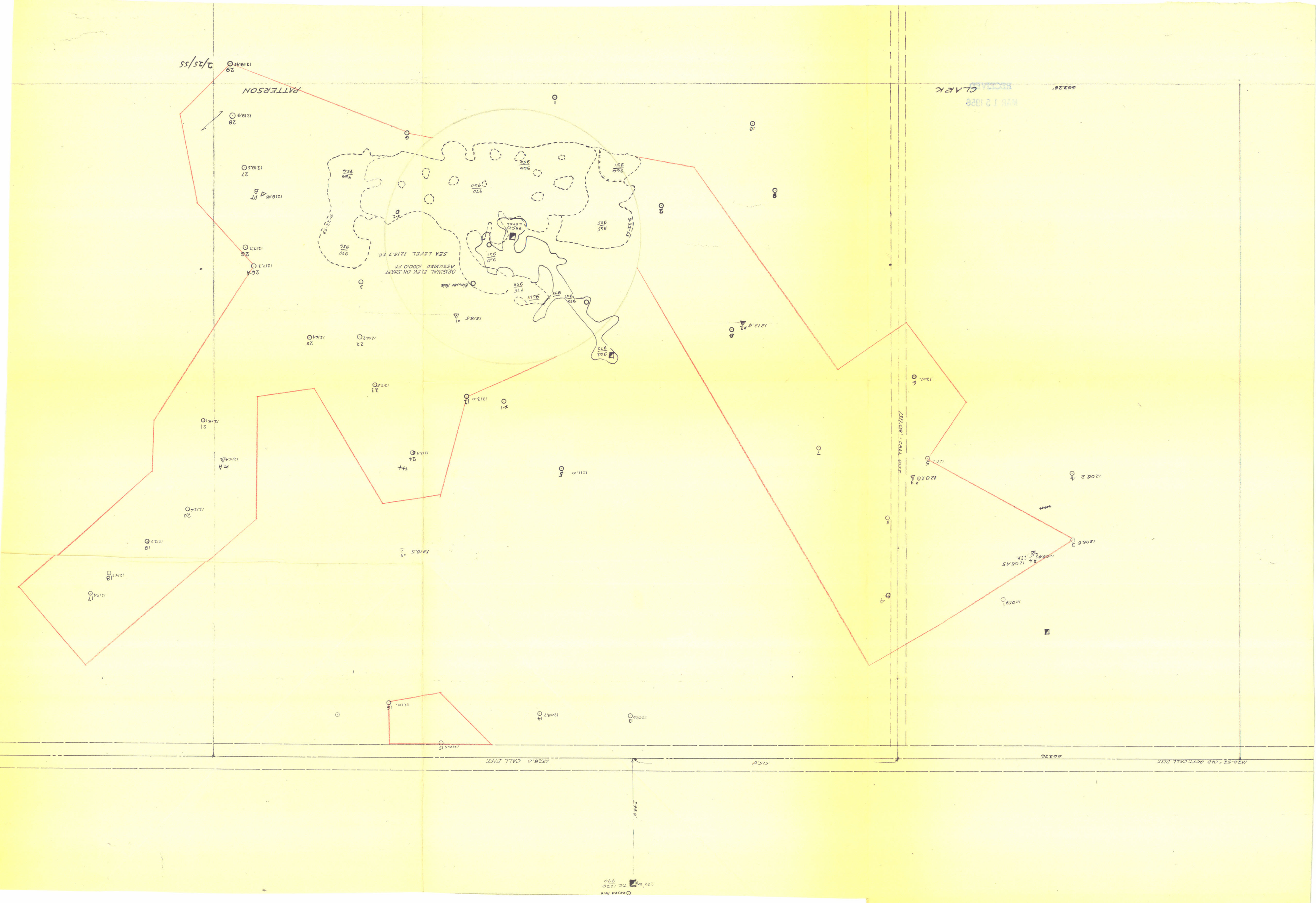
In Witness Whereof, I have hereunto set my hand and affixed the seal of said office.

Done at office in Neosho, Mo, this 29th day of November, 19 51.

Glenn Morgan, Circuit Clerk & Ex-Officio Recorder of Deeds

By Fern O. Hurn, Deputy


1326.55' OLD BOYT CALL DIST.
66436'
516.0'
1328.0' CALL DIST.
1320.0' CALL DIST.
Possible ore
Possible ore
Proposed holes
Proposed Holes - o
Shaver Hole
66326'
CLARK
PATTERSON
℄ SECTION 30, TWP. 25N, RGE. 30W.
℄ SECT. 30, TWP. 25 N, RGE. 30 W.
30
TWP. 25 NORTH - - - - RANGE 30 WEST
NEWTON CO., MISSOURI
Docket No. DMEA-2485
DALE MINING CO.
THE CLARK & PATTERSON LEASES
SCALE 1" = 100'
APRIL - 1954
William M. Stewart Eng. Co
JOPLIN, MO.


CLARK
PATTERSON
2/25/55
ORIGINAL ELEV ON SHAFT ASSUMED 1000.0 FT
SEA LEVEL 1216.7 TC
Blower hole
1228.0 CALL DIST
1228.54 = OLD GOVT CALL DIST
Access hole

MINING LEASE

May 51

THIS INDENTURE, Made this _____ day of _____ 19 _____ by and between Dennis Patterson and Mary V. Patterson, his wife

Dale Mining Company, a partnership

hereinafter (whether one or more) referred to as Lessor, and _____ hereinafter referred to as Lessee.

WITNESSETH, 1. That in consideration of the covenants and agreements hereinafter set out, to be kept and performed by Lessee, Lessor does hereby lease unto Lessee for prospecting and mining for lead and zinc ores, for ten years from the date hereof, the following described land (for the purposes hereof considered as one parcel) situated in Newton County, State of Missouri to-wit:

All of the Northeast Quarter (NE¼)

of Section 30, Township 25, Range 30, and containing _____ acres, more or less.

2. The Lessor hereby gives and grants unto Lessee, for said term, the exclusive right and license to prospect and mine said land for lead and zinc ores, together with the right and license to prepare for market on said premises and remove and sell all lead and zinc concentrates produced from said ores, with the right to construct buildings or other structures and to make excavations, openings, stockpiles, dumps, ditches, drains, roads, tracks, and other improvements upon said premises, including the use of water in said operations, and to place such machinery thereon as Lessee may deem necessary for efficiently prospecting and mining said land and treating the ores mined therefrom, with the right in Lessee to remove all property so placed thereon at any time during the term hereof or within one year after the termination of this lease.

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5. The Lessee will keep accurate books showing quantities and kinds of concentrates produced from said lands, and sold or consumed, when and to whom sold, and the money received from sales and such books of account shall be open to inspection by Lessor at all reasonable hours.

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10. The Lessor shall have the right to enter upon said land for the purpose of inspection and examination, not unnecessarily interfering with the prospecting and mining operations of Lessee.

11. The Lessee shall commence prospecting or mining upon said lands within 90 days from the date hereof. Such prospecting or mining shall be carried on continuously and shall not be suspended at any time for longer than thirty days except on account of unavoidable accidents, strikes or other conditions beyond the control of Lessee, and except that when the sale value of the concentrates produced from said premises is such that mining thereof cannot be profitably carried on by Lessee, operations may be suspended until prices improve so that mining can be profitably conducted; provided, suspensions of operations for said last mentioned cause shall not continue longer than six (6) months without the written consent of Lessor.

12. If prospecting or mining operations should not be commenced on said land within the time hereinbefore provided and Lessee shall pay or tender to Lessor the sum of $ _____ in the manner hereinafter provided, such payment or tender shall operate as a rental for three (3) months from and after the period of time last above stated, and the same shall also give the right and privilege to the Lessee to defer the commencing of said prospecting or mining operations for and during the said three (3) months period. In like manner and upon like payments or tenders, the commencement of prospecting or mining operations may be further deferred or suspended after having been commenced, for like periods, successively during the term of _____ years from the date hereof. All rentals due hereunder may be paid by Lessee's check mailed, postage prepaid, to Lessor at _____ or to the bank hereinbefore mentioned, or its successor, or Lessor's credit on or before the date any such rentals shall become payable.

Said bank, or any other bank as Lessor may in writing hereafter designate and its successors by power irrevocable is hereby made the agent of Lessor to accept all rentals and royalties herein provided for, and the same shall continue as a depository of such royalties or rentals during the life of this lease regardless of changes of ownership of said land or said rentals or royalties.

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16. Lessee shall pay for damages caused by operations hereunder to growing crops and/or any improvements on said land.

17. In case of failure of Lessee to keep and perform the terms of this lease, Lessor may give thirty days' written notice of the violation complained of, and if such violation or default is not removed within said period this lease shall thereupon terminate, at the option of the Lessor which remedy shall be exclusive.

18. The Lessee may at any time, if Lessee desires to do so, pay all royalties then due, surrender and terminate this lease by giving seven days' written notice of intention so to do and thereupon Lessee shall be relieved from all obligations hereunder, with like effect as if this lease had not been made.

19. The terms and conditions of this lease shall be binding upon and inure to the benefit of the heirs, successors, legal representatives and assigns of the parties hereto.

20. When the operating profits from mining on said premises shall equal the investment of lessee in the development and equipment of said property, then thereafter the royalty shall be Seven per cent (7) instead of Six per cent (6), as above stated.

21. In the event lessee shall desire to acquire mining rights on any other lands in said County now owned by lessor or acquired by them during the term of this lease, lessor agrees to lease the same to lessee on the same terms and at the same royalty as herein set out.

IN WITNESS WHEREOF, the parties hereto have duly executed this indenture the day and year first above written,

Dennis Patterson

Mary V. Patterson

Lessor

DALE MINING COMPANY, partnership

By Gerald Klepinger

A Partner

Lessee

MISSOURI FORM OF ACKNOWLEDGMENT

STATE OF Missouri }
COUNTY OF Newton } SS.

BE IT REMEMBERED, That on this 18th day of October, 19 51, before me personally appeared Dennis Patterson and Mary V. Patterson to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in said county the day and year last above written.

My term expires Apr. 27, 1955 _____ Notary Public.

KANSAS FORM OF ACKNOWLEDGMENT

STATE OF _____ }
COUNTY OF _____ } SS.

BE IT REMEMBERED, That on this _____ day of _____, 19 _____, before me a Notary Public in and for the County and State aforesaid, came _____ and _____ who are personally known to me to be the same persons who executed the foregoing instrument of writing, and who duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the year and day last above written.

My commission expires _____ _____ Notary Public.

OKLAHOMA FORM OF ACKNOWLEDGMENT

STATE OF _____ }
COUNTY OF _____ } SS.

Before me, Notary Public, in and for said County and State, on this _____ day of _____, 19 _____ personally appeared _____ and _____ his wife, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged that _____ executed the same as _____ free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal upon the date last above written.

My commission expires _____ _____ Notary Public.

RECORDED
FROM
NO. 3141
MINING LEASE
Patterson
to
Dale Mining Co.
INDEXED
COMPARED

Dated _____ 19 _____
Section _____ Township _____ Range _____
County _____
No. Acres _____

STATE OF Missouri }
COUNTY OF Newton } SS.

This instrument was filed on record on the 28th day of November 19 51 at 1:30 o'clock P.M., and duly recorded in Book 200 Page 213 of the records of this office.

Circuit Clerk & Ex-Officio Recorder.
By Lerm A. Hurst, Deputy.

When recorded _____
Return to Eli Kentland Drive, Neosho, Mo.

Duke Abstract & Title Co. Inc. 24-4-13-1500
Duke Abstract & Title Co.
611 Kentland Drive
Neosho, Mo.

STATE OF MISSOURI, }
County of Newton } SS. IN THE RECORDER'S OFFICE

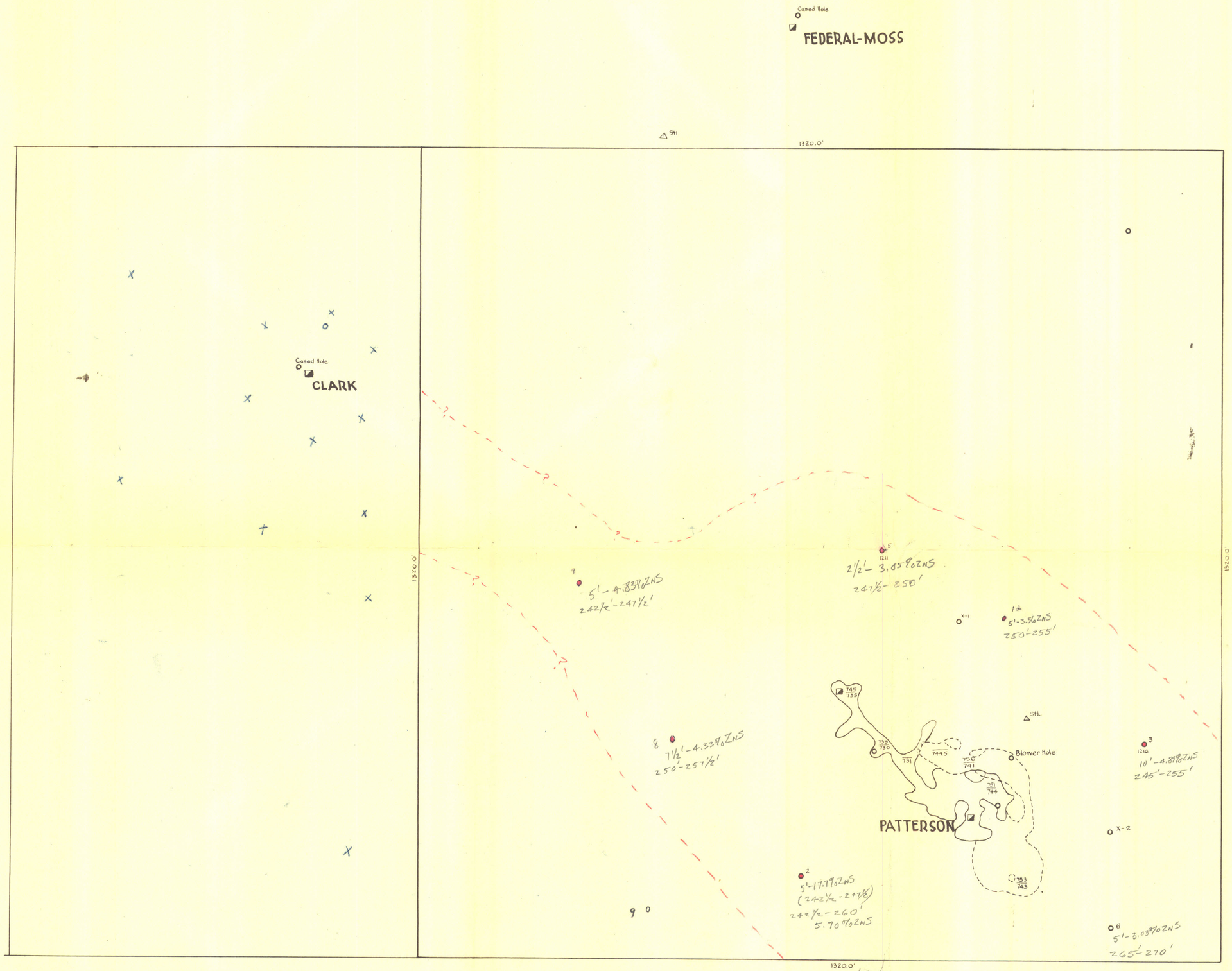
I, Glenn Morgan, Ex-Officio Recorder of Deeds within and for the county aforesaid, do certify that the instrument of writing hereto attached, with the certificate thereon was filed for record in my office on the 28th day of November, 19 51, at 1 o'clock and 30 minutes P. M., and that the same is duly recorded in said office, in Book 200 at Page 213.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said office.

Done at office in Neosho, Mo, this 29th day of November, 19 51.

Glenn Morgan, Circuit Clerk & Ex-Officio Recorder of Deeds

By Lerm A. Hurst, Deputy

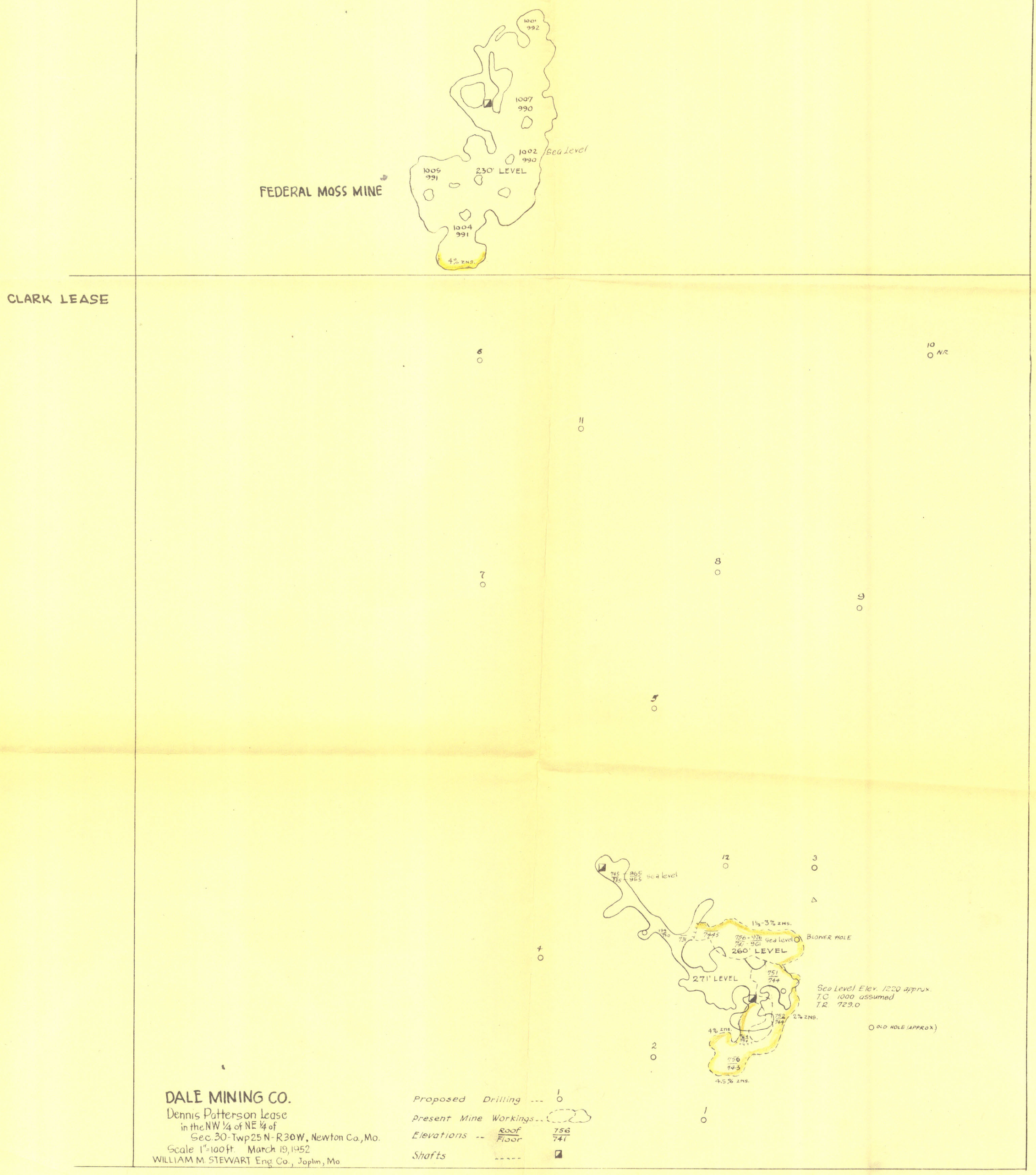


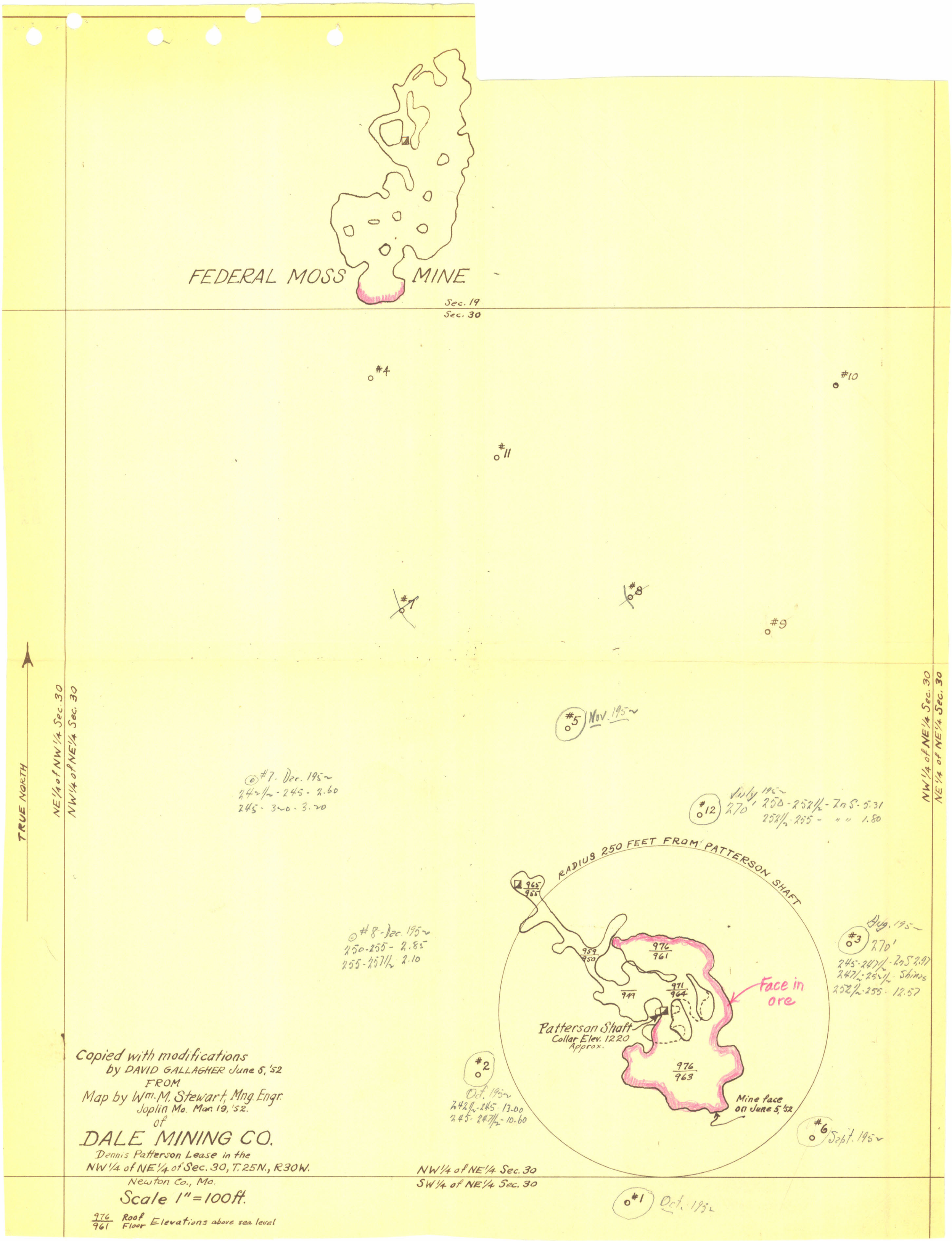
PATTERSON LEASE

in the NW ¼ of Sec. 30, T25N, R31W
Newton County, Mo.

Scale: 1"=100' January, 1953

WILLIAM M. STEWART ENG. CO.
Joplin, Mo.


1001
992
1007
990
1002
990
Sea Level
1009
991
230' LEVEL
FEDERAL MOSS MINE
1004
991
4% ZNS.
CLARK LEASE
6
10
NR
11
7
8
9
5
N
12
3
4
2
1
745
735
965
965
Sea level
1½-3% ZNS.
756-976
741-961
Sea Level
BLOWER HOLE
260' LEVEL
271' LEVEL
751
744
Sea Level Elev. 1220 approx.
T.C. 1000 assumed
T.R. 729.0
752
744
2% ZNS.
OLD HOLE (APPROX)
4% ZNS.
756
743
4.5% ZNS.
DALE MINING CO.
Dennis Patterson Lease
in the NW ¼ of NE ¼ of
Sec. 30-Twp 25 N-R 30 W, Newton Co., Mo.
Scale 1"=100 ft. March 19, 1952
WILLIAM M. STEWART Eng. Co., Joplin, Mo.
Proposed Drilling --- 1
Present Mine Workings --
Elevations -- Roof 756 / Floor 741
Shafts -----



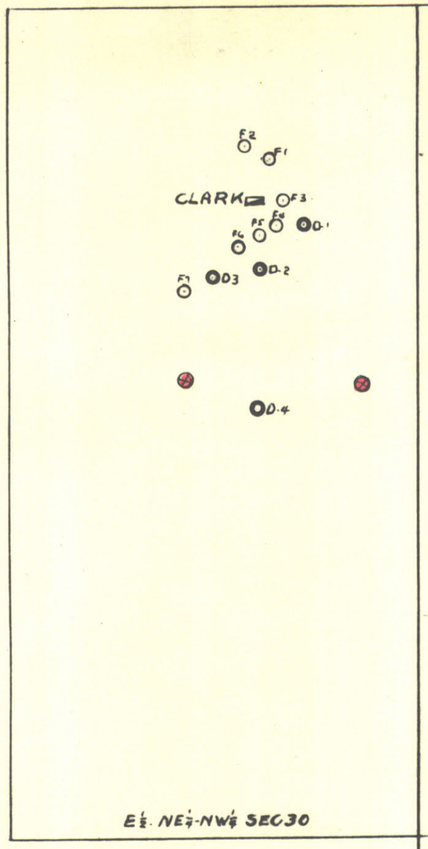
Copied with modifications
by DAVID GALLAGHER June 5, '52
FROM
Map by Wm. M. Stewart, Mng. Engr.
Joplin Mo. Mar. 19, '52.
of

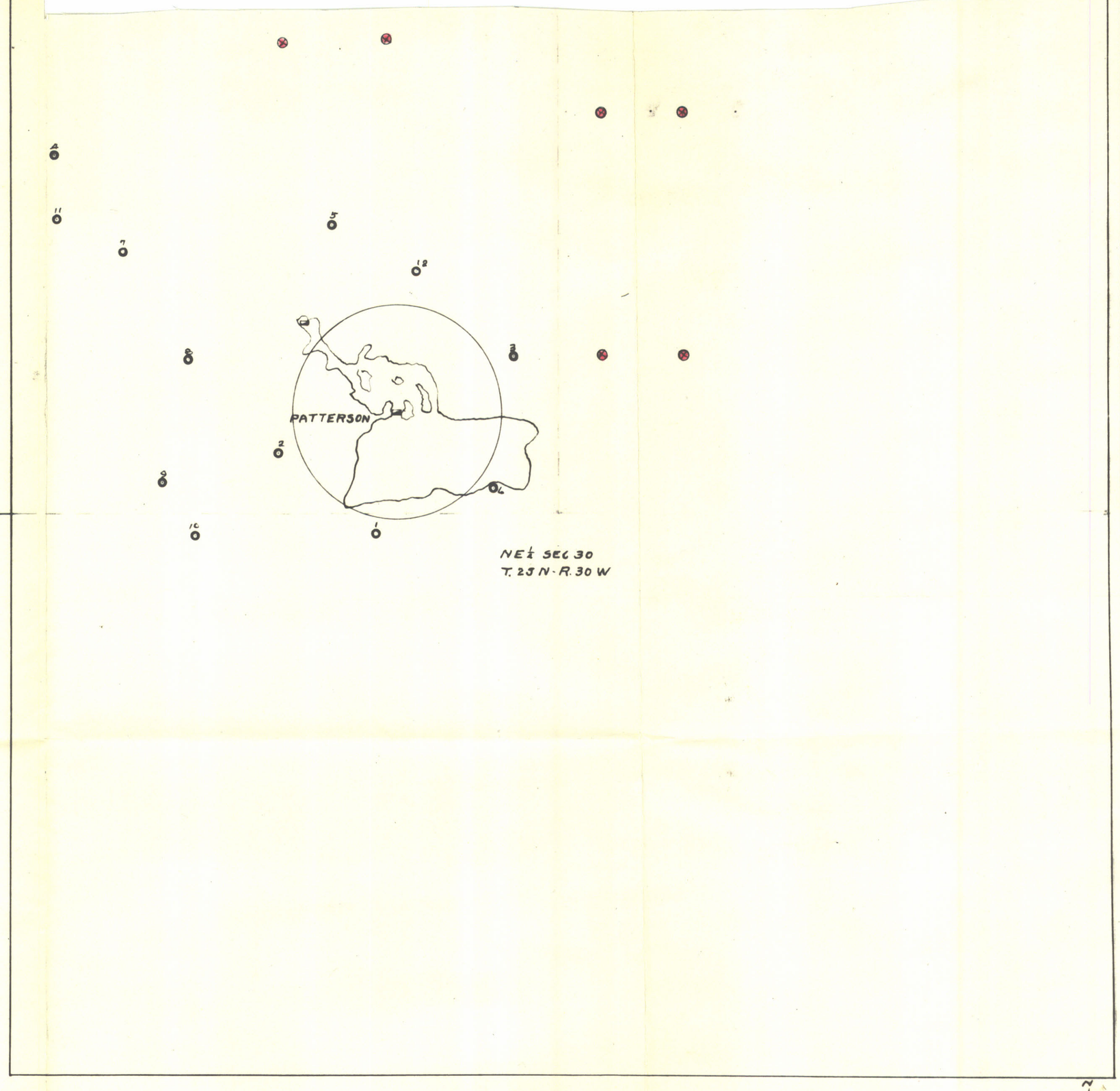
DALE MINING CO.

Dennis Patterson Lease in the
NW¼ of NE¼ of Sec. 30, T. 25N., R30W.
Newton Co., Mo.

Scale 1" = 100 ft.

976/961 Roof/Floor Elevations above sea level





DALE MINING COMPANY

NE¼ & E½-NE¼-NW¼ Sec 30, T. 25 N, R. 30 W

NEWTON COUNTY, MO.

SCALE

0 200' 400'

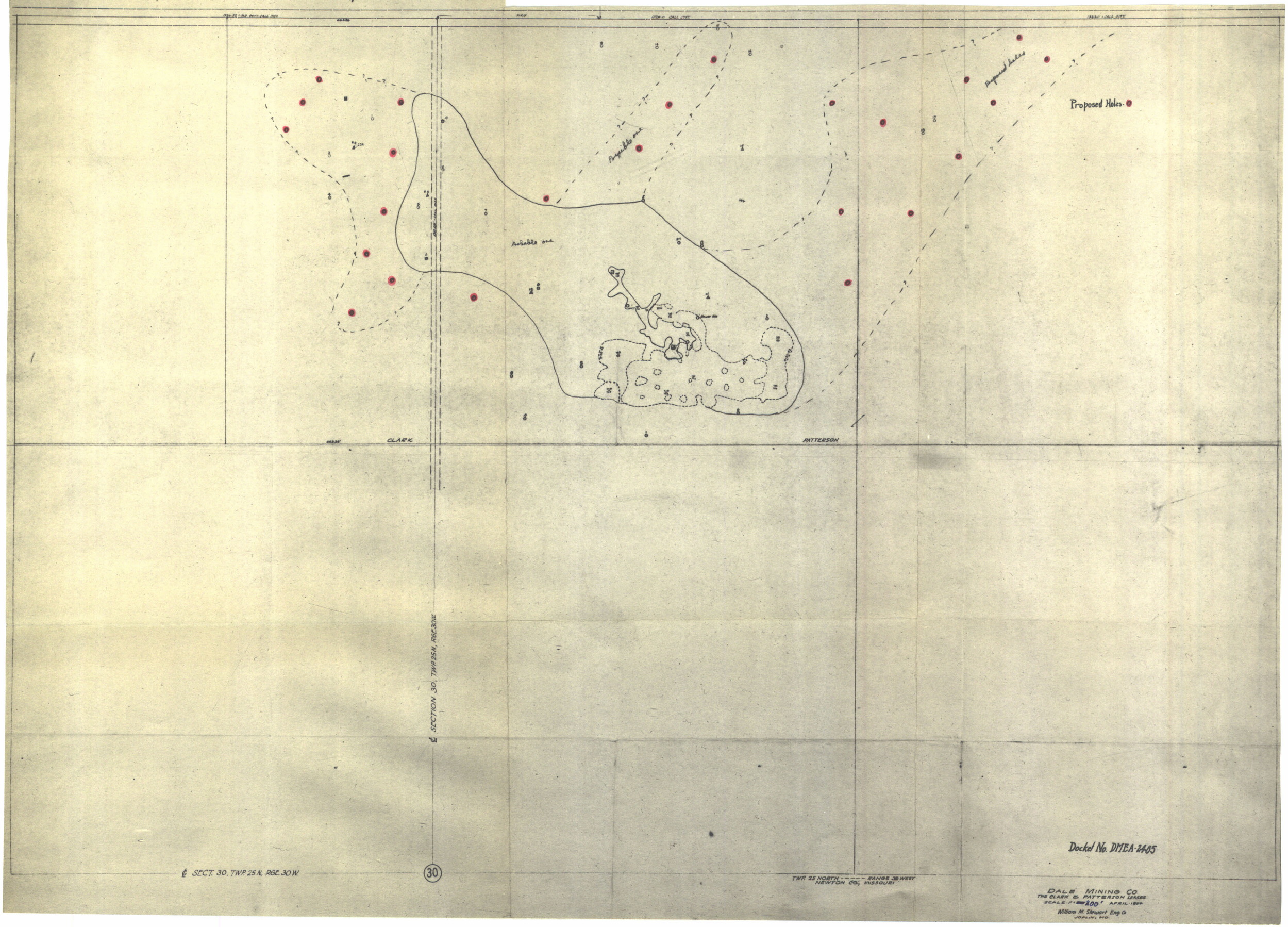
LEGEND:

- EARLIER DRILLING
- DMEA DRILLING
- PROPOSED NEW LOCATIONS

DMEA DOCKET No 2485
IUME 325

N

Docket No. DMEA-2485, Contract No. IUm-E 325


Proposed Holes
Possible ore
Possible ore
Proposed holes
CLARK
PATTERSON
℄ SECTION 30, TWP. 25 N, RGE. 30 W.
℄ SECT. 30, TWP. 25 N, RGE. 30 W.
30
TWP. 25 NORTH ----- RANGE 30 WEST
NEWTON CO., MISSOURI
Docket No. DMEA-2485
DALE MINING CO
THE CLARK & PATTERSON LEASES
SCALE 1" = 100' APRIL 1984
William M. Stewart Eng. Co
JOPLIN, MO.